

ICC Board of Directors Meeting—Wednesday, July 30th, 2008 8pm @ House of Commons-2610 Rio Grande

Start	End	Agenda Item	Presenter	Board Action
8:00	8:10	Member Time	ICC Members	Hear and Respond
8:10	8:15	Agenda Review	Barbara Varian	Discuss
8:15	8:15	Consent Agenda	Christa Kimmel	Vote
8:15	8:20	July Board Minute Approval	Barbara Varian	Discuss, Vote
8:20	8:35	Mattress Policy Proposal	Lee Blaney	Discuss, Vote
8:35	8:40	Co-op Fest Update	Jessica Boyd	Hear and Respond
8:40	8:50	Break	All	Enjoy!
8:50	9:30	Staff Salary Consideration Discussion	Billy	Discuss
9:30	9:40	Staff Reports	Staff	Hear and Respond
9:40	9:45	Committee Reports	Coordinators	Hear and Respond
9:45	9:50	House Reports	House Reps	Hear and Respond
9:50	9:55	Action Item Review	Barb Varian	Hear and Respond
9:55	10:00	August Meeting Agenda	ALL	Discuss
10:00	10:02	Assign Action Items	Board	Assign
10:02	10:05	Meeting Evaluation	ALL	Discuss
10:05		Adjourn	All	Leave! :-)

ICC's Board of Directors (elected by the membership)

House Representatives to the Board	<ol style="list-style-type: none"> 1. Jake Gleghorn of House of Commons Co-op, houseofcommons-boardrep@iccaustin.coop 2. Annie Yang of Seneca Board Rep of Seneca Falls Co-op, sf-boardrep@iccaustin.coop 3. Neshtikin Byram of Avalon Co-op, av-boardrep@iccaustin.coop 4. Helen Kuncicky of Royal Co-op, ro-boardrep@iccaustin.coop 5. Renee Schnoering of Helios Co-op, he-boardrep@iccaustin.coop 6. Seth Nowlin of New Guild Co-op, ng-boardrep@iccaustin.coop 7. Courtney Martinez of Arrakis Co-op, ar-boardrep@iccaustin.coop 8. Corey Peterson of the Ernest M. Eden Co-op, ed-boardrep@iccaustin.coop 9. Vacant of French House Co-op, fr-boardrep@iccaustin.coop
ICC-wide officers	<ol style="list-style-type: none"> 10. Jessie Conover, Board Coordinator, boardcoord@iccaustin.coop 11. Barb Varian, Committee Coordinator, comcoord@iccaustin.coop 12. Vacant, Education Coordinator, edcoord@iccaustin.coop 13. Lee Blaney, Facilities Coordinator, faccoord@iccaustin.coop 14. Helen Huncicky, Financial Coordinator, fincoord@iccaustin.coop 15. Kim Lu, Membership Coordinator memcoord@iccaustin.coop 16. Matt Ely, Future Asset Development Coordinator fadcoord@iccaustin.coop
Community Trustees	<ol style="list-style-type: none"> 17. Mike Jurkash, mike@skylightliving.com 18. Franke Smith, Frankelsmith@mail.utexas.edu
ICC Staff:	
Billy Thogersen:	Facilities Administrator billyt@iccaustin.coop
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---JUNE MEETING MINUTES---

ICC Board Meeting June 25th, 2008

*Discussion items marked with an * were approved by a vote*

Attending:

House Board Representatives:

Jake
Helen
Seth
Courtney
Lauren
Nesh
Corey
Annie

ICC Officers:

Barb Varian
Helen Huncicky
Lee Blaney

Community Trustees:

Franke Smith
Mike Jurkash

ICC Staff:

Brian Donovan

General Members:

Andrew (New Guild)
Josh (HOC)

Also Attending: Josh from Corpus Christi who is attending because he is planning on starting a co-op in Corpus.

Introductions:

Member Time:

*Josh from House of Commons:

Josh came to the board to bring a proposal to ban the possession of pellet and BB Guns in ICC:

Josh: There was a letter that our trustee Dave sent out it's in the packet on this, basically a couple of weeks ago we were coming home, and the story is that our porch swing was stolen. We assumed it was New Guild because there's a supposed rivalry, which was before anyone in our house lived there. We saw it in there back yard, we went to the back to get our porch swing back and 2 guys came out one of them had a rifle. He came out with a rifle and stood on a table and told us not to take the swing. We didn't know who they were and it was really awkward because he had a gun, and we hoped it was a bb gun. They made the situation out to be that we were supposed to come back at night, like a game or something, and everyone at the house was kind of pissed because we just wanted it back. We got it back, but the point is theres a non-firearms policy in ICC and the one main thing I would like to know (I later found out they were BB guns), and I would like to know is that legal? And I would like the board rep of New Guild to know this is kind of a weird situation, and I don't know if the guy knew how awkward it was, and I just wondered if the board rep or trustee was aware of that. I would like to first know if BB guns are allowed.

Brian: We need to decide. The lawyer said we could define it as we see fit, it wouldnt need to be a proposal just a resolution.

Question and Answer:

Mike: Were they pointing it at you?

Josh: No.

Lauren: And they were definitely members?

Josh: Yes.

Corey: Is there a prohibition on just firearms, or is it weapons in general?

Brian: Firearms and ammunition, and the lawyer said we could define "firearms" but we need to communicate.

Helen: Did anyone feel threatened?

Josh: No, we decided it wasn't like that because we knew they were playing, but he did have a real weapon so it was awkward. So in addition to knowing it was illegal, I'd like him to know it was awkward.

Seth: Is this the first time this rivalry has been brought up in this environment?

Barb: Would you like the board to sponsor a proposal?

Josh: I would like the firearms policy to include BB guns.

Barb: What we need now is a proposal or a resolution from a board rep.

Nesh: Resolution to prohibit BB and pellet guns, because I think anything that can cause serious bodily injury (gun related) should be banned.

Lauren motioned to extend discussion time 5 minutes, Seth seconded.

Nesh: I propose that we include BB and pellet guns as fire arms.

Discussion:

Seth: We've been using BB guns to get rid of rats.

Andrew: I know them, and they meant no harm. There was no violence intended, the gun wasn't pointed at anyone, and it was just picked up off of the tables. I understand the reason but no threat was ever intended and no one has been harmed. I think it's unnecessary.

Lee: I think even though Josh said he didn't feel a threat, I've talked to some of the other people and they said they did feel threatened. I'd like to add to the proposal that the people involved apologize.

Nesh: I want that to be separate.

Brian: We probably replace 1/2 a dozen windows a year due to BB guns, so every year we replace windows from BBs. Also, demanding something with a weapon is assault, and if someone wants to press charges they could.

Barb: Any more discussion?

Helen motioned to vote, Corey seconded.

For: 6 Against: 3 Abstain: 1

Pelet guns and BB guns are now included under the firearms ban in ICC.

Rebecca Strong from House of Commons*:

Rebecca came before the board to ask that the ICC policy, which states that *if we have any vacancies people seeking to re-let have to find applicants that have not contacted ICC in the last 6 months* be overlooked in order for her to move in to HOC in the fall. She is a vegan, and thusly HOC is the only house she wants to move in to. Because she had contacted ICC within the last 6 months looking for a room, she was not eligible to re-let a room available at HOC. She came to the board to ask that the policy be waved in order for her to move in to HOC, even though she lives in ICC now. Jake proposed that she be allowed an exception to the rule so she can re-let from someone at HOC given they want to back out for the academic year. Jake also added that this policy was probably implemented when there was trouble filling the houses, and is archaic when the houses are full, and it was suggested that the Membership Committee work on a proposal to change this policy.

Lauren motioned to vote, Helen seconded.

For: 10 Against: 0 Abstain: 0

Rebecca will be allowed an exception to the policy (stated above) so she can re-let a room from someone at HOC, given they want to back out of their contract for the academic year.

(FYI from Brian: now we are full so the no contact in 6 months rule is suspended for everyone.)

Discussion of Meeting Procedures:

Barb went over meeting procedures, and got feedback on how she was planning on running the meetings.

New Procedures:

Lateral Stack: If someone says something and many people raise their hands to respond, Barb will call a "lateral stack", in which a substack is created and everyone who raised their hands will speak on what was originally said before the main stack is resumed. (happy hands)

Direct Response: A direct response occurs when someone asks a question, and an answer is given (the direct response). If you call "direct response" on something that is not a question, or if you are not providing an answer you will be cut off and added to the stack. You will also be cut off if you violate the stack or are repeating something which was stated before.

Consent Agenda: The consent agenda is a list of routine items on the agenda which people agree on and thusly don't need to be discussed. At the beginning of the meeting Barb will go over the items on the agenda, and if someone wants to discuss an item or objects to it being on the consent agenda it will not be added to the consent agenda. Once all items on the consent agenda are decided on, the board will vote for or against them and they will be removed from the agenda. (thumbs up)

Added Agenda Items:

The board will designate what they would like on the agenda for the next meeting (happy hands)

Meeting evaluations

Closings will be removed, and house reports will become a separate agenda item.

Agenda Review:

On the agenda, Proposal for 401K position definition needs to be voted on.

House reports were moved to after committee reports

***Consent Agenda*:**

Items on the consent agenda:

Proposal of 401K Trustee position definition

410K Trustee Appointment (given to Helen)

Committee Reports

No motions to vote

Vote to pass consent agenda

for: 9 against: 0 abstain: 1

***May Board Meeting Minutes Approval*:**

Changes to be made:

Under GA evaluation, anything where it says "we have admitted to violating the law" needs to be scratched completely.

Under Co-op fest discussion add "on campus" where it says "the last time we did coopfest", also mention that it was not hard to get organizations involved instead of people.

Where Billy is speaking and the minutes state the staff screens architects then takes the drawings to FAD Comm for review this is inaccurate. It needs to be changed to "staff will discuss it with the FAD Coordinator", which has already happened.

Helen motioned to vote on approving the minutes, Corey seconded.

For: 9 Against: 0 Abstain: 1

May minutes passed, pending changes mentioned.

Solar ICC:

Brooke Ferguson, a solar consultant from Meridian Energy Systems, came before the board to talk to them about the benefits of solar energy. At the moment, Austin has the best solar rebate plan in existence.

How solar energy works: In a grid-type situation, solar grids are installed and convert solar energy in to AC power which can be used in your house. When you are producing more energy than you are consuming, solar electricity feeds in to the citywide energy grid, setting up a bank with Austin Energy. This bank is then drawn from if you consume more energy than you produce. If the bank is never zeroed out, the city will apply it to other city services

at the end of the year. The energy cannot be stored for later use. You are required to have a 6 hour window of sunlight exposure on the system in order for the city to allow you to run it.

Brian and Brooke walked around to the different ICC properties, and decided that Arrakis is the best opportunity for solar power. It is unknown at the moment whether the electrical system of the house can handle the solar converters, and a pricey (\$3000 - \$6500 approximately) electrical upgrade could be in order. The highest amount of energy used by Arrakis last year was 4000 kilowatt hours per month, which was reached in March. At these levels, Brooke told the board solar energy would greatly lower the cost of energy for the house. A 4KW converter will cost \$32,000 before the Austin Energy rebate, and will produce 5560 Kilowatt hours of energy, saving \$556 and reducing the amount of carbon dioxide produced. After the Austin Energy rebate (\$450/kwatt) the total cost of the system will be \$14810, and Brooke predicted this would save ICC over \$30,000 during the next 30 years. There is a 25 year warranty on the system with full coverage. The 6 hour window of light required should not be affected by nearby construction.

New Education Coordinator Appointment:

Andrew Turner (New Guild) came to the board to run for the ECC position of Education Coordinator:

Question and Answer:

Andrew: I'm Andrew Turner and I've been education officer at New Guild for almost a year now. I've done a good job, I have some ideas for camping, kayaking, or tubing and I'm open to ideas. I feel I'm pretty experienced and I should offer my services.

Helen: Will you attend all board meetings?

Andrew: My issue with that, I get no vote, I have no say. The only reason to come is to discuss issues related to education, and unless I get an itinerary with something related to education I don't see why I should come, no.

Seth: To put an input on some topics .

Andrew: I guess we can't change the rules, but if I'm elected I will attend the meetings I feel important.

Courtney: If this position isn't filled we just wait?

Barb: Yes, it just won't be filled.

Brian: And the committee members can still call a meeting.

Andrew: I will have a monthly meeting, last semester was disappointing, I went to every meeting and we only had 4 other people who came. I would work to get all the houses to coordinate with each other to host some good events. I'll definitely show up to ECC meetings and board meetings if there's anything about education on the agenda.

Discussion:

Franke: I think hes admitted he not going to do part of his job, so enough said.

Mike: I'm not sure if I mind the not showing up to the board meeting thing. But, that being said, I'd like at least reports on how the committee is doing.

Courtney: I'm not fully familiar with the ECC not having a vote, how solid of a decision was that?

Barb: It's in the bylaws now.

Courtney: His reason for not wanting to come seems kind of petty.

Helen: There has been talk about changing the bylaws where it says all of the ECC members have to come to the board meetings because there are people who feel the Education Coordinator should not have to come to the meetings. I believe there is a proposal being worked on about that.

Jake: I'd like to hear what the people who live with him have to say. He seems pretty open about not really wanting to be involved with the board, period, outside of his pet projects and that worries me. Also, how he's interacted with people thus far I don't see him being a real uniter, and the board functions as a whole body not little arms.

Seth: I'm torn on this decision. As well on one hand he doesn't like the formality and bureaucracy even on the house level, yet on one hand I do see the functionality of his methods and he usually does follow through.

Nesh: Do most houses have an education representative over the summer?

Brian: Most of them do.

Lauren: Do you think he's come up with decent events and executed them?

Seth: Absolutely, we bring people in from out of state. He's willing to organize, he takes stuff really seriously and despite what his idea of a good time might be he realizes how variant it could be for different groups of people. He's willing to branch out to what he's not passionate about. I haven't heard what he specifically wants to do on the ECC level, so that worries me.

Brian: He would be running a committee and taking minutes and delivering them, and that's different than organizing a good event, and I think that its the kind of stuff he's seeking to avoid not coming to the board meetings.
Franke: When things come up and the proposals come up and we hash them out and they become something else and we need to task it to the Education Committee it's important for them to be here and say "Yes, the committee can do this", and technically we can just give it to him but it would be good to get his input on what's appropriate.

Jake motioned to vote, Courtney seconded.

For: 2 Against: 4 Abstain: 3

Andrew Turner was not appointed to the position of Education Coordinator.

Proposal: 401k Trustees Definition:

New 401k Trustee Appointment:

Mattress Policy Proposal:

Sponsor: Jake

Lee brought to the board a proposal which stated that if houses were short a good quality mattress they would first communicate with other houses, and if no mattress were found the staff would supply a low-cost twin mattress. At the moment, there is no mattress policy even though it is generally considered something that is provided.

Reasons in favor of a new mattress policy:

1. The staff informs new people that they will probably have a mattress in their room.
2. People generally leave mattresses, so they are not depleted too often (though there have been some occasions where a large number of mattresses have needed to be replaced)
3. The primary step is to look to other houses
4. People in the houses would notice if large amounts of usable mattresses were being thrown out (in reference to #5 against a new mattress policy)
5. We have a fairly large amount of foreign students who do not bring mattresses with them.

Reasons against a new mattress policy:

1. At the moment there is no guarantee of a mattress when you move in.
2. Not enough storage space, and storage is difficult and expensive
3. ICC would lose money because the likelihood of damage is high
4. People might assume they will be provided a better quality mattress
5. People might purposefully damage, or throw away fair quality mattresses in order to take advantage of the policy

Proposal to change wording from "good quality mattress" to "usable mattress" (friendly)

Proposal to give explicit authority to the definition of usable to a house officer upon check-in(friendly)

Nesh motioned to vote, Jake seconded.

for: 5 against: 2 abstain: 3

The proposal that if houses were short a usable mattress, as determined by a house officer upon check-in, they would first communicate with other houses, and if no mattress were found the staff would supply a low-cost twin mattress did not pass.

Staff Reports:

Brian: Most of the houses have reconciled, we didn't have final numbers last year until July 20 and when Seneca reconciles we'll have those all in. The surplus will be more than estimated. I'd like to ask for feedback from the board about the way finances are reported, because it's a dense amount of information that the chart hopefully is clear enough on. The savings and reserve policy, there is a report in Quickbook I could print out, but doesn't have the actual policy, just amounts.

Franke: On the profit and loss, it would be easier if actual income was next to budgeted income.

Brian: Okay so I'll move actual income next to budgeted and actual expenses next to budgeted expenses. If you look at the cash flow, that's where the surplus shows, and then I did some adjustments so you can see the numbers because the actual net increase is \$76,000 because some of the money is from last year. The last 2 lines, those

are just not pasted over from a previous cash flow, so you can scratch that out, and cash at end of period is \$522,000. I think it may be worth increasing the emergency ceiling. I'm estimating the surplus is going to be more than \$75,000 instead of \$58,408. I left out use of facilities reserve fund, we spent about \$8800 and that was funded from surplus last year and we had lower spending. Like I said I'm estimating \$5,000 less spending in May, assuming that Seneca spent \$1,500 in May.

Mike: Is all the hail damage covered by insurance.

Brian: We didn't file a claim because our deductible is so large in all the houses, we probably spent about \$3,500 and that's not reflected in this. That's our call of where we wanted to expense that .

Franke: Is it because the windows were old, or the hail storm was bad?

Brian: It's because they faced west.

House reports:

Jake: Well, a stove knob fell off. That freaked some people out. And the washer and dryer broke very soon with each other and that freaked people out. Then the pool turned dark green, probably from urination or pH imbalance. Other than that, we have a lot of new people.

Courtney: Arrakis, a few roaches have appeared in our kitchen and we have quite a bit of flies, but we've moved trashcans away from the door so hopefully that will change. We've been house bonding, we took a trip to enchanted rock. Maybe a party soon.

Helen: There's only 2 people living at royal now, my boyfriend and I are getting along really well. We had a little bit of contention on board rep, but we got that resolved. The work is going really well, construction is going along smoothly right now. It looks horrible because everything has been gutted, but I believe it's going to look beautiful at the end of summer.

Lauren: French looks good, we're smiling with crows feet. We have some flies. We're going to have an around the world party soon.

Annie: Seneca had labor holiday.

Seth: Everything's going pretty well at New Guild, everyone seems to be doing a good job of keeping spirits high through rat problem. They'll eat anything! Occupancy is pretty high, despite our around the world party only having a few people.

Nesh: We've started reimbursing for gas. So far no rats, some insect problems. I got one of those electric fly swatters, but I'm not leaving it out because I know there are some people who would play tag with it.

Corey: Barb is turning 21! We're having a party with a band. And a new resident just moved in who claims to have quite the green thumb, so we'll see about that.

Action Item Review:

Usually the Committee Coordinator will go over taskings, only this time the only tasks Barb had assigned were for herself. These were to form a committee to make a confrontation management handbook and to make a Facilities manual. Also, Seth, Franke, and Jake volunteered to be on an appellate board which will hear membership review appeals and decide whether the appeal should continue on to the board. The stand-ins for this appellate board are Courtney and Annie.

July Meeting Agenda:

Facilities committee key proposal
Small edit to bylaws about ECC votes going away
Facilities committee drain policy
Update on co-opfest

Meeting Evaluation:

Franke: I like a lot of the new more efficient stuff, I'm not sure how I feel about the lateral stacks because there was still a lot of stuff I wanted to say but couldn't but overall it was good!

Lauren: I'm content.

Seth: I like how you stuck to the time, you had your watch with you the whole time, and you gave us the option to skip over stuff.

Brian: Way to go!

Corey: Efficiency is your middle name.

Jake: I like the way you handle time and how we didn't go over some stuff and when we did go over time it had to

be approved.

Courtney: I enjoyed it.

Helen: I enjoyed that it was tension free.

Mike: Great facilitation, I especially love consent agenda.

Lee: I greatly appreciate the pizza.

Nesh motioned to adjourn, Annie seconded.

-----END JUNE MEETING MINUTES-----

Mattress Policy Proposal

Proposal Name: Mattress Policy
Brought by: Lee Blaney, Facilities Coordinator
Proposed Sponsor: Jake Gleghorn
Date of creation: 07/22/2008

I (we) bring a proposal to:

Create and implement ICC policy as regards the inventory and supply of mattresses for the organization's nine houses so as to ensure that new ICC members have mattresses upon arrival.

Wording of the proposal

ICC Standing Rules

Section 6: Facilities

6.1 ...

6.15 Mattress Policy. If there is no mattress in a new member's room upon arrival and the member's house does not have any acceptable (as deemed by the house trustee) mattresses in storage, the member should contact the ICC office staff. The office staff should then consult with the Facilities Coordinator to inquire about spare mattresses at other ICC houses. If a replacement cannot be found, the ICC staff should buy a new, low-cost, twin mattress and have it delivered to the new member's house.

Effective Date or Implementation Deadline:

This policy should be implemented during the Summer 2008 term in order to be prepared for the Fall 2008 move-in.

Background:

This proposal was brought up at the June board meeting, but did not pass (5-2-3 or 5-3-2?). I am re-raising it because after the June board meeting, I received 2-3 emails inquiring about mattresses. Furthermore, I am foreseeing mattress issues when the Fall term starts.

- *Basis of Problem*

Staff is selling rooms on the basis that all house rooms have at least a mattress; however, problems arise when new members move in and bring their own mattress. When those members leave, they take their mattresses; however, the original mattress may have been ruined during storage in basement/garage areas.

- *Storage*

Almost all ICC houses have problems with proper mattress storage due to limited space and moisture/insect issues.

This proposal seeks to make the best use of ICC resources, while helping to ensure that every new ICC member comes into a comfortable living situation. If a house has extra good quality mattresses at the beginning of a term, the maintenance officer of that house should contact the Facilities Coordinator to find a good storage place (*i.e.*, another house or the ICC garage at Seneca) for the mattress. These spare mattresses can then be used by new members that move into rooms without mattresses.

Reference to Current Policy:

The proposal should be added to Section 6 (Facilities) of the Standing Rules as Item 6.15 (Mattress Policy) as described above.

Pros:

1. The proposal fosters a sense of unity between ICC houses in the sense that some houses have less-than-ideal storage space and/or environments (*i.e.*, the cooperative spirit should exist between houses in scenarios other than parties, board meetings, and GMM).
2. With this proposal, ICC uses the least amount of money/effort for maintaining ideal mattress storage, while providing members with a basic “necessity.”

Objections, Issues of Consideration, or Tradeoffs:

1. Those houses with good quality storage space and environments may provide more mattresses than other houses.
2. What about a centralized ICC mattress supply?
3. Is it ICC’s duty to provide mattresses for its members?
4. The proposal does not instigate houses to maintain their spare mattresses and available storage spaces.
5. How will the mattresses be transported to/from the storage spaces?

Responses to Objections:

1. All ICC members pay the same rent, and so we should try to cooperate in aspects that highlight the differences between houses. If a house does not have good quality storage space for spare mattresses, the members of that house are not at fault.
2. Creating a centralized storage space and maintaining that space to ensure the quality of ICC mattresses will be a drain on time and money. This proposal maximizes ICC’s resources for the benefit of members.
3. No, it is not ICC’s responsibility to provide mattresses, but we should try to make every new member comfortable, especially as ICC members are oftentimes not of the deep-pocketed variety. Furthermore, ICC sells rooms as “furnished,” which is undefined. If beds are not included, we shouldn’t market ourselves as having “furnished rooms.”
4. The amount of work needed to add storage space to individual ICC houses, seal those spaces from insects, rodents, and water, and maintain a cool temperature to prevent damage to mattresses is rather large. This proposal seeks to handle the problem through a cooperative

approach.

5. Mattresses can easily be transported between most ICC houses by two people on foot. If this is not reasonable, the member in question should find help (*i.e.*, car/truck) from his/her house.

Source of funding:

Funding is only necessary in the event that no houses have spare mattresses available. The money to buy a new mattress for an incoming member should come from the facilities budget.

Responsible Party:

The Facilities Coordinator is responsible for aiding new members in locating spare mattresses at the other houses. Office staff is responsible for buying new, low-cost, twin-sized mattresses in the event that no spares are available.

----- END MATTRESS PROPOSAL-----

Austin Co-op Festival '08 July Board Meeting Report

Lizzy Haden, Hilary Randle, and Adriana Hernandez are the wonderful volunteers working with me to make this a great festival! If you see them, make sure you tell them how awesome they are(which is really really really awesome).

All Sponsorship packets and the majority of the Cooperative Participant packets have been sent out. This week I will begin calling and visiting possible sponsors. Currently, we are working on the overall design of the festival to apply to the event logo, posters, flyers, and t-shirts. Also we are brainstorming what other vendors we will be bringing to the festival. Bands are beginning to be contacted, including White Ghost Shivers, whom we have not received a response from yet. I have invited all the board members to our Austin Co-op Fest Google Group. I hope you join to keep connected with what we are up to. On the site you can find documents including the Sponsorship packets, Cooperative Participant packets, and my tentative event calendar. If for some reason you did not receive an invite you should be able to place a request if you look up Austin Co-op Fest on Google Groups or just send me an email at jesboyd@gmail.com. I also welcome anyone from your houses who would like to know what's up with Austin Co-op Fest to email me to get connected. I welcome any questions/comments about the festival (email or phone 832-248-4639). I regret that I can not be at this board meeting, but should be present for the next.

The most important and recent development has been the loss of our venue. We found out Friday (7/18) that the city revoked The Enchanted Forest's license and that they are no longer allowed to host groups larger than 50 individuals. On Monday (7/21), we will be checking into our second choice venue, Fiesta Gardens, to see if they still have Oct. 4th open. If not, I will work diligently to find a new venue. I would like to emphasize that it is VERY LATE to be booking a venue. Most festivals/events book more than 6 months in advance. By the date of the board meeting I should have a better idea of the situation and will send Jenn or Brian my thoughts to read for the meeting.

Thank you.

Your ACF Marketing Intern,
Jessica Boyd

----- END COOP FEST REPORT-----

Staff Salary Consideration (DRAFT)

Proposal Name: Facilities Administrator Salary Consideration

Brought by: Billy Thogersen, ICC Facilities Administrator (2000-present)

Proposed Sponsor:

Date of creation: 7/17/08

I (we) bring a proposal to:

Consider the current Facilities Administrator salary with respect to existing corporate policy, the \$9,000 annual pay increase given to the Membership Administrator in September 2007, and any other criteria deemed relevant by the Board. The approved result of the consideration should be in the following order of preference:

1. Across-the-board “equitable” increase for staff as outlined in General Administrator or Facilities Administrator recommendation.
2. Across-the-board increase for staff to reflect the 5% target salary increase as outlined in the standing rules, retroactive for the past three fiscal years. Then, a consideration of additional salary increases for individual staff irrespective of the Membership Administrator increase in September 2007, for merit, retention, long-term service, or any other reason deemed appropriate by the Board.
3. Other across-the-board creative compensation solution (reduced hours, increased vacation, etc.) that can be worked out to the satisfaction of Board and staff to bring salaries and general staff treatment into accordance with the current standing rules..
4. Approval of a salary increase for the Facilities Administrator only, on the basis of the arguments outlined in the letter requesting consideration of a salary increase sent to the General Administrator
5. Approval of a salary increase for the Facilities Administrator only, on the basis of any reasons deemed appropriate by the Board.
6. Any salary increase for all staff or Facilities Administrator only, that is not considered appropriate or fair by staff.
7. No salary increase for anyone at this time.
8. No decision. Issue tabled to some future date.
- 9.

Effective Date or Implementation Deadline: Immediately.

Background and Discussion:

From section 9.11 of the ICC Standing Rules:

The Board of the Inter-Cooperative Council recognizes that the people that administer and execute the day-to-day operations of our organization are one of our most precious resources.

Please read the large amount of backup materials in the General Administrator report and my letter to the General Administrator requesting a consideration of a salary increase in order to get some perspective about how and why this proposal is being put forward.

I've deliberately put many possible options on the table rather than force the Board into the position of making an

either/or choice about some ultimatum. Fundamentally, my desire is to see ICC put into practice the rules members have already approved and adhere to the spirit of the principles of cooperation. Having an enormous stake in the well being of ICC, I would never ask for the organization to spend money if I thought it would jeopardize daily operations, significantly impair future development, or impose a heavy weight on individual members. I concede that my perspective may not be the correct one, but I ask that in deliberating the Board also try to put the interests of the organization above personal and house level concerns

In the very near future, as options and opportunities arise in my life, I need a framework for understanding my value to ICC and more importantly, the values of the organization that I have energetically supported for quite some time. The years of neglect of ICC compensation policy, as well as the year of silence about the enormous salary increase given to the Membership Administrator have already spoken volumes about ICC priorities. Only with some hesitance do I bring this sensitive issue to the Board for actual dialogue. I certainly don't relish the idea of becoming the lightning rod for criticism and developing a reputation for being a self-serving, greedy individual, but I suspect it's a price I may pay regardless of the outcome. On the other hand, employees seek raises from employers all the time, so maybe it's not a big deal. And frequently the answer is no...

Reference to Current Policy:

Section 9: Staff & Office, especially 9.1, 9.2, 9.11, & 9.25

Pros: (also see the Facilities Administrator letter to the General Administrator)

- 1) Creates a reasonable and fair employment environment, fostering teamwork and increased efficiency (as opposed to the resentment and ill will that continues to fester).
- 2) Corrects the previous policy mistakes with respect to target salary increases rather than penalizing staff.
- 3) Adheres to the spirit of the ICC staff policies in general.
- 4) Even if no salary increase is given, this discussion should provoke a much-needed review of the Staff & Office section of the standing rules.

Objections, Issues of Consideration, or Tradeoffs:

- 1) The cost is too high and will cause rent to go up
- 2) There are higher priorities for ICC funds
- 3) Raising salaries will derail ICC's long-term development objectives

Responses to Objections:

1) Yes. Raising staff salaries significantly will almost certainly increase rates. However, despite the numbers and implications that have been presented elsewhere about the consequences of raising salaries, there is no one-to-one, dollar-per-month-per-member correlation between increasing staff salaries and rent. True enough, all things being equal, rent would have to be raised accordingly. However, in reality all things are not equal. The annual budget is a mushy mash of contracting and expanding costs, competing interests, and hopefully, cooperation and compromise. For example, a hypothetical \$20,000 increase in staff costs might realistically be offset by a \$12,000 decrease in insurance costs, yielding a substantially lower bottom-line cost increase. In general ICC crafts a very conservative budget, so there is usually a large budget surplus at the end of each year. Unforeseen savings are the rule, not the exception. Also consider the cost of NOT keeping salaries fair and competitive, namely, staff turnover, inefficiency, inability to capitalize on opportunities, and the very real possibility of paying the new, unseasoned staff even more than previously. (Note that Danita Lee, the previous Membership Administrator from 2001-2006 was only getting paid \$30,000 when she left. Jenn, by contrast now makes \$34,000 after only 2 years of employment)

2) To be sure, there are competing interests for ICC's limited resources and spending money on staff will keep the money from being spent on other things. It is for the Board to decide how and why resources are allocated. I only hope to impress upon the Board the paramount importance of fair staff treatment as both a sound business decision as well as a moral imperative, particularly in an institution organized on the basis of cooperative ideals.

3) I would not be suggesting an increase in staff salaries if I thought it would be detrimental to ICC in the long run. In fact, staff retention is probably the most important factor in enabling ICC to tackle major long-range goals. The future goal for ICC now is to increase the number of members from 188 to 265. The shorter-range goal is to add 15 beds in 6 years. Given that the Avalon lease may be cancelled any year, ICC would really need to add about 37 beds to achieve the goal. At current market rates for development, that would be a project cost in the \$2-3 million range (or much more). Whether you're paying staff \$30,000 more or less is not going to make or break an undertaking of this scale.

Source of funding:

Immediate cost increase would be covered by prior years surplus. Future costs would be absorbed in the general budget.

Responsible Party: Staff and Board

July 10th, 2008

To: Brian Donovan, General Administrator
From: Billy Thogersen, Facilities Administrator
Re: Request for consideration of salary increase

I've been content to work for ICC for eight years now without questioning the compensation offered, both because of satisfaction with the fair treatment of employees and out of respect for the ICC membership. Having been involved with ICC since 1988 I deeply understand the challenges that many members face paying rent each month and have never sought to squeeze a single cent out of the organization. I have never received a merit-based pay increase, nor do I now wish to receive additional compensation based on special merit even if it is warranted.

That said, I'm requesting a review of ICC staff pay (mine in particular) in light of developments that seem inequitable in one case and out-of-keeping with the spirit and letter of the ICC standing rules in the other.

1. Stemming from the arbitrary, non-merit-based, pay increase for Jenn Northern:

In September 2007, the Executive Coordinating Committee voted to raise the salary for Jenn Northern from \$24,000 to \$33,000 (\$9,000). Sadly (and perhaps tellingly), no written record exists of the proceedings, (attendees, proposal, or results of a vote) of the hastily convened ad-hoc meeting except for a blurb in the General Administrator report published in the November 14th, 2007 board packet. The only clearly stated rationale for the pay increase was that ICC should pay all employees at least a "living wage", calculated at the time to be \$30,430*. I consider this a laudable effort on ICC's part and would like to see the idea put into official policy (the ICC standing rules) if members in fact support the idea. Nevertheless, the actual pay increase was \$33,000, or \$2,570 (about 8%) more than the minimum living wage. I'm happy with the idea that Jenn should have been getting paid a minimum living wage all along, however, she was also given an additional pay increase simply because she threatened to leave ICC otherwise. Though I'm not planning to leave right now, I'm asking for similar consideration with respect to my salary, although this line of reasoning could apply equally to the salaries of other staff as well. Equitable treatment of staff is a serious matter. Lastly, I did make it quite clear at the time that I desired a discussion and review of staff compensation in light of the raise given to Jenn because I felt that it wasn't fair. Nearly a year has passed and the issue has not been addressed in any shape or form.

*As a condition of the raise, there was also a non-binding, no-penalty, verbal commitment between Jenn and the Executive Committee members to "not quit" for two years after the raise, but the irrelevance of such a stipulation should be manifestly obvious.

2. ICC Staff Salary Policy – Cost of Living Adjustments (COLA) & Target Salary Increases

Per the ICC standing rules 9.25.6, whenever possible, ICC shall set a target increase of 5% annually for staff salaries. Over the past two fiscal years, and the current fiscal year, the target was never anything besides 3% from the beginning of the budgeting process despite the more than adequate resources available for ICC to cover the expense per policy. I believe the 5% target was lost in the transition shuffle between the previous and current General Administrators. From fiscal year 05/06 through 07/08 ICC has run a sizeable operating surplus, due in part to the dedication and hard work of ICC staff, so financial distress, the only valid reason per policy not to set the increase at 5%, was not applicable.

During my tenure at ICC, I've accepted 3% as a reasonable routine pay increase. I believe in one year I received a 4% increase, and during two especially financially bad years, received 0% increases. However, for the current fiscal year, I believe 3% is rather insulting given that the rate of inflation is in excess of 3%. I actually got a pay cut in real dollars.

I would like ICC to consider adjusting my salary, and perhaps the salaries of other staff members, to reflect the 5% increase that should have been taking place over the past three years. Furthermore, in the future I'd like for ICC to set staff salaries by following current corporate policies.

Therefore, I submit the following for consideration,

Facilities Administrator existing salary with 3% increases:

FY 05/06	37,820.31
FY 06/07	38,954.92
FY 07/08	40,123.57
FY 08/09	41,327.28

Proposed new salary reflecting 5% target salary increase per policy and one-time 8% non-merit-based raise

FY 05/06	37,820.31 – no change requested
FY 06/07	39,711.32 – 5%
FY 07/08	44,873.79 – 5% + 8% raise
FY 08/09	47,117.48 – 5%

I would like for the new salary to be retroactive to June 1st 2008. I also request that the matter be handled in a timely manner with a resolution reached at the July 30th Board meeting.

So far I've only brought up issues that reflect a fair treatment of staff and adherence to ICC policy. There is also the question of improved compensation for acceptable long-term employee performance and other merit-based achievements. I'm not asking, nor will I probably ever ask, for additional compensation for these reasons, even though they are part of the current ICC/staff contract in section 9.2.4 of the standing rules. If absolutely necessary for adequate consideration of the present request, I can prepare a separate factum vitae for my time here at ICC.

In my mind, this request passes all the reasonableness tests:

- Financially, ICC will not suffer unduly, and furthermore, ICC should probably share with staff a greater portion of operating "profits" given the role of staff in helping to generate them in the first place.
- From the standpoint of procedure, ICC broke with its own approved rules in setting pay increases at 3% instead of 5% for the past three years and should not penalize staff for the error, but rather, should set things right.
- Staff should receive equitable treatment without favoritism. The 8% raise given to Jenn simply because she asked for it, and for no beyond-satisfactory-performance-based rationale, should be given to other staff.
- My resultant salary after the proposed increase will not be excessive, and in fact, will be well below market rates even by co-op standards. The facilities administrator position at College Houses has a salary of \$59,000. And, my skill set, job responsibilities, experience, and length of cooperative involvement are significantly greater than the person in the facilities administrator position at College Houses.
- As a progressive, cooperative organization ICC has the responsibility under the 7th cooperative principle of "Concern for Community" to care for and treat fairly the staff drawn in from the local population.
- And finally, it just feels like the right thing to do (to me anyway), particularly if ICC is trying to foster harmonious staff relations, create long-term employees, and live up to the expectations outlined in the standing rules regarding ICC staff compensation and treatment.

In reviewing my request, please keep in mind that I feel wronged and belittled as a result of the events I've clearly laid out, both personally and perhaps on the behalf of other less vocal staff members as well. I haven't, and won't, let either the past events or future decisions about my compensation adversely impact the professional service I provide to ICC on a

daily basis. But, I would like to ask for an expeditious resolution now, particularly given the year I've waited in vain for someone else to bring the topic to the table.

Respectfully submitted,

Billy Thogersen
ICC Facilities Administrator
Index of Back-up Materials:

Standing rules Staff Compensation excerpt
Standing rules Staff Salary Policy excerpt
General Administrator report from November 14, 2007 Board packet
Proposals indicating the large budget surpluses from 05/06 and 06/07
Budgets from 06/07,07/09, and 08/09 indicating the 3% staff salary increases

From ICC Standing Rules:

9.2 Compensation - The General Administrator has all authority over the administration, accrual, use and payment of staff wages, salaries, and bonuses except as described below:

1. 1. The General Administrator may not make any changes to her or his Board-approved salary. Regular adjustments in General Administrator compensation will be made, only with specific Board approval, according to the Staff Salary Scale Policy and the Staff Bonuses Policy;
2. 2. The General Administrator may not discriminate against any employee in regard to compensation as prescribed by law;
3. 3. The General Administrator may not pay less than the current legal minimum wage to any ICC employee;
4. 4. The General Administrator may not fail to reward acceptable long-term employee service with appreciation and with improvements in compensation and may not discriminate against any employee in regard to such reward as prescribed by law;
5. 5. The General Administrator may not fail to award cost-of-living salary and wage increases on an annual basis except in emergency situations declared by the Board of Directors and may not discriminate against any employee in regard to such award;
6. 6. Without specific approval by the Board of Directors, the General administrator may not deviate materially from the boundaries of the Staff Salary Scale Policy or the ICC Budget in regard to the compensation of any staff person(s). The General Administrator will not fail to inform the Board if and when the General Administrator perceives a need for changes to the Staff Salary Scale Policy and/or the ICC Staff Budget;
7. 7. The General Administrator may not fail to award staff bonuses, as approved by the Board, to qualified staff members according to the Staff Bonuses Policy and may not discriminate against any employee in regard to the application of such policy.

9.25 ICC Staff Salary Policy (Approved 5/1/2001): ICC will demonstrate that we value positive performance by staff via providing annual salary incentives.

1. 1. The ICC Board of Directors shall approve the salary parameters for all staff positions, which shall be based on the following factors:
 1. 1.1. Type of position
 2. 1.2. Level of responsibility
 3. 1.3. Skills required
 4. 1.4. Experience / Education
 5. 1.5. Comparable local market wages in the non-profit sector
2. 2. Entry Level Salary Parameters: (This criteria specifically refers to the salary range available to the hiring authority in hiring a new or promoted employee into a vacant position) When the General Administrator becomes aware of an upcoming position vacancy, he/she will conduct a local market wage study. This information should report wages paid in comparable positions in the non-profit sector. Based on this data, a recommendation of a salary range for the vacant position will be presented to the Board of Directors. The salary range spread (difference between lowest and highest

salary number) shall be a maximum of \$3000 and shall be supported by budgetary documentation (confirming revenue availability).

3. 3. The General Administrator shall submit a list of core hiring criteria for the position. This pre-evaluation tool will be based on the job description and will identify the core areas of expertise/knowledge/skills/characteristics most desirable in the candidate to be hired. The final salary offering will be based on a candidate's ability to meet the pre-established criteria.
4. 4. The salary range must be approved by the Board of Directors prior to the interview process. The General Administrator shall be authorized to make a salary offer, based on the Board-approved range.
5. 5. In the event that vacant position is that of General Administrator, the ECC (or its designated hiring authority) will perform the above-referenced functions.
6. 6. Cost of Living Adjustments (Routine/Mandatory)
 1. 6.1. During the budgeting process for the upcoming fiscal year, the General Administrator and the Board will set salary rate COLA (cost of living allowance) increases based on the following formula:
 1. 1. COLA increases will be set as the same rate as the Consumer Price Index of inflation for the prior calendar year (January 1st through December 31st). The index used will be the CPI- all cities, all items or the CPI- Dallas/ Ft. Worth, all items (whichever inflation index is higher). In order to be eligible for the annual COLA increase, staff must meet the following conditions:
 1. 1.4 Currently meeting the minimum expectations of the position (as reflected in an annual performance review)
 2. 1.5 Employed by ICC for a minimum of 6 months
 3. 1.6 Salary Increases (Annual Targets)
 4. 1.7 Salary adjustments (increases) will be considered during the budgeting process (in addition to the mandatory COLA). Annual salary increases reward longevity and acknowledge increased effectiveness (based on gaining more experience in a given position).
 2. 2. The General Administrator will conduct an annual local market wage study (of the non-profit sector) in relation to each staff position. This information (including data sources) will be presented to the Board of Directors by early February.
 3. 3. The Board will make every effort to budget in a manner that minimizes the gap between projected staff salaries for the upcoming fiscal year and current market rates. Targeted salary increases will be a minimum of 5% per year (including COLA). Staff may be eligible for salary increases above the COLA, as of their one-year anniversary date. Staff must be currently meeting minimum performance expectations of the position (as reflected in an annual performance review) in order to be eligible for salary increases. Annual salary increases (beyond COLA) may be capped for employees who have five (5) years of more of service and have received a minimum 5% annual increase over four (4) previous years.
 4. 4. Annual salary increases are strongly encouraged but are not guaranteed, as they are contingent on the fiscal resources of the organization in a given fiscal year.
7. 7. Policy Suspensions: The Board reserves the right to temporarily suspend COLA adjustments and salary increases in the event of a fiscal emergency, however, they may not be suspended retroactively. A fiscal emergency is defined in the Operations Reserves Policy. An emergency shall not be declared for the exclusive purpose of avoiding rent increases.

Management

- Conduct survey about activities (including volunteering, student organizations, political organizations, etc.) that members are involved in to provide content for the ICC newsletter
- Maintain a monthly announcement board with ICC meeting and activity information
- Hold a meeting to specifically address member complaints, compose a list, and bring this list to the General Administrator and the Board of Directors
- Hold a meeting that is a workshop focused on living with a diverse group of people that will be required for trustees but open to all members of ICC
- Implement the use of a blog that contains Committee, Board, ECC, and Staff updates, and ICC events

Future Asset Development

- Write a proposal for an Open Voting Policy
- Include the General Membership in decisions on the future of ICC
- Create a formal procedure for acquiring property for the organization that will ensure a beneficial addition
- Investigate sustainable architectural design with city and university resources

Brian feels like these goals are good, but that we should make them more achievable. Tyler asks that two more FADCom goals be added:

- Determine the target population of ICC for better planning and marketing
- Create a long-term development plan

Lacy motions to vote on the proposal with Tyler's changes (Barb seconds)
16 favor, 0 opposed, 1 abstain (PASSES)

GA Report

We have two new computers. Lance Kivell of Austin Network Services installed the new server and Jenn's new computer. Everything is now working with Property Boss and Quickbooks. Online balance check should be working within a week. The copy machine has been updated too. The office is setting up a system for members to make copies and prints at very low cost.

Cody Cox and ICC have settled the dispute with a signed agreement. The settlement should be kept confidential. Our response now to what happened is that we simply have settled our dispute with Cody Cox. We agreed that we had a dispute, not that any crime was committed.

Make sure that anyone who has switched rooms in your house comes to the office to amend their contract.

Fourteen members so far informed the office that they are leaving for next semester and 2 people want to relet their rooms. Jenn will be filling available rooms before relets. Members looking to relet are encouraged to find a replacement and notify the office about it.

ICC's surplus from last fiscal year was \$77,428. Of this, \$19,508 is available for the board to decide how to use. We could allocate it for Jenn's salary

ICC raised Jenn's salary to 33,000 annually. Jenn recently gave a notice that she was going to leave ICC. A recent study by the city of Austin found that a living wage for residents is minimum \$14.63/hour, or \$30,430/year. So, ECC decided to offer Jenn a salary increase and she accepted on the agreement that she would commit to 2 more years. It is time to also look at salaries and reviews for all staff as well. If you want to give anonymous input about staff you can funnel it through Lacy. You can put it in her box at French House if you want. Its better if we know who you are because we can know the specific problems at hand. I think that we at ICC are demanding a lot of staff. An equal sized coop group has one staff member and more houses than we do, so this is one issue. College houses is able to pay staff more and retain them, which makes a big difference. I think that expansion is the best solutions, but if we increase staff salary before we expand its hard to expand.

FY 06-07 Surplus Allocation

Brought by: Christa Kimmel

Date of creation: 12/5/2007

I bring a proposal to allocate the FY 06-07 surplus – a total of \$21,758 – in the following manner:

- \$5,533.33 to cover the Member Resources Administrator salary raise budget overage for FY 07-08.
- \$2,250 to cover the FY 07-08 NASCO budget overage.
- \$13,974.67 (the remaining) to be placed in the Expansion Fund.

Effective Date or Implementation Deadline: Immediately.

Background: due primarily to exceeding occupancy expectations for FY 06-07, ICC was left with a considerable surplus. This can be used as the board pleases. An unplanned and unbudgeted salary raise requires funding through some source, and this proposal is one way to reconcile that deficiency. The same applies to the Board approved NASCO budget overage. Additionally, increasing focus on expansion suggests that ICC step up funding the Expansion Fund savings account and this proposal is a step towards doing so.

Pros:

- 1) We are able to correct a current budget variance so that it will not affect FY 07-08 net income.
- 2) We can put more money aside for expansion.

Objections, Issues of Consideration, or Tradeoffs:

- 1) There's no reason why we can't go over budget.
- 2) This money could be used for many other things, such as: a \$7 rent reduction for FY 08-09, scholarship funding, a staff salary raise, etc.

Responses to Objections:

- 1) ICC should strive to keep expenses at or below budgeted levels. If we consistently go over budget it will eventually force ICC to increase rates more than we already are. If we have a surplus again for next year the money set aside for salary will be available for reallocation next fall as surplus.
- 2) The portion going into the expansion fund is offsetting rate increases just like in the transfer of mandatory savings proposal. The money could be set aside for scholarship, to continue the 12 month discount, or other things.

Responsible Party: General Administrator and Accounting Administrator.

Proposal: To place surplus funds into emergency savings and into renovation savings

brought by: Financial Committee
proposed sponsor: Christa Kimmel
date of creation: October 25, 2006

We propose that:

Cash surplus from ICC's last fiscal year (2005-2006) be put into savings accounts. Surplus from last fiscal year amounted to \$49,676; ICC should place \$43,838 into emergency savings so that the ceiling for that account is reached, and the remainder (\$5,838) should be put into renovation savings.

Effective Date or Implementation Deadline: Immediately

Background:

ICC had a successful year in the 2005-2006 fiscal year, and ended with a large surplus. We have three savings accounts: Emergency Savings, Renovation Savings, and Expansion Savings. Once we reach the ceiling in any given savings account, we are no longer required to put money into this account. As per the standing rules, ICC is required to put 1.5% of total revenues into each of the above accounts. If we were to reach the ceiling for emergency savings, ICC could choose not to budget a monthly savings deposit for this account – the money could be diverted into another savings account, or lowering rent, for example.

Reference to Current Policy:

"Emergency Fund. (amended 10-25-04)

This is our "rainy day" fund, and is funded by 1.5% of rental income each year.

A. Mandatory Budgeting, the Building of the Fund, and Policy Oversight

The board of directors is required to budget 1.5% of estimated annual gross income from rent (before discounts) for the building of an Emergency Fund, until the fund total reaches the ceiling (17% of budgeted Gross Room and Board which is "Potential Room & Board Less Budgeted Vacancies")

E. Reaching the Ceiling.

Once the ceiling has been reached, the board is no longer required to continue building the Emergency Fund, though it may choose to do so anyway. Funds above the ceiling may be loaned to other co-ops (as described below) or transferred into the Renovation Fund or the Expansion Fund."

"Renovation Fund. This fund is for major renovations and other improvements to our properties. It's funded by 1.5% of our gross rental income each year.

- A. Future boards shall budget 1.5% of estimated annual gross rental income for the building of the Renovation Fund (RF).
- B. The purpose of the RF is to improve, enhance, restore, retrofit, and rehabilitate properties held by ICC."

Pros: ICC would be earning extra income from the interest on all funds moved to a saving account

- 6) The Board can choose to stop putting money into Emergency Savings; this budgeted expense may be diverted elsewhere.
- 7) ICC would have the security of having a full emergency savings account, and the money put into renovation savings can go towards capital improvements on our houses.

Objections, Issues of Consideration, or Tradeoffs:

- 4) ICC can always use more operating cash
- 5) We could use the money for something else, like giving it back directly to the houses.

Answers to Objections:

- 1) There is currently enough operating cash in the central fund; we will make money from interest by putting this surplus into savings accounts.

ICC Budget Draft 07-08 v4.0 final candidate

2/3

73	CCDC (NDS) Membership	(\$4,000)	(3,666)	-\$334	CCDC is a Co-op development group
74	CCDC Travel Expense	(\$1,200)	(1,000)	-\$200	For 2 meetings held with NASCO conferences
75	Other Associations/Subscriptions	(\$600)	(450)	-\$150	Neighborhood associations and NAHC
76	Total Memberships	(5,800)	(5,116)	(684)	
77	Advertising:				
79	Fundraising Cost	(\$1,500)	(\$1,000)	-\$500	
80	Print, Website & Other Ads	(\$9,500)	(\$9,500)	\$0	
81	Promotions/Brochures	(\$3,000)	(\$3,000)	\$0	Specials for recruiting members & annual brochures and display piece for housing fairs
82	Total Advertising	(14,000)	(13,500)	(500)	
83	Facilities & Maintenance:				
85	Committee Discretionary	(\$3,750)	(\$2,500)	-\$1,250	For house projects and member maint training
86	Capital Improvements/Spruce Up	(\$74,000)	(\$114,900)	\$40,900	see facilities budget (9k is contingency, 4k added for NG)
87	Routine Maintenance	(\$28,865)	(\$18,701)	-\$10,164	Maint that needs to happen on regular basis
88	Minor Maintenance	(\$25,247)	(\$18,183)	-\$7,064	Maint for repairs and replacements
89	Permits/Licenses	\$0	(\$2,328)	\$2,328	now in routine maintenance
90	Less: Use of Renovations Fund	\$0	\$40,000	-\$40,000	from savings
91	Total Facilities & Maintenance	(131,862)	(116,612)	(15,250)	
92	Other Facilities Expense:				
94	Lease - Avalon	(\$57,500)	(\$56,400)	-\$1,100	Lease for 22 member house
95	Property/Liability Insurance	(\$53,000)	(\$58,000)	\$5,000	Property and Liability insurance (required)
96	Property Taxes			\$0	Currently exempt.
97	Loan Interest/Principal Expense	(\$215,556)	(\$215,556)	\$0	Bank of America mortgages
99	Total Other Facilities Expense	(326,056)	(329,956)	3,900	
100	Staff:				
101	Salaries	(\$143,711)	(\$147,879)	\$4,168	For 4 fulltime staff, increase of 3%
102	Bonus	(\$2,000)	(\$2,000)	\$0	Bonuses will be \$500 per policy
103	Payroll Tax - FICA	(\$9,350)	(\$9,500)	\$150	
104	Payroll Tax - Medicare	(\$2,297)	(\$2,249)	-\$48	
105	Payroll Tax - State Unemployment	(\$468)	(\$468)	\$0	
106	Worker's Comp Insurance	(\$4,000)	(\$3,740)	-\$260	Estimate is based on prior years
107	Health Insurance - Medical	(\$22,500)	(\$20,124)	-\$2,376	Price of health care keeps going up.
108	Health Insurance - Dental	(\$1,500)	(\$1,500)	\$0	
109	Retirement Benefits	(\$9,000)	(\$9,000)	\$0	ICC offers a 4% after 12 months, plus 1% matching
110	Turnover Expense	(\$2,000)	(\$2,000)	\$0	
111	Total Staff	(196,826)	(199,460)	1,634	
112	Office:				
114	Office Supplies	(\$3,100)	(\$3,100)	\$0	Mostly paper and ink cartridges, plus other supplies
115	Postage	(\$600)	(\$600)	\$0	For mailing contracts, brochures and paying bills
116	Office Printing Expense	(\$400)	(\$400)	\$0	Printing of ICC contracts & office checks
117	Telephone & Long Distance	(\$2,500)	(\$2,500)	\$0	3 lines (2 reg, 1 fax) plus long distance
118	Copier Lease, Maint. & Tax	(\$3,486)	(\$3,486)	\$0	Copier lease
119	Office Furniture/Equipment	(\$200)	(\$200)	\$0	Misc replacements of desks, cabinets and chairs
120	Bank Charges	(\$250)	(\$250)	\$0	Monthly charges bank charges occur more often
121	Mobile Phones/Mileage	(\$720)	(\$720)	\$0	1 mobile phone plus staff mileage while at work
122	Staff Parking	(\$1,800)	(\$840)	-\$760	not sure where we lease spots
123	Hardware	(\$1,000)	(\$900)	-\$100	Repair and replacement
124	Computer Software	(\$650)	(\$650)	\$0	
125	Computer Technical Support	(\$2,500)	(\$2,500)	\$0	6 hrs support plus Yardi renewal of \$1700
126	DSL & Internet	(\$1,500)	(\$1,500)	\$0	\$100/month plus line maintenance
127	General Admin Discretionary	(\$1,000)	(\$1,000)	\$0	No change
128					
129	Total Office	(19,506)	(18,646)	(860)	
130	Professional Expenses:				
132	Legal/Consulting Services	(\$5,000)	(\$5,000)	\$0	Legal review, policy, contracts and member issues
133	Annual Audit & Tax Prep	(\$7,500)	(\$7,500)	\$0	Montemayor charged us \$8500 (\$1000 in-kind)
134	Staff Training/Conferences	(\$2,500)	(\$2,000)	-\$500	Institute expense plus professional development
135	Total Professional Expenses	(15,000)	(14,600)	(400)	
136					
137	Total Outgoing Cash	(1,081,353)	(1,053,688)	(27,665)	
138					
139	Cash Surplus/(Deficit) Before Savings	61,347	45,502	15,845	
140	- ICC Savings:				
142	Annual Emergency Savings	\$0	(\$16,399)	16,399	
143	Annual Renovations Savings	(\$33,781)	(\$16,399)	(17,382)	
144	Facilities Reserve	(\$12,500)	\$0	(12,500)	for replacing big items that wear out and ext. paint
145	Annual Expansion Savings	(\$15,000)	(\$10,000)	(5,000)	Member fees plus interest income, per policy
146					
147	FY 03-04 Deficit Repayment		(\$2,679)	2,679	Repay \$40K over 10 years at 1% interest
148	6 Year "Refinance Deficit Plan"			-	Ended
149	Total ICC Savings	(61,261)	(46,476)	(14,785)	
150					
151	Cash Surplus/(Deficit)	86	26	60	



96

57	CCDC Travel Expense	1,200	1,200	0%	
58	Other Associations/Subscriptions	600	600	0%	
59	Total Education/Memberships	\$ 20,200	\$ 21,000	4%	\$ 800
60					
61	Staff:				
62	Salaries	143,711	157,818	10%	10% staff increase (3% + Jenn's raise)
63	Bonus	2,000	2,000	0%	
64	Payroll Tax - FICA	12,115	13,327	10%	10% increase in what we pay staff
65	Worker's Comp Insurance	4,000	4,120	3%	
66	Health Insurance - Medical/Dental	24,000	35,280	47%	What we currently pay
67	Retirement Benefits	9,000	5,000	-44%	
68	Turnover Expense	2,000	2,000	0%	
69	Office:				
70	Office Supplies/Equipment	3,300	4,000	21%	
71	Postage	600	600	0%	
72	Office Printing Expense	400	-	-100%	
73	Telephone & Long Distance	2,500	2,500	0%	
74	Copier Lease, Maint. & Tax	3,486	4,000	15%	Base charge plus extra for overages
75	Mobile Phones/Mileage	720	900	25%	
76	Bank Charges	250	-	-100%	
77	Staff Parking	1,600	4,200	163%	Discussion?
78	Computer Hardware, Software, Tech	4,150	3,000	-28%	
79	DSL & Internet	1,500	1,500	0%	
80	General Admin Discretionary	1,000	1,000	0%	
81	Total Staff/Office	\$ 216,332	\$ 241,245	12%	\$ 24,913
82					
83	Advertising:				
84	Fundraising Cost	1,500	2,000	33%	
85	Print, Website & Other Ads	9,500	5,000	-47%	Used to be 5k
86	Promotions/Brochures	3,000	1,000	-67%	
87	Total Advertising	\$ 14,000	\$ 8,000	-43%	\$ (6,000)
88					
89	Property Expenses:				
90	Lease - Avalon	57,500	61,931	8%	We're currently paying \$59,664
91	Property & Liability Insurance	53,000	50,000	-6%	
92	Total Property Expenses	\$ 110,500	\$ 111,931	1%	\$ 1,431
93					
94	Professional Expenses:				
95	Legal/Consulting Services	5,000	5,000	0%	
96	Annual Audit & Tax Prep	7,500	11,000	47%	This is how much it cost this year
97	Staff Training/Conferences	2,600	2,500	0%	
98	Total Professional Expenses	\$ 15,000	\$ 18,500	23%	\$ 3,500
99					
100	Reserves and Savings				
101	Annual Emergency Savings	-	-		
102	Annual Renovations Savings	33,761	35,911	6%	
103	Facilities Reserve	12,500	11,970	-4%	If RS to Expansion passes, RS will drop to \$17,892 and Expansion will increase to \$31,392.
104	Annual Expansion Savings	15,000	13,500	-10%	
105	Total ICC Savings	\$ 61,261	\$ 61,382	0%	\$ 121
106					
107	Total Expenses and Savings	\$ 927,097	\$ 976,522	5%	
108					
109	Net Operating Income	\$ 215,603	\$ 220,522	2%	
110					
111	Debt Service	\$215,556	\$215,556	0%	
112					
113	Cash Flow	\$ 47	\$ 4,966	10481%	

**ICC Budget - Draft
Budget Year 2005-2006**

11/4/2005

Description	FY 06-07 Budget Draft 1	FY 06-06 Budget Approved (% is of total cash)	FY 04-05 Budget Version 4(11/22/04) (% is of total cash)	+ / - Change to Bottom Line (% is increase)	Description of Item and/or Change in Budget
Advertising:					
Fundraising Cost	(\$1,000)	-	-	-\$1,000	
Print, Website & Other Ads	(\$10,500)	(10,500)	(10,500)	\$0	
Promotions/Brochures	(\$3,000)	(3,000)	(5,700)	\$0	add one direct mail piece to plan. Specials for recruiting members & annual brochures and display piece for housing fairs
Total Advertising	(14,500)	(13,500)	(12,400)		
Facilities & Maintenance:					
Committee Discretionary	(\$2,000)	(2,000)	(2,000)	\$0	
Member Maintenance Training	(\$300)	(300)	(300)	\$0	For house projects For educational materials
Capital Improvements/Spruce Up	(\$109,000)	(93,240)	(93,240)	-\$15,760	
Capital Planning & Review	-	-	-	\$0	
Routine Maintenance	(\$18,044)	(18,044)	(18,044)	\$0	Maint first needs to happen on regular basis (pest control)
Minor Maintenance	(\$16,600)	(16,600)	(16,600)	\$0	Maint for repairs and replacements
Permits/Licenses	(\$2,500)	(2,428)	(2,428)	-\$72	
Less: Use of Renovations Fund	\$30,000	16,000	15,000	\$15,000	
Total Facilities & Maintenance	(117,444)	(118,612)	(116,612)	(632)	
Other Facilities Expense:					
Lease - House of Commons	-	-	(1,904)	\$0	House purchased from NP
Lease - Avalon	(\$58,000)	(\$5,848)	(\$4,652)	-\$2,152	Lease for 22 member house
Property/Liability Insurance	(\$60,000)	(57,372)	(57,372)	-\$2,628	
Property Taxes	-	-	-	\$0	Currently exempt :)
Loan Interest/Principal Expense	(\$215,556)	(214,283)	(209,134)	-\$1,263	Bank of America mortgage
Total Other Facilities Expense	(333,556)	(327,513)	(326,808)	(6,043)	
Staff:					
Salaries	(\$147,879)	(155,500)	(158,226)	\$7,021	For 4 fulltime staff members, includes inflationary increase of 3.9 Bonuses will be \$500 per policy
Bonus	(\$2,000)	(2,000)	(2,900)	\$0	
Payroll Tax - FICA	(\$9,611)	(9,817)	(12,855)	\$208	
Payroll Tax - Medicare	(\$2,248)	(2,297)	(2,697)	\$48	
Payroll Tax - State Unemployment	(\$488)	(2,086)	(885)	\$1,620	
Worker's Comp Insurance	(\$3,740)	(3,807)	(3,899)	\$167	
Health Insurance - Medical	(\$20,400)	(20,350)	(22,272)	-\$50	Estimate is based on prior years Includes 8% increase (plus \$10 admin/mo)
Health Insurance - Dental	(\$2,000)	(1,775)	(2,046)	-\$225	Includes 8% increase (plus \$10 admin/mo)
Retirement Benefits	(\$11,000)	(7,173)	(6,467)	-\$3,827	ICC offers a 4% incentive after 12 months, plus 1% matching Covers if a staff member leaves ICC (vacation pay & advser)
Turnover Expense	(\$2,000)	(2,000)	(2,000)	\$0	
Total Staff	(201,347)	(206,907)	(213,147)	5,660	
Office:					
Office Supplies	(\$3,100)	(3,100)	(3,100)	\$0	Mostly paper and ink cartridges, plus other supplies
Postage	(\$600)	(600)	(600)	\$0	For mailing contracts, brochures and paying bills
Office Printing Expense	(\$400)	(400)	(400)	\$0	Printing of ICC contracts & office checks
Telephone & Long Distance	(\$2,500)	(2,500)	(2,500)	\$0	4 lines (2 reg, 1 fax & 1 for credit cards) plus long distance
Copier Lease, Maint. & Tax	(\$3,486)	(3,486)	(3,486)	\$0	Copier lease year 2
Office Furniture/Equipment	(\$200)	(200)	(200)	\$0	Misc replacements of desks, cabinets and chairs
Bank Charges	(\$250)	(250)	(200)	\$0	Monthly charges bank charges occur more often
Mobile Phones/Mileage	(\$720)	(1,900)	(1,000)	\$1,180	2 mobile phones plus staff mileage while at work
Staff Parking	(\$940)	(840)	(1,200)	\$0	1 spots at Haisland + 1 bus pass and 2 spots at NG
Hardware	(\$900)	(900)	(900)	\$0	Repair and replacement
Computer Software	(\$650)	(650)	(500)	\$0	Reporting and utility software + Quickpay \$150ish
Computer Technical Support	(\$2,500)	(2,522)	(2,322)	\$22	6 hrs support plus Yard renewal of \$1700
DSL & Internet	(\$1,500)	(1,500)	(1,500)	\$0	\$100/month plus line maintenance
General Admin Discretionary	(\$1,000)	(1,000)	(1,000)	\$0	No change
Total Office	(18,646)	(19,848)	(19,094)	1,202	
Professional Expenses:					
Legal/Consulting Services	(\$5,000)	(2,000)	(7,700)	-\$3,000	Legal review over policy, contracts and member issues
Annual Audit & Tax Prep	(\$7,500)	(7,500)	(6,050)	\$0	New Auditor estimate actually \$8500+\$1000 donation to ICC
Staff Training/Conferences	(\$2,000)	(1,600)	(2,800)	-\$400	Institute expense plus professional development for staff
Total Professional Expenses	(14,500)	(11,100)	(16,350)	(3,490)	
Total Outgoing Cash	(1,066,782)	(1,050,367)	(1,080,091)	(16,415)	
Cash Surplus/(Deficit) Before Savings	71,274	30,870	45,767	41,404	
- ICC Savings:					
Annual Emergency Savings	(\$17,071)	(16,083)	(16,729)	666	1.5% of "gross room & board" per policy
Annual Renovations Savings	(\$17,071)	(16,083)	(16,729)	229	1.5% of "gross room & board" per policy
Annual Expansion Savings	(\$16,500)	(16,500)	(16,500)	16,500	Member fees plus interest income, per policy
	-	-	-	(2,452)	
FY 03-04 Deficit Repayment	(\$2,671)	(2,452)	(2,566)	10,566	Repay 03-04 deficit of \$40K for 10 years at 1% interest
6 Year "Refinance Deficit Plan"	-	8,000	15,281	(58,358)	End borrowing from emergency savings for cash flow, passed last year
Total ICC Savings	(53,313)	(43,077)	(37,243)	(32,849)	
Cash Surplus/(Deficit)	17,961	(12,207)	8,524	8,664	

11/4/2005
Prepared by Howard Lenett

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-----END SALARY INCREASE DISCUSSION-----

----- START STAFF REPORTS-----

GA Report July 18, 2008

What a very important meeting you are having. I regret that I am not there to answer your questions, but I trust you to make the decisions that are in the best interest of ICC. I recommend that you talk to your housemates about what is most important to them about ICC. You should protect those things when you make your decisions.

Rather than give several brief updates like most of my reports, this month I will provide an overview of ICC, some context on the Austin rental market, and the organizational priorities that have been developed over the last few years. Please bear in mind that the following history and background is from my perspective with help from other staff, especially Billy since he has worked for ICC since 2000 and lived at New Guild and HOC before that. I have my opinions and I am sure they leak in through my perspective. Please know that I work for you and will carry out what you decide.

A Brief History of ICC

From 2001 to 2004 ICC struggled with multiple problems. Occupancy was down so ICC was losing money. Arrakis burned to the ground in December 2000. We had fewer houses as we did not buy Eden House until 2004. The board had resolved to expand ICC so the additional members would help share costs and to insure that houses were in good enough shape to stay full. ICC had five staff members during those years so our costs were higher. Since 1988 the House of Commons had been owned by Nasco Properties and leased back to ICC to operate for cheap. This was part of a plan to save ICC from bankruptcy after we bought some apartments we could neither fill nor sell. ICC was able to achieve quite a bit back then, but only by spending almost all of the savings the corporation had built up.

ICC bought the House of Commons back, and helped Nasco Properties to buy Sasona Co-op in S Austin. ICC rebuilt Arrakis (with extra rooms) after it burned down in December 2000. ICC also purchased Eden House in 2004. Everyone pulled together to make it happen. Staff took no raises and worked their tails off to improve occupancy, gain the financing to acquire HOC and Eden, and make Arrakis into the excellent co-op it is today while only going over budget by around three hundred thousand dollars from the original construction estimate.

In fall 2003 with Arrakis over budget, occupancy still a challenge and the prospect of buying Eden house on the table, the board decided to raise rates for 2004 to \$620 for a single and \$509 for a double, to help ICC pay all of the new expenses and start to rebuild reserves. The board also agreed to borrow money from our own emergency savings for the next 5 years and pay it back over 10 years to be sure there was enough cash to run the company. Unfortunately occupancy was poor in fall 2004 mostly due to problem members at Avalon that new applicants did not want to live with. ICC was still losing money.

Despite these difficulties ICC managed to buy Eden House in 2004. Avalon was closed in December 2004, fixed up and reopened with several experienced members to help restart the house. After the Eden House purchase, ICC refinanced \$1.8M in loans into one big 15 year loan. If ICC had not had five experienced staff members to manage so much and a board that remained focused, 2004 could have been a disaster. Instead their work set up the last 4 years of success.

The board decided it was time to lower prices to insure increased occupancy and take steps to reduce expenses in fall 2004. Prices were reduced for the 05-06 year to \$595 for a single and \$495 for a double. One staff position was eliminated. The duties were taken over by the remaining staff or eliminated. ICC was able to fill up for the academic year by September in 2005. We had some vacancy but exceeded budgeted occupancy. Cutting expenses and adding beds both contributed ICC improved financial performance as well.

Both the Accounting Administrator and General Administrator left during 2005. Both were being paid more than Brian is today. Brian was hired in September 2005. Brian hired Gail in October 2005. In total ICC saved more than \$20,000 in salary cost with the new staff the following year. Success in 2005 was

well on its way by the time Brian started at ICC. His acceptance of the job for \$42,500 and hiring of Gail for \$32,000 was not the only factor in cutting expenses. Additionally in Spring 06 when ICC renewed our property and liability insurance it had been 5 years since Arrakis burned down. That is a magic number for insurance risk evaluation. The cost of insurance for ICC dropped from \$58,000 to \$39,000. That felt good! By May 2006 (the end of the year) we had a significant surplus that was used to replenish some of the Emergency savings that had been spent over the previous few years.

ICC budgeted conservatively to protect occupancy for the 06-07 year only increasing rates by \$4 to \$499 for a double and by \$10 to \$609 for a single. In addition ICC started to offer an incentive for members to sign for 12 months by giving a \$10 per month discount during the academic year to members who signed for summer too. For the first time in many years ICC exceeded budgeted occupancy in the summer of 2006 and was completely full for the coming academic year before move in. By May 2007, ICC had another significant surplus. Additional beds, increased occupancy, and reduced expenses fixed ICC's cash problems and positioned us to consider major capital improvements to our houses and further expansion. All of our bankers at Bank of America have been impressed with ICC's improved financial ratios.

With a couple of years of solid financial results under our belt the board created the Future Asset Development Committee (FadCom) in January 2007 to help ICC decide what we wanted in the long term. FadCom considered the state of our houses, the state of our finances, and what we love about our houses to come up with the 10 year plan that was approved by the general membership in Fall of 2007. The plan is for ICC to continue to expand without adding staff so that the overhead cost of running the office is shared among more members.

The budget process in fall 06 for the 07-08 year was considerably more contentious than the year before. Members did not want to raise rates, and they wanted more money for food. After several board discussions in November, December and January, the board finally passed the budget for 07-08 in February of 07 just in time for signing to start. Rates would increase to \$625 for a single and \$509 for a double. The discretionary funding increased from \$105 to \$110 per member per month. Efforts to cut the education budget were rejected by the board. We only spend 1.15% of Education so that would not have made much difference to rates even if we had cut it all.

In 07-08 (last year), The board authorized using the 2006 surplus to cover budget overruns that happened last budget year, and the rest was put into emergency and renovation savings. The board paid for Jenn's raise, the New Guild door, and for the cost of sending extra people to Nasco Institute. There was still enough left over to take Emergency savings to the ceiling by paying back the loans we had made to ourselves, and put more than \$10k into renovation savings. By applying last year's surplus to budget overruns in the year that just ended in May, this year's surplus is bigger.

When the board approved FADcom's long term plan ICC committed to increasing rates by \$5-\$20 a year with the funds dedicated to generating enough income so that ICC could borrow money to buy or redevelop a new house. We have just about maxed out the amount of loans we can carry without increasing prices. Fadcom set a goal to add 15 beds in the next 6 years.

I shared last year's financial results with you in June. You can see that ICC had another great year despite increasing prices by \$16 for a single and \$10 for a double. You will have a significant surplus available to allocate once our financial audit is complete. The audit will tell us the exact amount of surplus we generated. The Audit should be complete in late Sept or October. The proposals in front of you today can be approved and be funded by the surplus, but you should be sure to include an out in case the surplus is significantly less than what I predicted.

For the 08-09 budget (this year) ICC increased rates to \$645 for a single and \$525 for a double. ICC filled up even earlier than the year before and will achieve budgeted occupancy for the summer even though we budgeted to be more full than in past summers AND Royal is closed this summer AND we increased rates for summer for the first time in a while. ICC increased the discretionary funds to \$113 per person per month, created the Facilities Reserve fund to cover when large appliances break, covered

Jenn's increased salary, and funded our biggest summer repair budget in several years. We are well on our way to another successful year.

A Brief Look at the Economy in Austin and West Campus

Austin's economy has been growing very fast for the last 10 years. Many high dollar jobs have been created that have driven up rents and home values. Today the median income for a 1 person household in Austin is \$48,000. That means half of the people in 1 person households are earning more and half are earning less. Even though Austin lost 10's of thousands of jobs when the tech bubble burst the economy has continued to grow. The recent building boom has seen many cheap old apartments and houses knocked down and rebuilt as expensive apartments and homes.

Austin is not exempt from the overall economic problems plaguing the rest of the country, but the effect has been delayed. Pundits are divided whether Austin will feel the recession as badly as other parts of the country, but there can be little doubt that Austin will have more condos and apartments available than there are people looking for condos or apartments soon. This will force the more expensive places to lower their prices to fill up which will in turn force the middle of the road places to lower their prices. Eventually this price pressure may reach ICC. ICC's prices without food and utilities are only \$462 for a single and \$345 for a double so market rents would have to drop quite a bit before we feel the pressure. Because we market our prices with food and utilities our prices look as high as some cheap apartments. ICC's mission, from our Articles of Incorporation, is to provide housing for students that would otherwise not be able to afford to live in Austin. Now more than any time the prices in Austin are out of reach of many young people. Austin has the highest rents in the state. The University of Texas only houses 15% of students (on campus and off). That means 85% (or 35,000) students live off campus in apartments or rental houses. There is a strong need for affordable housing for students and we have some of the best houses and locations. How high can we raise our price and still be focused on our mission of helping lower income students attend college in Austin.

When ICC sets rates we need to be aware of the pricing for other places for students and make sure we select a price that will keep ICC full. We have increased prices the last few years while successfully exceeding budgeted occupancy. It is possible that we can continue to raise prices for the next few years and stay full, but we may start to see increased vacancies if we raise prices too much.

A previous survey of ICC members showed that our cool old houses and the communities at the houses are the main attraction for members. Low price is also a factor, but until this year we have always been a little more expensive than College Houses and managed to stay full because of our places and smaller tightly knit communities. Think about what makes ICC attractive to members and let's be sure to protect that.

Inflation in the price of gasoline and food has been a serious problem for the last year and promise to get worse. Worldwide economists are projecting a 10% increase in food prices for the next five years. At that rate food prices would double in just over seven years. The USA will not be hit quite as hard as other parts of the world, but we are feeling it. Part of the problem is that grains and sugar are being used to create synthetic gasoline instead of being used as food. Another part of the problem is that on average food travels 800 miles to get to your plate. With Peak Oil upon us, the price of gas is also driving up food prices. Gas increased in price by 31% in 2007 and is well on its way to the same in 2008. Construction materials have been increasing in price as well. In short ICC will have to raise prices just to continue doing what we are doing today.

ICC Priorities to think about

When considering whether and how much to increase the house discretionary funding and staff salaries, bear in mind that while the surplus can be used to pay for the increase this year, it will have to be budgeted for next year. That means that we would either need to decrease spending in other areas or increase revenue by raising rates or raising money through Austin Co-op Festival.

Member Quality of Life – This is job one for ICC. How do we keep members satisfied so they stay at ICC and encourage others to join. ICC spends virtually nothing on marketing. Parties, members, and houses are our marketing. If the quality of life drops at ICC it will hit us in the bottom line! Having enough food and high quality food is very important part of members quality of life. It was shared meals that led the first co-ops forming in Austin back in the 30's. I think it is imperative that we continue to provide quality food. Maintaining the houses is another important part of Quality of Life of members. Replacing the plumbing at Royal will be a major improvement for members. Eden House needs the most work to bring it up to the same standard as our other houses. ICC will be spending the rest of this year deciding what to do with Eden.

Retention of Quality Staff – ICC has become increasingly dependent of quality staff. Back in the mid-eighties, ICC had one staff person helping members run the organization. It was not until ICC nearly went broke a few years later that ICC was required to have a general manager by the banks who had loaned us money. As the complexity of operating a business in Austin dramatically increased, ICC shifted responsibility for corporate administration from members and into the hands of professional staff with board supervision. Back in 2000-2004, ICC had five staff members that deftly handled the crisis with occupancy and rebuilding Arrakis, and still met the goals set by the board for expansion. The times when ICC has gotten a lot done and achieved our goals have been when we had a strong staff with experience in working at a co-op to facilitate the democratic decision making process. The fact is that just as members are feeling the pinch from inflation so are staff. Billy and Gail are officially proposing an increase in their pay based on ICC standing rules and the additional raise for Jenn that was over and above the market based raise that is described in our standing rules. I would like more money too, but I am not asking for a raise at this time.

The cost of failing to retain quality staff or for paying too little is significant but not obvious. ICC would spend a lot more energy recruiting and hiring staff. Without satisfactory compensation turnover increases and the ability of hire and train professional staff to effectively run the organization as a democracy is reduced. This hurts our ability to reach our goals as an organization.

Occupancy/Pricing – As I mentioned in the brief look at the economy in Austin, it is the job of the board to set prices each year for the following year. In the past ICC usually increased rates by \$4-\$20 each year. For every dollar increase in room & board (for all 12 months) ICC makes an additional \$2000. A \$20 increase per member per month in the discretionary funding would generate an additional \$40,000 for houses to spend and would mean ICC would have to raise rates \$20 a month (all 12 months). A \$20,000 increase in salary expense will require a \$10 increase in room & board (all 12 months) to pay for it. Please be aware that if we are committing to additional salary expense or discretionary funds, we can pay for the first year from surplus, but we will have to budget for the spending in the 09-10 year later this fall. Also please be aware that we are at some risk of increasing prices too much. You probably know how much is too much better than me. It will be members and/or their parents who would be deciding to move out because prices went up too much.

Expansion – ICC identified that long term we should try to add beds so that overhead costs are spread among more members. Each new bed we can add at today's room & board rates generates \$5428 in a double or \$6678 in a single. Adding 15 beds to ICC would generate around \$90,000 each year at current prices. We raise much more money by adding beds than increasing prices. ICC will be spending a good deal of effort discussing the options for expansion this year. The board last year authorized spending \$5k for an architect to help us understand and decide what to do with Eden House. More details on that follow.

In any case expansion costs money. Ideally the additional beds would be able to pay for the cost of construction. Most of the property around the University is very expensive. College House redeveloped their own land (Laurel House) and still had to sell Halstead and increase prices significantly to build the

new super co-op. ICC will need to borrow money from a bank to expand. At this time ICC is close to having as much borrowed as we can afford without increasing prices. If ICC were to increase salaries per our standing rules and offer a bump comparable to Jenn's raise as well as increase house discretionary funds by \$20 per person per month while still meeting our goal to increase debt coverage by a dedicated rate increase of \$5-\$20 per year for the next 5 years we would likely need to increase rates by as much as \$35-\$50 next year.

My opinions on these issues are as follows:

Increased House Money – Food prices continue to go through the roof. We need to increase the funding some and should look at ways to increase our ability to grow our own food, consume locally grown food, minimize driving, and leverage that fact that we are already spending \$200k a year on groceries to get the best deals possible. You could set a guideline for future boards such as: house discretionary funding should be 20% of average room & board. Our budgeted average room & board this year (including singles, doubles and summer discounts) is \$574 a month. Twenty percent would be \$114.80. Twenty-two percent would be \$126.17. That way when/if the board raises rates in future there is some guidance for them about changing the house funding level. Remember every dollar of increase of house funds will be a dollar of rate increase for next year.

Increased Staff Salaries – Staff are being stung by inflation just like members and ICC, but the reason I support increasing salaries is that it is in our standing rules. It is our duty to follow them. I am guilty of being ignorant of the rules the first two years. Last year I spoke to Christa about the 5% in the rules but did not press her or the board about it. I think we should offer the 5% retro raise to all and the flat dollar amount increase to compensate for Jenn's raise to Gail and Billy. Mancom should look to clean up the staff section of the standing rules ASAP. We should get rid of the 5% rule and other prescriptive rules that tie the hands of the board and GA. Let's clarify contradictions in the rules too (such as personal time).

Expansion /Pricing – If we want to be able to expand before our current loans are paid off, we will need to be able to borrow more money. To borrow more money we need to show that we have the ability to pay the monthly charges. Today we pay \$215,000 a year in principle and interest on our loans. They will be paid off in 2019. If interest rates dropped enough we may be able to refinance our loans to give more time to pay them off and reduce our annual debt service. This could make room for financing without having to raise rates more and risk hurting our occupancy in the future.

Planning for what to do with Eden House

Now that Royal has their new plumbing and spruce up, Eden House (1910 Rio Grande) is the ICC property that needs the most work. So that the board would have quality information to make a decision, \$5000 was allocated from Expansion Savings to hire an architect to provide their professional opinion of what is possible on the property. The architects' familiarity with building codes and city zoning will mean that the board and general membership will have professional opinions of what is possible at 1910 Rio Grande before being asked to make a decision about what to do.

Thinking in broad terms ICC has four options:

- 1 Do No Major Work – repairs as necessary, keep on doing what we are doing now.
- 2 Remodel Eden House without adding beds – this could include plumbing, fire escape, ADA, etc.
- 3 Remodel Eden House and add beds – same work as above but adding rooms where possible. 4

Remove the existing house and build something new.

Each of the options would have a different price and would improve member quality of life in different ways. If we add beds that will help offset the cost of the work since ICC would earn additional revenue from the additional beds. If ICC added beds AND decided to reserve spaces for low income students we could access UNO Affordable Housing Funds from the City of Austin to cover up to half of the cost of the project.

ICC General Development Criteria from FADCom (Future Asset Development Committee):

Preserve an individualistic character and personality while promoting a sense of community and cooperation, and:

Be limited to a maximum occupancy of 35 members, and

Be limited to a minimum occupancy of 15 members, and

Each house must have at least 75 square feet of common space per member, preferably more.

Important Issues from FADCom:

A sense of individuality

Communities that consist of small houses

Keeping ICC affordable

Common areas in each house that promote a sense of community

Retaining committed and hard-working co-ops

What can ICC afford, very roughly:

Remodel - \$100,000-200,000

Additions/Redevelopment - \$50,000-\$80,000 per bed

3-Year Timeline:

2008-2009 – Three Decision Tracks detailed below

2009-2010 – Architectural, funding, logistics planning, and site plan submission

2010-2011 – Construction

**Eden House Critical Path
FADCom/ICC Board**

July 2008 – ICC receives a quote for this process from Cotera-Reed Architects. FADCom makes a recommendation to the board.

July or August 2008 – ICC board accepts or rejects the quote for services from Architects and approves decision process.

Sept. 11, 2008 – Big Meeting #1 (with Architects) Analyze ICC strengths and weaknesses, open discussion of vision for Eden House. Presentation of the current state of Eden House. Outline of the decision process to participants.

Nov. 6, 2008 – Big Meeting #2 (with Architects) Consider three concepts worked out by the Architects for Eden House (remodel, addition, redevelop) Choose 1 or 2 of the concepts for further work. Selected options to be presented at Fall GMM.

Feb. 12, 2009 – Big Meeting #3 (with Architects) Select option to recommend to the board for Eden House based on more detailed plans from the architects. Board votes whether to send it to GMM.

April 2009 – GMM vote on Eden with presentations from all three tracks and from members in opposition.

**Should ICC provide low-income housing?
MEMCom & MANCom**

If ICC became an official Affordable Housing provider we could get up to \$1M from the city to add “affordable” beds.

Sept. 6, 2008 – Board Retreat (with expert speaker). I have asked Karen Paup to present at the retreat about what it means to be an official Affordable Housing provider.

Sept. 2008 Membership and Management Committees meet to consider whether ICC should become an Affordable Housing provider.

Oct. 2008 Committees develop a proposal for the board if they decide ICC should become an Affordable Housing provider.

Nov 2008 – ICC board votes to become a provider or not.

Nov. 2008 – GMM vote??

April 2009 – Board Coordinator and Membership Coordinator present their choice at GMM.

**Financial Feasibility
FICom**

The Financial Committee will provide financial analysis and recommendations to the Board and General Membership.

Aug. 2008 – Consider additional cost for retaining the Architects (if more than \$5000)

Oct. 2008 – Start of ICC Budget Development for 09-10 year.

Nov. 2008 – Present current budget to GMM, describe FICom’s plan for next year’s budget.

Nov. – Jan. 2008 – Gather cost estimates for the Eden option(s) selected at Big Meeting #2.

Dec.-Jan. Pass Budget for 09-10 fiscal year

Feb 12, 2009 – Financial Coordinator presents financing options and cost estimates at Big meeting #3 and to the ICC Board.

April 2009 – Financial Coordinator presents their analysis at GMM.

Summer 08

		Rooms				
M	F	188		Max Days	Occ Days	Budgeted Occ.
7	10		Arrakis	1640	1467	89.45% 90.00%
8	4		Avalon	1804	915	50.72% 77.00%
5	6		Eden	1230	874	71.06% 80.00%
9	8		Seneca	1558	1291	82.86% 68.00%
10	6		French	1640	1195	72.87% 90.00%
7	9		Helios	1394	1061	76.11% 76.00%
0	0		Royal	1394	0	0.00% 0.00%
18	10		New Guild	2542	2201	86.59% 74.00%
14	11		HOC	2214	2132	96.30% 78.00%
78	64			15416	11136	72.24% 71.80%
41.49%	34.04%					

AY Occupancy

		Rooms				
M	F	188		Max Days	Occ Days	Budgeted Occ.
10	10		Arrakis	5660	5660	100.00% 100.00%
12	10		Avalon	6226	6226	100.00% 90.91%
7	7		Eden	4245	3962	100.00% 93.33%
10	9		Seneca	5377	5377	100.00% 100.00%
10	10		French	5660	5660	100.00% 100.00%
9	8		Helios	4811	4811	100.00% 94.12%
9	8		Royal	4811	4811	100.00% 100.00%
15	16		New Guild	8773	8773	100.00% 93.55%
15	11		HOC	7641	7641	100.00% 92.59%
97	89			53204	52921	100.00% 95.70%
51.60%	47.34%					

Facilities Administrator Board Report
for the
July 30th, 2008 ICC Board Meeting

We're reaching the end of the major facilities work undertaken by ICC this summer. Most projects have been completed, and the remaining tasks are mostly finished. Please look over the budget and project status summary below for more details.

The restart phase for Royal begins on August 16th. Per the Board-approved plan, members will be allowed to move in between August 16-19th if they're willing to help get the house up and running. I've requested that the Royal Advisory Committee meet to hash out a plan.

I've also attended a couple of Facilities Committee meetings (or non-meetings) as well as with Lee, the Facilities Coordinator, to make sure members have access to information. Unless I'm directed otherwise, I intend to participate in the committee meetings on a regular basis. In the past I've only attended when requested, but I think it might be more helpful to only not attend when requested.

During June and July I devoted a considerable amount of time to boot-strapping the Eden House Study process. Brian presents the latest information in his GA report. ICC now has several staff and ECC members engaged with the planning process, so it should be a more distributed effort from here on out.

In late June I attended the 2008 US Federation of Worker Cooperatives biannual conference in New Orleans. I highly recommend ICC members to check out the organization, especially members that are interested in continuing a lifelong cooperative experience outside of student housing. My eyes have been opened to a number of new possibilities, most of which don't really relate directly to my position at ICC. I do have some recommendations for how ICC might better interact with the community that I'm hoping to be able to share at the fall Board retreat.

Budget Summary for Major 2008 Projects:

July 18, 2008

	Total Budget	YTD Actual	Projected Actual	Projected Over/(Under)	Status/Notes
AR - termite treatment	1200	1132	1132	(68.00)	Project complete 5/28/08
AV - fire alarm system	11000	16699.09	16699.09	5699.09	Project complete 6/30/08
ED - fire alarm system	14000	11999.21	11999.21	(2000.79)	Project complete 6/24/08
HE - breaker box replacement	1500	945	945	(555.00)	Project complete 5/19/08
HE - termite treatment	1100	956	956	(144.00)	Project complete 5/19/08
HC - sundeck roof/railing replacement	15000	17000	17000	2,000.00	Project complete 6/2/08
HC - rm 1 laminate flooring	1000	581.98	1163.96	163.96	scheduled for August
HC - termite treatment	1400	1276	1276	(124.00)	Project complete 5/27/08
NG - ADA access/bathroom	30000	14739.21	30000	-	from expansion fund
RO - fire alarm system	18000	9008.99	18000	-	
RO - gutter installation	3000	2950	2950	(50.00)	Project complete 5/29/08
RO - plumbing/bathroom rehab	75000	39130.62	75000	-	from renovation fund
RO - attic flooring/repairs	1500	0	1500	-	
RO - spruce-up	6700	6681.09	6700	-	
RO - garage laminate flooring	1500	0	1500	-	project postponed
CONTINGENCY	9000	0	9000	-	
	190900			4921.26	

House of Commons Room 1 Laminate Flooring – (budget \$1,000)

Current Summary: Project to be done August 19-21 before new member moves in on August 22nd. Perfect Floors to do installation.

New Guild ADA Access and Accessible Bathroom – (budget \$30,000)

Project has been divided into two permitted jobs, the wheelchair ramp and the bathroom remodel.

Wheelchair Ramp

Current Summary: Door operator installed. Concrete poured. Waiting for welder to complete handrails and final inspection. Expected completion date July 31st. Possible concrete refinishing for porch to be evaluated after ramp is complete.

Bathroom Remodel:

Current Status: Tile work to be completed July 19-20. Plumbing top-out and other finish work to be done by July 25th. Expected completion date July 31st.

Royal Fire Alarm System – (budget \$18,000)

Current Status: System installation about 80% done. Expected completion date of July 31st.

Royal Garage Room Laminate Flooring/Rehab - (budget \$1,500)

Current Status: **WORK POSTPONED** until current members move out. Project to be “rolled over” to next fiscal year if necessary, per ICC policy.

Royal Attic Room Repairs – (budget \$1,500)

Current Status: Painting complete. Laminate flooring scheduled for installation July 21-25th.

Royal Spruce-Up – (budget \$6,700)

Current Status: Kitchen countertops, kitchen tile, and laundry room ceiling sheetrock complete.

Royal Plumbing Repairs – (budget up to \$75,000) – pre-permit status moved to end

Current Summary: Most plumbing and related repairs and required inspections have been completed. Now waiting on completion of some minor tile repairs, and patching/painting of damage caused by plumbing work. Expected completion date of August 15th.

** updated, detailed summer 2008 major facilities project status and daily history for all projects can be seen at www.iccaustin.coop/2008SummerFacilitiesProjectStatus.htm

_____ **END STAFF REPORTS** _____

_____ **START COMMITTEE REPORTS** _____

FICOM

Financial Committee Meeting Minutes 7/8/08

Attending

6 Total - Matt (French), Kyle (New Guild), Ken (HoC), Helen (Royal), Lauren (Eden), Corey (Board Rep)

Member Time:

Anthony Watson (New Guild): Recap - Made a payment plan for May, paid first payment late, didn't get to the office in time, late fees have been accumulating since, making it hard to pay all the money due. We froze his late fees and asked him to pay off his balance. In the past month, he paid off his balance not including the late fees.

Discussion: He made the effort to bring back documentation and do what we asked. He did everything we requested at the last meeting.

Proposal: To waive all but \$26 of Anthony's late fees. 5-0-1 passes.

Christopher (HoC): Wants to raise food budget for fall. HoC buys organic and local food, difficult to stay on budget with food costs. Gas is expensive, food is expensive. Talked to Whitehall which does \$139/person, is suggesting that we raise our food budget to that amount.

Discussion: Where in the budget should the money come from?

Matt - Local and organic food is expensive.

Kyle - Spend more, eat less. Better to pay the extra money for better quality food.

Helen - This is a bigger discussion than we have time for right now. I can help you make a proposal for the board meeting. (Gave Christopher contact info).

Julie Hsu (French House): Moved into French house at middle of month, thought first month was paid for through initial fee (got confused by last month's rent, thought it was for first month). Balance sheet indicates currently owes \$18 in late fees. All communication with the office prior to moving in was through fax because she was in California.

Discussion: Many people get confused by the last month's rent and think it applies to the first month. This could fall under the "distance" category of acceptable reasons to waive late fees.

Proposal: To waive all of Julie's late fees. 5-0-1 passes.

Spreadsheet and Budget Review

Long discussion about the spreadsheets and budget worksheet to determine how they could be made easier to understand.

Dan Keshet provided clarification on the purpose and meaning of the spreadsheets when we had questions.

General consensus that it would be better to give summaries to the board rather than the detailed spreadsheets, and that board members who want to see more detailed information can request it at any time.

General consensus that there should be a flowchart/information page provided with the spreadsheets, explaining what they mean and how they relate to each other.

Helen took notes on specific suggestions of how to make the individual spreadsheets more clear, and will give those suggestions to Brian.

Compass Bank Administrator Proposal

At Brian and Gail's request, Helen introduced the option of signing up for Compass bank's administrator privileges, which would allow Brian, Gail, and Helen easier access to all of the house checking accounts. This would cost \$40/month and could the cost could either be paid from the Central ICC fund or split between the houses.

Discussion : This is a good idea. Have ICC pay for it. If ICC wants easier access, they should pay for it, not the houses.

Proposal: To allow ICC to have administrative access to the house checking accounts for \$40/month, paid for out of the central ICC fund. 6-0-0 passes.

Other Notes

Helen reminded everyone to reconcile between the 7th and 10th of each month, so that Brian will have final numbers for the previous month to present at board meetings.

There will be lots of big decisions coming up in the fall that FiCom will be working on, including next year's budget, whether to become a low-income housing provider, and the financial planning for the Eden redevelopment.

Any five or more FiCom members can call a meeting for August if they feel a need. Otherwise the next meeting will be in early September because Helen will be out of town until then.

FACCOM

No minutes or report submitted.

ECC

Hello Boardies! The ECC is doing fine. At the last meeting we mainly went over the timeline for redevelopment that Brian outlined above. The ECC does not have quorum and won't have quorum until the fall, so while we are taking minutes and functioning, we can't vote or approve minutes. Until then, we are focusing on what's coming out of the committees and broad planning like the redevelopment timeline. Let me know if you have more questions/ need more info! comcoord@iccaustin.coop . –Barb

ACTION ITEM REVIEW

Barb- Make Confrontation Management Handbook Committee

Barb- Facilitator's manual

Facilities Committee- Key Proposal

Facilities Committee- Drain Proposal

...Heck yes, the meeting's (almost) done!

How to read the Financial Info in the Board Packet

Profit-Loss - This is a summary of the monthly actuals that shows how much ICC made or lost each month year to date. Please note that some spending is not technically expenses. These include: capital investments (which are expensed as depreciation over the life of the investment), principle payments on loans, and savings. I listed these items separately at the bottom of the page. We budget the cash out for these items even though they are not expensed. Additionally we do NOT budget for depreciation, but it IS an expense so we have to adjust that expense OUT of the outgoing cash to match our budget.

Cash Flow - This is a reconciliation of our cash on hand it starts with the profit (or loss) and makes adjustments for capital investments, prepaid expenses, principle payments on loans, and any others that may be necessary. The cash flow page is probably the least intuitive of those in the spreadsheet. Please ask me questions if you are confused about this. You can email or call me during business hours or I can explain at a ficom or board meeting. This is also included in the board packet every month.

Balance Sheet Comparison - The balance sheet measures ICC's net worth (or equity). It accounts for all of our assets and liabilities. $Equity = Assets - Liabilities$. Based on feedback from ECC I am including the balance sheet from June 1 and from the end of the last month so that you can see the change from the start of the year. It is 5 pages titled "Balance Sheet Comparison." With this info you can see changes in all of our bank accounts, loans, security deposits, last month room & board (LMR) and more. The relevant items are the ones that have changed during the month of June.

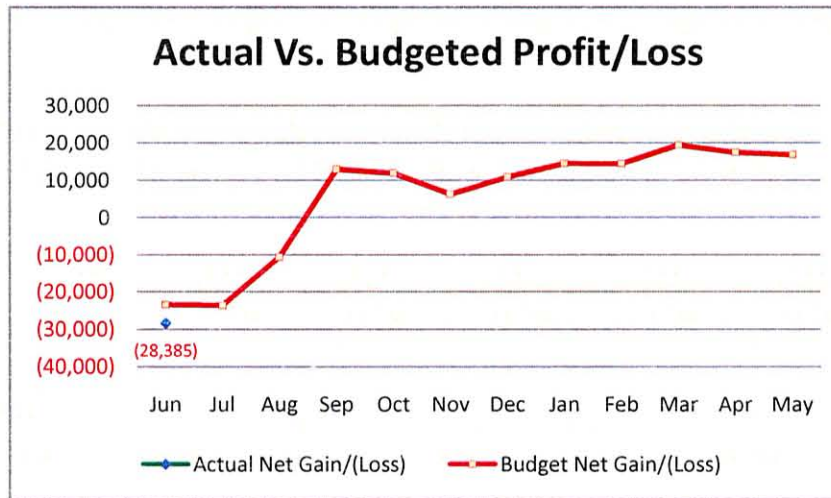
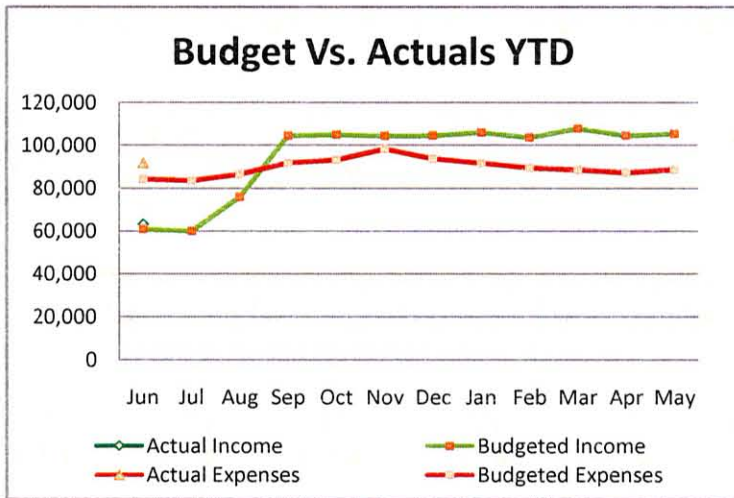
Savings - Perhaps the most intuitive of the pages, this shows how much we have in our mandatory savings (emergency, renovation, expansion, facilities reserve). It also shows how much each house has in their checking and savings accounts. Finally it shows where the money is and how much interest in being earned for each account. We have money in 5 different banks as well having \$10,000 invested as equity in Wheatsville. To see the rules for our savings account take a look at our standing rules on line. It is in the Finances section. Savings policy starts at section 8.13.

Profit and Loss Statement

Profit and Loss Worksheet

Account Name	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Annual
Actual Income	63,333												63,333
Budgeted Income	60,898	59,973	75,883	104,577	104,978	104,402	104,477	106,043	103,692	107,818	104,544	105,415	1,142,700
Actual Expenses	91,718												91,718
Budgeted Expenses	84,383	83,613	86,545	91,765	93,180	98,209	93,678	91,675	89,382	88,563	87,229	88,724	1,076,947

Account Name	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	FY08 YTD
Actual Net Gain/(Loss)	(28,385)												(\$28,385)
Budget Net Gain/(Loss)	(23,485)	(23,640)	(10,662)	12,812	11,798	6,193	10,799	14,368	14,310	19,255	17,315	16,691	(\$23,485)



Non-cash Expense (we do not budget for depreciation but it is an expense)														Budgeted Expenses	1,076,947
Depreciation Expense	11,344	11,344	11,344	11,344	11,344	11,344	11,344	11,344	11,344	11,344	11,344	11,344	11,344		136,128
														Outgoing cash from expenses	940,819
We budget for the items below. They are not expenses, but effect cash flow.															
Debt Service (Principle)	8,537	8,537	8,537	8,537	8,537	8,537	8,537	8,537	8,537	8,537	8,537	8,537	8,537		102,446
Capital from Ops	45,000	25,000	15,900												85,900
Savings	4,090	4,090	4,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390		\$61,082
														Total Outgoing Cash per budget	\$1,190,247

Principle payments just reduce debt on our balance sheet. Capital Investments are depreciated. Savings is moved to interest bearing accounts.

ICC Cash Flow Report

Jun 08

OPERATING ACTIVITIES

Net Income	-21,385.41	about 7000 less
Adjustments to reconcile Net Income to net cash provided by operations:		
12-1010 · Member Receivables	11,243.42	
13-1312 · House Charges	-159.29	
13-3000 · Prepaid Prop/Liab Insurance	2,989.41	
13-4000 · Prepaid Staff Parking	-400.00	
13-5000 · Prepaid Ins · Worker's Comp	-2,326.50	
13-7000 · Prepaid Alarm Monitoring	51.50	
20-1000 · Accounts Payable	-20,205.29	
21-5500 · NASCO Fees	-4,212.00	
22-1010 · Retirement	913.02	
25-1000 · Member Security Deposits	-8,595.00	
25-2000 · Member Pet Deposits	-100.00	
25-3000 · Last Months Room & Board	1,635.00	
25-3010 · LMR-Installments not yet due	720.00	

Net cash provided by Operating Activities -39,831.14

INVESTING ACTIVITIES

16-4500 · Interior Remodel	-31.38
18-3001 · AV - fire alarm system - FY8/9	-838.00
18-3002 · ED - fire alarm system - FY8/9	-1,287.97
18-3006 · RO - fire alarm system - FY8/9	-8,926.30
18-3011 · NG - ADA ramp/bathrm - FY8/9	-9,923.18
18-3012 · RO - plumbing repairs - FY8/9	-24,376.86
18-3013 · RO - spruce-up - FY8/9	-47.77
18-7990 · Accumulated Depreciation	11,343.97
19-0001 · NASCO-Long Term Portion	2,534.69

Net cash provided by Investing Activities -31,552.80

FINANCING ACTIVITIES

28-1001 · Note Payable #1	-7,660.04
28-1002 · Note Payable #2	-974.19
28-1003 · Note Payable #3	-1,052.13

Net cash provided by Financing Activities -9,686.36

Net cash increase for period -81,070.30 about \$7000 lower

Cash at beginning of period 506,470.81

Cash at end of period 425,400.51 about \$7000 lower

Inter-Cooperative Council
Balance Sheet Comparison
As of June 30, 2008

	Jun 1, 08	Jun 30, 08	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
10-0050 · Central Fund			
10-1000 · Spendable Central Fund	\$26,430	(\$44,668)	(\$71,098)
10-1020 · Facilities Reserve	\$2,671	\$2,671	\$0
10-1030 · LMR Deposits - Holding	\$52,035	\$52,035	\$0
10-2020 · Renovation Savings (to xfer)	\$50,673	\$40,673	(\$10,000)
Total 10-0050 · Central Fund	\$131,809	\$50,711	(\$81,098)
10-3300 · Wachovia-Sec Fund	\$33,347	\$33,347	\$0
10-8000 · House Checking accounts			
10-9010 · AR - Compass	\$3,618	\$2,311	(\$1,307)
10-9020 · AV - Compass	\$1,181	\$779	(\$402)
10-9030 · ED - Compass	\$1,143	(\$299)	(\$1,442)
10-9040 · FR - Compass	\$3,636	\$2,836	(\$799) not reconciled for June
10-9050 · HE - Compass	\$1,264	\$1,556	\$292 not reconciled for June
10-9060 · HOC - Compass	\$1,636	(\$235)	(\$1,871)
10-9070 · NG - Compass	\$3,305	\$3,098	(\$208) not reconciled for June
10-9080 · RO - Compass	\$3,622	\$3,459	(\$163)
10-9090 · SE - Compass	\$1,806	\$2,318	\$511 not reconciled for June
Total 10-8000 · House Checking accounts	\$21,211	\$15,822	(\$5,389)
11-1000 · Emergency Savings Accounts			
11-1001 · NCB	\$81,462	\$81,533	\$71
11-1002 · N C B - CD	\$11,004	\$11,048	\$43
11-1003 · CountryWide #1	\$39,208	\$39,305	\$97
11-1004 · CountryWide #2	\$21,954	\$21,954	\$0
11-1005 · Wachovia-Money Market	\$45,654	\$15,011	(\$30,643)
11-1006 · C W #3	\$0	\$30,749	\$30,749
Total 11-1000 · Emergency Savings Accounts	\$199,282	\$199,599	\$317
11-2000 · Renovation Savings Accounts			
11-2001 · CountryWide #3	\$30,749	\$0	(\$30,749)
11-2002 · Wachovia - Renovation	\$0	\$40,749	\$40,749
Total 11-2000 · Renovation Savings Accounts	\$30,749	\$40,749	\$10,000
11-4000 · Other Savings Accounts			
11-4001 · Nexity - Expansion	\$0	\$0	\$0
11-4002 · Expansion-Compass Bank	\$69,865	\$69,865	\$0
11-4003 · House Savings-Compass Bank	\$14,806	\$14,845	\$38
11-4004 · House Savings-Nexity	\$0	\$0	\$0
Total 11-4000 · Other Savings Accounts	\$84,671	\$84,709	\$38
Total Checking/Savings	\$501,069	\$424,936	(\$76,133)
Accounts Receivable			
12-1000 · Accounts Receivable			
12-1010 · Member Receivables	\$76,194	\$393	(\$75,801)

Inter-Cooperative Council
Balance Sheet Comparison
As of June 30, 2008

	Jun 1, 08	Jun 30, 08	\$ Change
12-1050 · Hostell Receivables	\$0	\$0	\$0
12-1100 · Member Rec - Transfers	\$0	\$0	\$0
12-4000 · Rec - Operations	\$0	\$0	\$0
Total 12-1000 · Accounts Receivable	\$76,194	\$393	(\$75,801)
Total Accounts Receivable	\$76,194	\$393	(\$75,801)
Other Current Assets			
12-5000 · A/R Transfers	\$0	\$0	\$0
13-1312 · House Charges	\$553	\$18	(\$534)
13-2000 · Prepaid Expenses			
13-2010 · PrePaid Facilities Expense	\$0	\$0	\$0
13-3000 · Prepaid Prop/Liab Insurance	\$23,915	\$23,915	\$0
13-4000 · Prepaid Staff Parking	\$0	\$600	\$600
13-5000 · Prepaid Ins - Worker's Comp	\$2,327	\$2,327	\$0
13-7000 · Prepaid Alarm Monitoring	\$309	\$309	\$0
Total 13-2000 · Prepaid Expenses	\$26,551	\$27,151	\$600
14-1000 · Due from Hispani Scholarship F	\$5,180	\$5,180	\$0
14-5005 · Note Receivable - NASCO	\$30,416	\$30,416	\$0
14-6000 · Wheatsville Co-op Investment	\$10,000	\$10,000	\$0
Total Other Current Assets	\$72,699	\$72,765	\$66
Total Current Assets	\$649,962	\$498,094	(\$151,868)
Fixed Assets			
15-1000 · Land	\$441,071	\$441,071	\$0
15-3000 · House	\$1,635,141	\$1,635,141	\$0
16-0000 · Leasehold Improvements			
16-0005 · Office Improvements	\$4,008	\$4,008	\$0
16-0100 · LHI prior to 2001	\$1,398,314	\$1,398,314	\$0
16-1000 · Plumbing	\$31,562	\$31,562	\$0
16-1500 · Electric/Wiring/Light Fixtures	\$13,394	\$13,394	\$0
16-2000 · Air/Heating	\$28,378	\$28,378	\$0
16-2500 · Fire Safety	\$58,055	\$58,055	\$0
16-3000 · Floors/Stairs	\$61,275	\$61,275	\$0
16-3500 · Walls/Ceiling	\$18,682	\$18,682	\$0
16-4000 · Doors/Windows/Locks	\$15,013	\$15,013	\$0
16-4500 · Interior Remodel	\$67,314	\$67,346	\$31
16-5000 · Balconies/Decks/Patios	\$1,414	\$1,414	\$0
16-5500 · Exterior/Roof/Gutters	\$47,213	\$47,213	\$0
16-6000 · Foundation/Drainage	\$2,250	\$2,250	\$0
16-7000 · Fences/Gates/Land Improvements	\$11,075	\$11,075	\$0
16-9000 · Pool Improvements	\$12,974	\$12,974	\$0
Total 16-0000 · Leasehold Improvements	\$1,770,922	\$1,770,953	\$31
17-0000 · Furniture / Equipment			
17-0100 · Furniture/Equipment Prior to	\$332,692	\$332,692	\$0
17-1000 · Refridgerators/Freezers	\$21,014	\$21,014	\$0

Inter-Cooperative Council
Balance Sheet Comparison
 As of June 30, 2008

	Jun 1, 08	Jun 30, 08	\$ Change
17-2000 · Stoves/Ovens	\$9,634	\$9,634	\$0
17-3000 · Dishwashers/Sanitizers	\$5,674	\$5,674	\$0
17-5000 · Tools	\$558	\$558	\$0
17-7000 · Carpet/Vinyl Flooring	\$4,581	\$4,581	\$0
17-9000 · Pool Equipment	\$929	\$929	\$0
17-9600 · Website Design	\$2,537	\$2,537	\$0
17-9701 · Membership Computer	\$877	\$877	\$0
17-9703 · Computers	\$5,970	\$5,970	\$0
Total 17-0000 · Furniture / Equipment	\$384,467	\$384,467	\$0
18-0000 · Planned 2007/2008			
18-0011 · FH - annex deck repair - FY7/8	\$4,091	\$4,091	\$0
18-0013 · HE - back porch repair - FY7/8	\$4,000	\$4,000	\$0
18-0014 · HC - fire alarm system - FY7/8	\$25,197	\$25,197	\$0
18-0015 · NG - front door replace - FY7/8	\$9,181	\$9,181	\$0
Total 18-0000 · Planned 2007/2008	\$42,469	\$42,469	\$0
18-0500 · UNPLANNED 2007/2008			
18-0510 · AR - ADA door operators - FY7/8	\$6,936	\$6,936	\$0
18-0511 · HE - commercial freezer- FY7/8	\$1,965	\$1,965	\$0
18-0512 · NG - commercial freezer - FY7/8	\$1,981	\$1,981	\$0
18-0513 · SE - 2nd floor furnace - FY7/8	\$4,360	\$4,360	\$0
18-0514 · ED - water heater - FY7/8	\$1,523	\$1,523	\$0
Total 18-0500 · UNPLANNED 2007/2008	\$16,765	\$16,765	\$0
18-3000 · Planned 2008/2009			
18-3001 · AV - fire alarm system - FY8/9	\$15,861	\$16,699	\$838
18-3002 · ED - fire alarm system - FY8/9	\$10,570	\$11,999	\$1,429
18-3003 · HE - break bx replace - FY8/9	\$945	\$945	\$0
18-3005 · HC - rm 1 lam flr - FY8/9	\$582	\$582	\$0
18-3006 · RO - fire alarm system - FY8/9	\$233	\$9,300	\$9,068
18-3007 · RO - gutter install - FY8/9	\$2,950	\$2,950	\$0
18-3010 · HC - sndck roof/rail - FY8/9	\$17,000	\$17,000	\$0
18-3011 · NG - ADA ramp/bathrm - FY8/9	\$4,759	\$14,682	\$9,923
18-3012 · RO - plumbing repairs - FY8/9	\$6,141	\$30,518	\$24,377
18-3013 · RO - spruce-up - FY8/9	\$3,310	\$3,357	\$48
Total 18-3000 · Planned 2008/2009	\$62,350	\$108,033	\$45,683
18-7990 · Accumulated Depreciation	(\$1,755,725)	(\$1,755,725)	\$0
18-8000 · Finance Costs	\$31,468	\$31,468	\$0
18-8090 · Accum. Amortization	(\$4,124)	(\$4,124)	\$0
Total Fixed Assets	\$2,624,804	\$2,670,518	\$45,714
Other Assets			
19-0000 · Other Assets			
19-0001 · NASCO-Long Term Portion	\$194,665	\$192,130	(\$2,535)
19-1000 · Lease, Utility & Other Deposits	\$2,500	\$2,500	\$0
19-9000 · Misc.	\$0	\$0	\$0
Total 19-0000 · Other Assets	\$197,165	\$194,630	(\$2,535)

Inter-Cooperative Council
Balance Sheet Comparison
As of June 30, 2008

	Jun 1, 08	Jun 30, 08	\$ Change
Total Other Assets	\$197,165	\$194,630	(\$2,535)
TOTAL ASSETS	\$3,471,931	\$3,363,243	(\$108,688)
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
20-1000 · Accounts Payable	\$39,696	\$11,218	(\$28,478)
Total Accounts Payable	\$39,696	\$11,218	(\$28,478)
Other Current Liabilities			
21-2000 · Other Payables			
21-5500 · NASCO Fees	\$4,536	\$252	(\$4,284)
22-1001 · Payroll Liabilities	\$0	\$0	\$0
22-1002 · Accrued Wages	\$2,681	\$2,681	\$0
22-1003 · Accrued Bonus	\$0	\$0	\$0
22-1005 · Net Wages	\$0	\$0	\$0
22-1010 · Retirement	\$0	\$913	\$913
22-1011 · Retirement-Employee	\$0	\$0	\$0
27-0000 · Due to Members	(\$492)	(\$492)	\$0
Total 21-2000 · Other Payables	\$6,725	\$3,354	(\$3,371)
25-0050 · Deposits & Prepayments			
25-1000 · Member Security Deposits	\$53,835	\$42,680	(\$11,155)
25-2000 · Member Pet Deposits	\$1,950	\$1,750	(\$200)
25-3000 · Last Months Room & Board	\$55,650	\$54,500	(\$1,150)
25-3010 · LMR-Installments not yet due	(\$3,360)	(\$3,280)	\$80
25-3090 · Member Refunds on Hold	\$3,612	\$3,612	\$0
26-0000 · Member Prepayments	\$16,066	\$16,066	\$0
25-0050 · Deposits & Prepayments - Other	\$0	\$0	\$0
Total 25-0050 · Deposits & Prepayments	\$127,753	\$115,328	(\$12,425)
26-1000 · Short Term Notes			
26-1001 · Note #1	\$188,680	\$188,680	\$0
26-1002 · Note #2	\$26,818	\$26,818	\$0
26-1003 · Note #3	\$30,416	\$30,416	\$0
Total 26-1000 · Short Term Notes	\$245,914	\$245,914	\$0
Total Other Current Liabilities	\$380,392	\$364,596	(\$15,796)
Total Current Liabilities	\$420,088	\$375,814	(\$44,274)
Long Term Liabilities			
28-0000 · Notes Payable			
28-1001 · Note Payable #1	\$1,285,934	\$1,278,274	(\$7,660)
28-1002 · Note Payable #2	\$176,512	\$175,538	(\$974)
28-1003 · Note Payable #3	\$191,737	\$190,685	(\$1,052)

Inter-Cooperative Council
Balance Sheet Comparison
 As of June 30, 2008

	Jun 1, 08	Jun 30, 08	\$ Change
Total 28-0000 · Notes Payable	\$1,654,183	\$1,644,497	(\$9,686)
Total Long Term Liabilities	\$1,654,183	\$1,644,497	(\$9,686)
Total Liabilities	\$2,074,271	\$2,020,311	(\$53,960)
Equity			
30-0000 · Equity			
30-1000 · Co-op Earnings	\$1,221,578	\$1,221,578	\$0
Total 30-0000 · Equity	\$1,221,578	\$1,221,578	\$0
32000 · Unrestricted Net Assets	\$142,989	\$142,989	\$0
Net Income	\$33,092	(\$21,636)	(\$54,728)
Total Equity	\$1,397,659	\$1,342,931	(\$54,728)
TOTAL LIABILITIES & EQUITY	\$3,471,931	\$3,363,243	(\$108,688)

ICC Savings Summary June 30, 2008

Emergency	\$199,528
Renovation	\$81,422
Expansion	\$69,865
Facilities Reserve	\$2,671
Wheatsville	\$10,000
House Savings	\$14,925
	\$378,411

from the standing rules:

A. Building of the Emergency Fund, and Policy Oversight

The board of directors is required to budget 1.5% of estimated annual gross income from rent (before discounts) for the building of an Emergency Fund, until the fund total reaches the ceiling - 17% of budgeted Gross Room and Board

The emergency "floor" or minimum amount is 12% of budgeted Gross Room & Board

Emergency Floor: **\$135,044**

Emergency Ceiling: **\$199,050**

Savings & Reserves Policy

ICC has three long-term savings funds:

A. Emergency Fund, for financial emergencies, funded by 1.5% of rental income each year.

A.1. Diverted to Expansion savings while Emergency is at the ceiling.

B. Renovation Fund, for capital improvements to ICC's properties, 1.5% of rental income.

C. Expansion Fund, to buy or build new co-ops, funded by Membership Fee and property sales.

D. Facilities Reserve Fund, for replacing big items that break or wear out, 1% of rental income.

<u>Where is the money?</u>		6/30/2008 comment		House Money June 30, 2008				
				House	Checking	Savings	Total	
Emer	Countrywide Bank CD	\$ 39,305	3% matures 7/25	closing				
Emer	Countrywide Bank CD 2	\$ 21,954	3% matures 6/25	Moved to Plains Capital Bank CD in July	Arrakis	\$2,311	\$762	\$3,073
Renov	Countrywide Bank CD 3	\$ 30,749	3% matures 8/20	closing	Avalon	\$779	\$2,839	\$3,618
Emer	National Coop Bank	\$ 81,462	Money Market 1%		Eden	-\$299	\$1,455	\$1,156
Emer	National Coop Bank CD	\$ 11,048	3 month CD 1.6%		French House	?	\$3,298	\$3,298
Emer	Wachovia	\$ 55,760	Money Market 3%		Helios	?	\$622	\$622
Expan	Compass Bank	\$ 69,865	Money market 3.16%		House of Commons	-\$235	\$1,485	\$1,250
House	Compass Bank	\$ 14,845	Money Market 3.16%		New Guild	?	\$657	\$657
Equity	Wheatsville	\$ 10,000	Due back this Dec	Wheatsville may defer	Royal	\$3,475	\$3,363	\$6,838
					Seneca Falls	?	\$442	\$442
					Total House \$	\$6,031	\$14,925	\$20,955
		<u>\$ 334,986</u>						

\$378,330 Reconciliation for Savings in checking acct