



ICC Austin Board of Directors Meeting

Thursday, February 21, 2019, 6:00-8:00 PM

Location: UT Student Union – Room 3.208 (Lone Star Room)

Time	Page	Item	Facilitator / Presenter	Action
6:00 (5 min)		1. ENDS POLICY READING, COMMUNITY AGREEMENTS READING & DIRECTOR QUALIFICATIONS CHECK	Lain	LISTEN
6:05 (10 min)		2. MEMBER OPEN TIME	Ben	SHARE / LISTEN
6:15 (10 min)		3. HOUSE UPDATES	Monze	SHARE / LISTEN
6:25 (5 min)	5 15 18 19	4. CONSENT AGENDA February 7 th Meeting Minutes February Occupancy Report B6 Policy Modification Updated Banking Resolution	Noreen	VOTE
6:30 (5 min)		5. COMMITTEE REPORTS ECC GMM NomCom	Ben & Lain	LISTEN / JOIN!
6:35 (15 min) (10 min)	20 27	6. GOVERNANCE, Part 1 Operations Report Legal Counsel Overview	Noreen & Lain Ashleigh Ben	LISTEN / VOTE / LEARN
7:00 (5 min)		7. BREAK		ENJOY!
7:05 (15 min) (10 min) (10 min)	29 40	8. STRATEGIC LEARNING & GOV, Part 2 Financial Training Q2 Financials FY 2019-20 Board Budget	Staff Monze	LEARN / VOTE / DISCUSS
7:40 (5 min) (10 min)	42 48	9. POLICY MONITORING Policy Monitoring Overview B2 – Business Planning & Financial Budgeting B4 – Member Rights & Responsibilities	Lain Ashleigh	LEARN / VOTE
7:55 (5 min)		10. MEETING SUMMARY	Noreen	SHARE
8:00		11. ADJOURN	Lain	

ICC Austin Board Community Agreements

Agreements toward generative discussions consistent with cooperative values.

Act cooperatively and collaboratively.

Engage in inquiry before judgment.

Speak your truth kindly.

Acknowledge intention while recognizing impact.

Speak and act respectfully toward everyone.

Think systematically and structurally.

Be aware of your privilege and how it shows up; don't use it to make a point or dominate space.

Listen with curiosity and openness.

Don't interrupt; respect the stack.

Move up; move back.

Use a racial and social equity lens: Avoid weaponizing oppressions, assuming identities or experiences, comparing oppressions, and silencing techniques.





ICC AUSTIN
COOPERATIVE HOUSING FOR STUDENTS • NOT FOR PROFIT

ICC Austin Ends Policy

(revised and approved 8/3/17)

The purpose of ICC Austin, a Texas non-profit corporation, is to create a mutually beneficial, diverse, and inclusive community so as to promote the transformation of society toward cooperation, justice, and non-exploitation. To achieve this vision, ICC Austin provides affordable housing to students, primarily those who might otherwise be unable to secure higher education, on a cooperative basis, in an environment that enhances member education, encourages the formation of long lasting communities, and fosters responsible citizenship.

Distilled Ends (Mission / Vision)

Our **mission** is to provide quality, affordable, and healthy cooperative housing for students with financial need.

Our **vision** is to promote the transformation of society towards cooperation, justice, and non-exploitation.

Identity Affirmation

(Confirmed by the Board in March 2018)

ICC Austin provides affordable housing to students and exists as an anti-racist organization that applies a social justice and equity lens to its structures, policies, language, and strategic plan.

Packet Notes

READ THIS FIRST

to get the big-picture view of the meeting and other useful information!

Items in bold labeled “meeting preparation” indicate new tasks that Board Directors should work on prior to the meeting.

1. ENDS POLICY, COMMUNITY AGREEMENTS READING, & DIRECTOR QUALIFICATIONS CHECK

2. MEMBER OPEN TIME

During Member Open Time, ICC Austin members and others are invited to speak briefly to the Board on any matter that is important to them.

Member input during Member Open Time serves to provide the Board with useful feedback and ideas for future meetings. If you can't make it to the meeting in person, there are many other avenues available including talking to your house Board Rep, having someone else attend on your behalf, emailing the ECC (ecc@iccaustin.coop), emailing the entire Board (board@iccaustin.coop), attending an ECC meeting, etc.

All comments made during Member Open Time will be addressed by the ECC in their written and/or verbal committee report at the following Board meeting. Member Open Time will rarely change the Board agenda.

3. HOUSE UPDATES & OPENING ROUND ROBIN(S)

Briefly share house updates that would enrich the knowledge and function of other houses, e.g. how the house successfully mediated a conflict, or how two houses cooperated to start purchasing food in bulk. We may go around the room twice so that all questions can be answered. **Outcome:** General information sharing and loosening up for meeting conversation

Please be prepared to discuss these question(s): How did you share information about the last meeting with your house? Has your house had any discussion on labor or other ICC Austin structure conversations?

4. CONSENT AGENDA

As always, please attempt to have any clarifying questions resolved prior to the Board meeting by contacting the Executive Coordinating Committee (ecc@iccaustin.coop) and/or your ED (ashleigh@iccaustin.coop). However, any item may be pulled from the Consent Agenda if you believe substantive discussion is required. Otherwise, the items on the Consent Agenda will be passed as a group without discussion so that the Board can spend their time on more important matters. **Outcome:** The Board efficiently approves material not needing discussion.

5. COMMITTEES

Committees will provide a brief verbal report. Board members are still needed to plan GMM. **Meeting Preparation:** None. **Outcome:** Board is updated on committee work.

Packet Notes

6. GOVERNANCE, Part 1

Monthly Operational Report

Each month the ED will take a few moments during the Governance section to answer any questions or concerns from the board. Members are encouraged to use this time to ask any questions that they may have had while reading the report. **Meeting Preparation:** Read the report. **Outcome:** Board members gain a better understanding of operational activities.

Legal Counsel Overview

Significant work was done in Fall 2018 regarding the use of legal counsel for both Board and Staff. The Legal Counsel Search Committee recommended legal training for the Board. The ECC has prepared a brief overview and will present this information. **Meeting Preparation:** Review the packet materials and come prepared with questions. **Outcome:** Learn about legal counsel and the Board.

8. BREAK!

8. STRATEGIC LEARNING & GOVERNANCE, Part 2

The Board will spend time learning about ICC Austin financials statements. **Meeting Preparation:** Review the financials and come prepared with questions. **Outcome:** Directors gain a financial understanding.

Quarterly Financial Report

Meeting Preparation: Review the Q2 financial report and come prepared with your questions. **Outcome:** Consider accepting quarterly financials.

FY 2019-20 Board Budget

Meeting Preparation: Review the proposed Board budget and come with your questions and recommendations. **Outcome:** Consider accepting the 2019-20 Board budget.

9. POLICY MONITORING

Policies B2 – Business Planning & Financial Budgeting

Step 1 – Review the decision tree that is included in your Board manual (under Directors' Guide)

Step 2 – Read the B8 monitoring reports and use the decision tree to help you answer the key questions

Step 3 – Be prepared to share the results of your review

Some key considerations are:

- Does the report contain a reasonable interpretation of the Board policy?
- Does the report demonstrate compliance with the Board policy? If not, is there an acceptable plan for compliance?
- Is this the policy you want?

ICC Austin Board of Directors Meeting Minutes

Thursday, February 7, 6:00-8:00 PM

Location: UT Student Union – Room 3.208 (Lone Star Room)

Time	Page	Item	Presenter	Action
6:06 (1 min)		1. ENDS POLICY & DIRECTOR QUALIFICATIONS CHECK	Lain	LISTEN
6:07 (1 min)		2. MEMBER OPEN TIME		SHARE/LISTEN
6:08 (9 min)		3. HOUSE UPDATES	All	SHARE/LISTEN
6:17 (5 min)	4 16	4. CONSENT AGENDA November 29th Board Meeting Minutes ECC Timesheets (Nov, Dec, Jan)	Lain	VOTE
6:22 (44 min)	21	5. GOVERNANCE Ruth Schulze Community Development	Ashleigh	LISTEN/DISCUSS
7:06 (7 min)		6. BREAK		ENJOY!
7:13 (52 min)		7. STRATEGIC LEARNING & DISCUSSION Governance Structure Overview/Questions Group Work and Discussion	ECC	DISCUSS/GROUP WORK
8:05 (8 min)		8) MEETING SUMMARY/EVALUATION	All	SHARE/LISTEN
8:13		9) ADJOURN	Lain	

Board Directors present:

ECC Officers:

- Lain Jackson- President
- Ben Ayik, Vice-President
- Monze Diaz, Treasurer
- Noreen Husain- Secretary

House Representatives:

- Will Hoinoski- Arrakis
- Tristan Heinen- Avalon
- Maria Hernandez- Eden
- Khristian Mendez-French House
- Emmy Pistorious-Helios
- Mekenna- Marak House of Commons
- Olivia Speed- New Guild
- Jac Alford- Seneca
- Claire Morrison- Royal

Community Trustee:

J.T. Harechmak

ICC Austin Staff:

Ashleigh R. Lassiter, Executive Director

Laura J. Khalil, Co-operative Experience Director

Other Guests:

- Laura Marshall- Minutes
- Susana Lugo - former ECC/former ICC member
- Shaneal Harun- HOC
- Cole Medlin- HOC

Lain called the meeting to order at 6:06

1. ENDS POLICY READING, COMMUNITY AGREEMENTS READING & DIRECTOR QUALIFICATIONS CHECK 6:06

Time allotted: 10 min, time spent: 1 minutes

2. MEMBER OPEN TIME 6:07

Time allotted: 10 mins, time spent: 1 mins.

3. HOUSE UPDATES 6:08

Time allotted 10 min/ time spent 9 min

Two Questions: 1) Is your house out of interim

2) Does your house have everything it needs? What kind of support does your house need?

Ben: Royal- Yes, we're out of interim, we have a lot of new members

Emmy: Helios is out of interim. We have a bit of a parking situation, but we're working on it

Tristan: Avalon- Avalon is doing well. We are 2 weeks out of interim and just fixed the broken shower

Will: Arrakis- We're 2 weeks out of interim, the house doesn't need any support, but I like the question

Julia: Arrakis, ditto Will.

Maria:Eden- Eden is out of interim. Our KM has moved out, so that has been a difficult adjustment

Olivia: New Guild- New Guild is out of interim and our house has possums and fleas and some maintenance problems

Jack: Seneca- Seneca is out of interim, there is a plumbing situation in the annex, but it's ok

Lain: Royal- Royal is doing well. Ask the group to mention if you have any accessibility needs, as the room is loud.

JT- My house is always in interim, and it's good!

Susana- Former ECC Member - my house is doing well

Khristian: French House: French has been out of interim for 2 weeks. We had trash issues, and some members getting close to conflict mediation for labor, as well as someone touring soon

Claire: Royal: Things are going smoothly at Royal

Shaneal: HOC: HoC is doing well.

Cole: HOC: Echo Shaneal, HoC is good

Mekenna: HOC- HoC is out of interim, but we totally changed the labor system, and it's going really well

Noreen: ECC: French house is good

MOTION: Change agenda, removing 7. (Strategic Learning and Discussion), making 8. Committee Formation 5 minutes, and instead, keeping the same 55 minutes allotted in Section 7 for a broad conversation about the structure of the ICC board to benefit all the new Board Representatives.

Motioned: Lain

Seconded: Tristan

VOTE: 13, 0, 1 → **MOTION PASSES**

4. CONSENT AGENDA-

6:17

November 29th Board Meeting Minutes

ECC Timesheets (Nov, Dec, Jan)

Time allotted: 15 mins, Time spent: 5 mins.

Tristan: Question: With the part about legal training to be included in the Board Member orientation (page 9 of last Board Packet)- what all was going to happen with that. This isn't an objection, but it would be good to address.

JT: That was tasked to the Legal counsel search committee, of which I am the sole member, so that would be down to me.

Ashleigh: [We can task the ECC to make sure it's on the agenda so the board gets that training](#)

MOTION: Task the ECC to include Legal Training to February Meeting (2/21)

Motioned: Tristan

Seconded: Khristian

VOTE: 14,0,0 → **MOTION PASSES**

MOTION: Approve Consent Agenda
Motioned: Will
Seconded: Mekenna
VOTE: 14,0,0 → **MOTION PASSES**

5. GOVERNANCE

6:22

Time allotted, 15 min. Time spent, 45 min.

Ruth Schulze Community Development

Ashleigh: Community Development Plan report in your Board Packet and it discusses how we would like to move forward with Ruth Schulze project. Barring no major weather delays, it should be framed by third week of March, which is exciting. Any questions?

JT: Super excited about the substance free aspect. Have we confirmed that need based financial aid is sufficient income verification

Ashleigh: Yes

Noreen: If Ruth Schulze is going to be pet-free, would it be ADA compliant if someone had a service animal?

Ashleigh: Service animals are always dogs, and are there to help people perform the activities of daily life. Emotional support animals are for emotional help and can be any animal. No restriction on service dogs, but emotional support animals are something we will have to explore when it comes up.. We only have one cat free house, and this currently excludes a lot of people with cat allergies.

Julia: For Ruth Schulze, but for all of ICC, how are we going to verify that people receive need based financial aid.

Ashleigh: On our side, we see the CASH page from UT, and it's very clear who is receiving need-based financial aid, and is something that we re already checking.

Khristian: I'm excited about RS. It seems that we are wanting it to be really different from some of the houses. I wonder about how Ruth Schulze will sit with the culture of the other houses.

Is there anything from the RS membership effort that we want to bring to the other ICC houesse?

If RS is different from the other houses, are there ways we can bond with the other houses so they don't feel left out? Like a new baby and older kids?

Ashleigh: I think the first question is a really good board conversation, especially as we start discussing Lessons Learned.

Laura: As for the second questions, regarding the new baby...This is an opportunity for the other houses to start fresh as well and incorporate the changes happening with Ruth Schulze into their own houses. This could be a blueprint for building a new community.

Will: 1) I'm really excited about RS opening.

2) I'm really really excited that it is substance free. I wish there were more options for substance-free housing. It could allow for our principle of equitability, as it allows for a studios environment.

This is also important long term for ICC because of the perception of co ops in the community, co ops have a reputation for partying, which makes them inaccessible to a lot of people.

House autonomy is important, but we should think as a Board about how we could potentially change the perception of co ops with this new house.

3) We want Ruth Schulze to be substance free, but at the same time, it will be our only fully ADA accessible house. Arrakis is ADA on the first floor only, so people can live there, but they miss out on a whole lot of the house. Are the RS residents who need ADA accommodations going to miss out on the college experience? We should have a long term discussion of making other houses substance free and others potentially ADA accessible. Arrakis would be another house that could possibly transition towards substance free in the mid to near future.

Ruth Schulze as the only fully ADA does limit those who have mobility needs from some aspects of the college experience. We should look at how each house is accessible to different people and coordinate that more from a Board level vs at the house level. Lack of coordination between houses can lead to exclusion.

Shaneal: Are we promoting the new house at Riverside or to ACC? Are we going to be targeting those students?

Also, as far as substance free: this is a house full of people who are in recovery- how will the culture be responded if a student relapses- how will they collectively take care of each other? How will we find people who need a substance-free space vs people who want to live in a co-op?

Ashleigh: Laura and I will brainstorm as far as marketing to ACC and Riverside goes. The other issues are going to be further discussions we need to have as an organization.

Olivia: Two points:

1) We need to be careful how we market this. This house might not be an idea place for someone who is recovering from addiction. A sober house is different than a substance-free house.. This should be either advertised as a sober house and more strict, or a substance-free house.

2) What Royal has done with deciding to be sober- was that based on a vote?

Lain: We are a respectful use house, but not completely substance free

Olivia: We might have a lot of people who are moving in who signed a contract saying they wouldn't drink might do it anyway. If someone doesn't see the need for the house to be substance-free, or if the house pushes back against the rule, what would happen then? How are we going to hold them accountable?

Ashleigh: This will be some of the community development work for our office. We had envisioned an addendum to committing to living in a substance free community. We want this place to attract people who are willing to commit to that.

Olivia: Would it be possible to create a partnership with another house where those who live in Ruth Schulze and do drink can go?

Will: Direct response to Olivia: if RS decides they don't want to be a substance-free house, ICC could have multiple substance-free houses. We need to balance house autonomy with equity, but at some point the Board should mandate a minimum standard of equitability.

Lain: A few points

- 1) The language on page 23 on last bullet point- why is that language so different than the other language we use. Is this different than violating another community agreement or house policy? I'm asking for clarification here.
- 2) I can try to reach out to SSD on UT campus- my SSD coordinator said they could potentially market Ruth Schulze
- 3) Conversations about Royal and substances- one big concern in switching to a substance-free house is that ICC wasn't currently equipped to deal with that (ICC is under-equipped to deal with mental health stuff, trustee training and knowledge seems to vary). This substance-free community would need a ton of support, and we want to make sure that support is at the forefront of RS' development
- 4) How will we market the house? Substance free? Halfway house? The intent of RS doesn't seem to match up with the problems that could arise from it.
- 5) To Royal, substance-free illustrates an attempt to solve some of the problems that plague ICC? How would this [substance-free houses] challenge that culture in ICC? How would the culture be if someone breaks the substance rule?

Lain: Would everyone rather extend time on this discussion or do you want to finish out stack and go over time?

Ashleigh: Is the Board ok with recognizing that there are deeper questions here? Can we move forward and discuss this a future meeting? I'm hearing some overarching Board culture discussions and some of the work will have to be done with Laura and the new membership

Khristian: Some of the issues are about how the house is presented and that would impact our marketing. I would like to extend this discussion and figure out how to approach those folks, marketing wise- I don't want them to get false impressions.

<p>MOTION: Extend discussion about Ruth Schulze by 10 additional minutes Motioned: Khristian Seconded: Lain VOTE: 5, 5, 2 → MOTION PASSES</p>
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Claire: Is need based financial aid a requirement to be in ICC? I was wondering about that

Ashleigh: Currently, about 25% of current membership is receiving need-based financial aid.

Tristan: When I brought this back to my house, many people asked why we don't require a threshold amount of members to be receiving financial aid in all the houses? There's an interesting conversation for another time

7:06- 7:11- break

6. BREAK

7. Governance Structure Overview and Group Work

7:13

Time allotted: 50 mins/ Time spent: 52 mins

Governance Structure Overview / Questions

Lain: We restructured the meeting at the last minutes to discuss ICC and our thoughts about the ICC structure. Most of this hand out will be group work. If we're trying to make a bottom up organization, let's talk about how we would structure it.

Noreen: At one point, we discussed a pyramid with current members at the bottom of the pyramid and current officers are at the top. How do we make this more accessible to the current members?

Big Questions for Discussion:

Ashleigh: It's important to see that ICC has been operating the same way for 40 years. When we think about bigger changes, think about how we are really examining our structure. Imagine us as the founding group of ICC. Think as big as we possibly can. What could this organization look like?

Khristian: What does a house really need to be successful? I think we need to integrate ourselves into the fabric of the community in which we live, and one way to do this would be to have a compost labor position. Are there other ways to do this? Community with the other houses, and also within UT. How can the restructuring get us there?

Tristan: It's weird to frame a bottom-up change as starting in the Board of Trustees. My housemates had similar concerns.

Shaneal: West Campus is in many ways a hostile space, can we think about how those places and houses can coexist and maybe move beyond West Campus? How do we build better communication between the houses and build connection with other groups and go more into the transformation of society vs just thinking about efficiency as a nonprofit.

Monze: I don't like the idea that certain members are way more important than others (the Board Members and officers). In this organization, I would like to start with a bottom-up structure as well. Unfortunately, we will have to go top-down first. I do want everyone in the organization to feel like their input is equally important.

Susana: These are exploratory questions, and we are trained to look for the correct answer, but what about coming up with as many of the correct answers as we can? Radical change isn't formulaic.

Lain: The concerns that you have about this conversation, a lot of us share. This is not the first time these conversations have been had in ICC, it is important to brainstorm as much as we can, but know that we will not have solutions after this particular meeting. This conversation won't start or end with the Board.

Olivia: Many people in ICC do not have the time or inclination to come to Board meetings. You should encourage others to come to the Board meetings. We should speak for ourselves, but vote for the opinions of our houses.

Group work about Board structure discussion

7:26

Return from groups at 7:48

Monze- Group 1- what we discussed:

- coordination of maintenance officers, more training for maintenance officers
- Our expectations of ICC Austin:
 - Clean, safe, housing, food, and sense of community
- Expectations of members
 - Cooperation, community, cooperation between houses

-A lot of labor is physical, could we implement tabling and social media? So that there are organizational options and not all necessarily physical?

Group 2- Khristian- Suggestions:

- More training for officers
- Mental health and racial equity training, ICC Members collaborating organization-wide
- Maybe changing the timeframe for contracts,
- Adding a career preoperation component, like professional development
- Party officers are fluff and not necessary as is flex labor

New member questions:

What do you want/ need from icc/ and what would your dream ICC be?

Group 3) Shaneal: We talked about labor, getting rid of imbalanced positions, at HOC, we made it a more scheduled and spontaneous, self recording on participation. This offers a lot of flexibility with what kind of labor you can do, and so far we have been keeping a clean house throughout the week.

We also discussed which officer positions are necessary, and also the hierarchy of ICC, moving from the idea of ECC at the top to a network.

- We talked about creating committees in houses for equity, labor, - a lot is committee based in HOC.
- there is a divide between governance and regular living in the houses - people who go to Board meetings are kind of specialized and professional, but what can houses take directly into their own hands?

Lain: One of the things we talked about was the revaluation of labor positions in your house, how most of them are kind of arbitrarily categorized with the level of credits , we were thinking about committees, instead of having many officer roles. What about a Trustee/Board Rep as ICC committee, or a finances

and food committee? How do we ensure all of our housemates are putting effort into house and how can we ensure that all of these positions are accessible to new members?

Monze: The houses vary in how much labor gets done. Some have not enough and some have too much. What if you did labor for another house, if your house has too many members and not enough labor positions?

Will: For example, I love to make videos and it is very expensive to hire out. We have 4-5 RTF majors at Arrakis and we could make videos as part of our labor.

Wrap up from Group Activity

8:00

Lain: Are there any immediate thoughts on the wrap up part? You've made me think about the role of committees- I think we need immediate work on that

In your check-out, can you say whether or not you would like to be part of the GMM committee and the Nominations/Recruitment committee. We also have an open Community Trustee position as well, so spread the word to your networks.

Ashleigh: Question I have for you to think about this week:

- 1) Where are the opportunities to centralize for the betterment of membership vs the areas in which we should be maintaining house autonomy? There is fluidity here.

Laura: everyone (on the Board) is expected to go to GMM, but these committees are for planning.

Will: We do Board Chat, where I report back what we've been talking about. I think Mekenna's two questions are really good, what do you want from ICC, what do you need from ICC, and what is your ideal ICC? Ask your house at the next meeting!

8) Meeting Summary/Evaluation

8:05

Ben: This meeting felt pretty rushed. I think I'm chairing Nom Com again, so expect me to be part of it.

Laura K: Great meeting, join the GMM Planning Committee!

Ashleigh: I'm super excited about these conversations and looking forward to how this will evolve throughout the semester. How can we redraw this into a shape that is not a pyramid?

Claire: Good ideas at this meeting and I'm excited about the semester.

Shaneal: I'm excited to see what actions we can take after this meeting; it felt generative and good.

Cole: Interesting first board meeting- I'm excited to join y'all!

Lain: I actually really liked not being at a table and the fact that HOC made a labor change

Olivia: Great meeting, thanks HOC for joining. Not sure about Nom Com and GMM, because I'm very busy this semester.

Tristan: I don't like having a major change to the agenda sprung at the last minute without more warning. I do want to serve on Nom Com- Avalon is a cat free community, for all the cat haters out there! :)

Emmy: This was a good first meeting, very interesting.

Monze: I liked all the ideas. I don't have time for Nom Com or GMM Planning, but I'm excited about the semester

Maria: This was my first official Board meeting- my house is generally fine with the status quo, so I found this interesting.

Julia: Great Board meeting! I heard new points and am hoping some of our conversations will be implemented.

Mekenna: We had some good conversations and I'm loving the new ideas. I will talk to the HOC Labor Czar and see if he wants to present anything to the other Labor Czars. I'm probably too busy for Nom Com or GMM.

Jack: Good ideas here, and I want to get house's feedback

Will- really productive brainstorming session, I had a couple key takeaways

- 1) RS is not a new baby that we're trying to mold into something, instead a time to reflect on each house
- 2) Other key takeaway is the idea of talking to the house asking what you want, need, and your ideal situation

JT: This was a good meeting, and I'm glad to see some new faces. I'm excited about new ideas and the progress with Ruth Schulze.

Lain adjourns at 8:13

Tasking Summary:

- 1) Ashleigh: Task ECC with adding Legal Training for Board Orientation
- 2) Ashleigh and Laura: Planning outreach for ACC and Riverside students

4. Consent Agenda – Occupancy Report

Occupancy Report

Prepared by staff for the February 21, 2019 Board Meeting

Back in November it looked like we were on track to hit our 96.75% occupancy target for spring. However, primarily because of five late contract cancellations, occupancy is now at 95.75%. We were able to bring in 14 new members for spring, but fewer new spring applications than in the past definitely lowered occupancy as well.

Spring 2019

	<u>Occupancy*</u>	<u>Signed</u>	<u>Pending</u>	<u>Available</u>
Arrakis	94%	19	0	1 shared
Avalon	95%	21	0	1 shared
Eden	87%	13	0	1 private 1 shared
French	84%	19	0	1 shared
Helios	106%	18	0	-
HOC	100%	27	0	-
New Guild	93%	26	0	1 shared
Royal	91%	16	0	1 shared
Seneca	100%	19	-	-
Totals:	95.75%	181	0	6 shared 1 private
Budgeted Occupancy				96.75%
Anticipated Revenue				\$643,437
Budgeted Revenue				\$651,418
Variance				(\$7,981)

*includes pending leases

4. Consent Agenda – Occupancy Report

2019-20 Academic Year & Waitlist Update

Because Avalon is closing May 2019, and almost half of Avalon members wish to stay in ICC Austin next year, ICC Austin currently has far fewer rooms available than usual. (Hopefully we will have 34 new rooms for fall 2019 with an on-time Ruth Schulze opening, but is too soon for ICC Austin to make any housing commitments at this point.)

For fall 2019, we have 114 current members returning and 167 total spots available. That leaves about 50 spots for our 100-person waitlist (as of mid-February). Historically, ICC Austin will likely receive another 100 applications for fall housing before the July 2019.

Waitlist room selection begins on February 18th, and will be completed by February 26th. We anticipate being around 97% occupancy by the end of March. Those last three percent are ADA accessible rooms that we’ll be holding until the end of April in case anyone needs accommodation. There is no reason to believe that we won’t be at or near 100% occupancy for fall at this point.

Contract Signing Waitlist Data

		<u>2019/20</u>		<u>2018/19</u>		<u>2017/18</u>	
As of Feb 19		99		190		166	
Total Applicants		99		190		166	
Financial Need Indicated		34	34%	70	37%	59	36%
Verified Financial Aid		18	18%	46	24%	15	9%
Learned About ICC	Friend/Co-op Party	45	45%	91	48%	84	51%
	Tabling/Flyer on Campus	8	8%	41	22%	6	4%
	Google/Web	27	27%	25	13%	43	26%
	Other	15	15%	16	8%	20	12%
	Unknown	5	5%	17	9%	13	8%

For fall 2019, retention of our current members receiving need-based financial aid is about 20% higher than for non-need-based financial aid recipients, 78% versus 58% respectively. Over time, this should help with ICC Austin’s goal of primarily serving populations that would not be able to obtain a higher education without ICC Austin. Here are the projected numbers for fall 2019.

Need-Based Financial Aid Recipients

Year	Total Verified	% of membership
Fall 2017	13	7%
Fall 2018	52	28%
<i>Fall 2019</i>	53	32%

Assuming Ruth Schulze opens for the fall, our goal is to recruit 20 new need-based financial aid recipients. If successful, then our projected total will be 73 need-based financial recipients and a total membership of 201 (36%). Note that 40% of UT students receive some form of need-based financial aid, so ICC Austin still has quite a ways go towards serving less economically advantaged students.

4. Consent Agenda – Occupancy Report

Summer 2019 Occupancy

Summer occupancy is the biggest factor in determining how ICC Austin performs financially each year, and is highly variable and unpredictable. Further, increasing the relatively low summer occupancy is the single biggest financial opportunity for ICC Austin. So, the ICC Austin Board should monitor summer occupancy throughout the spring.

The table below shows potential (100% occupancy), budgeted, and currently anticipated revenue for summer 2019 as of February 15.

SUMMER 2019

Revenue	Revenue	Revenue
Anticipated	Budgeted	Potential
\$21,647.41	\$26,871.23	\$36,300
\$4,553.12	\$21,390.25	\$28,870
\$19,509.84	\$27,577.99	\$37,240
\$20,522.38	\$23,017.23	\$31,090
\$25,908.58	\$36,806.23	\$49,710
\$27,578.60	\$42,287.20	\$57,140
\$17,654.92	\$21,603.71	\$29,210
\$18,914.83	\$27,471.26	\$37,070
\$156,289.68	\$227,025.09	\$306,630.00

Right now, we have a really good summer retention of current members. This bodes well for a good summer. We'll need about 31 new members to hit the 74% target occupancy, which would be typical. The house we need to keep an eye on right now is Eden, because it will be very difficult for it to function as a community with only three members.

SUMMER 2019

	Room Availability			
	Total	Occupied	Pending	Available
Arrakis	20	16	0	4
Eden	15	3	0	12
French House	20	11	0	9
Helios	17	12	0	5
House of Commons	27	12	0	10
New Guild	32	14	0	18
Royal	17	10	0	7
Seneca	19	13	0	6
Total	167	91	0	71

Staff Use of Legal Counsel

Background Information:

At the November 8, 2018, board meeting, the Board indicated a desire for greater understanding and reporting from staff use of legal counsel. One way to resolve this concern and ensure the Board is staying informed is to modify the B6 policy to include a limitation specifically for legal advice. Here is language to update your policy.

Policy Type: Executive Limitations
Policy Title: B6 – Communication to the Board
Last Revised: **April 9, 2013**

The staff shall not cause or allow the Board to be uninformed or unsupported in its work.

The staff will not:

1. Submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. Report any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance, in an untimely manner.
3. Allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.
 - a. [This includes not allowing the Board to be unaware or uninformed when legal counsel is used and/or consulted, including legal guidance on operational issues.](#)
4. Withhold his/her opinion if staff believes the Board is not in compliance with its own policies on Board Governance Process and Board-Management Relations, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the staff.
5. Deal with the Board in a way that favors or privileges certain Board members over others except when responding to officers or committees duly charged by the Board.
6. Fail to supply for the Board's consent agenda all decisions delegated to the staff yet required by law, regulation, or contract to be Board-approved.
7. Fail to provide to the Board the co-op's annual Budget and quarterly financial data in a timely manner.

4. Consent Agenda – Updated Banking Resolution

EXECUTIVE SUMMARY

Banks require Board-approved documentation to open, close, and make signatory changes to ICC Austin Bank accounts. A banking resolution giving the Executive Director authority to manage the accounts has been used by the ICC Austin Board. In 2014, ICC Austin auditors recommended that a member of the Board be a signatory on all ICC Austin accounts as well. This banking resolution gives Ashleigh R. Lassiter, Executive Director, and/or Bailey M. Diaz, ICC Austin Treasurer, authority over all ICC Austin bank accounts. The resolution is the same as previous ones except for the names.

BANKING RESOLUTION

The Board of Directors of the University of Texas Inter-Cooperative Council, Inc. (ICC Austin) do hereby delegate to the ICC Austin Executive Director and/or the ICC Austin Board Treasurer the full authority to completely and independently manage all ICC Austin cash accounts, including:

- To choose institutions for ICC Austin deposit accounts;
- To open or close accounts at any ICC Austin banking institution; and
- To assign or remove signatory, or other ownership, authority for all ICC Austin deposit accounts.

Ashleigh R. Lassiter is the ICC Austin Executive Director as of October 4, 2018.

Bailey M. Diaz is the ICC Austin Board Treasurer as of January 1, 2019.

Lain Jackson
ICC Austin President

Noreen Husain
ICC Austin Secretary



ICC Austin Monthly Operations Report

Prepared for

February 7, 2019 Board meeting

EXECUTIVE OVERVIEW

Welcome to the new monthly operations report! The report is outlined to align with the four strategic plan goal buckets (the broadest of ICC Austin goals). This should help the Board and membership better understand how and where operational work aligns with the big picture.

Staff has been on-the-go since returning from winter break in early January. Chris has been working his way through maintenance requests and emerging facilities issues (New Guild's living room floor semi-caved on February 10th). Billy is working his way through his first contract signing season while also project-managing the Ruth Schulze construction. Laura finished and launched the racial equity training and has been busy welcoming new members to ICC Austin. Ashleigh has been working on the Ruth Schulze community development plans, organizing the social media team, and supporting the Board.

FOSTER & MAINTAIN HEALTHY COMMUNITIES

Goal Statement: Create and maintain an inclusive, just, and safe cooperative community centered around shared core values.

FALL 2018 - NOVEMBER/DECEMBER UPDATE

Member Reviews Report - Good news! There were no membership revocations in the fall! In other words, no member was asked to leave their community due to conflict, not doing labor, uncooperative behavior, etc. While one or two members may have left on their own accord (i.e. before a member review), it is important to celebrate this achievement. Laura's pro-active mediation work and members addressing problems early can be attributed to this outcome. As a comparison, there were 4 member reviews in Fall 2017: all for interpersonal issues and each one resulted in member revocation. ICC Austin is making progress towards building healthier house communities!

Incident Reports

- 11/20 - 2 reports submitted regarding a housemate's behavior at Arrakis (2 separate incidents, both of which had occurred earlier in the semester). Laura reached out to both members who submitted the reports; one did not respond and she met in person with the other. They discussed the possibility of a house-wide mediation. Laura followed up with the Arrakis Trustee to plan the mediation and it was held on 12/7.
- 12/4 - report submitted regarding consent at French House during a house event (11/17). Laura spoke on the phone with the member who submitted the report and they met in person to discuss next steps (a house culture meeting early in the spring and a strongly enforced community violations system). Laura also met with the French House Trustee who led an in-house mediation between the person who submitted the report and the person who violated boundaries.

- 12/18 - report submitted regarding an incident where an ICC member (non-Arrakian) and their significant other showed up at Arrakis (12/15) under the influence and disrupted the house with yelling and violent outbursts, which made many members anxious and uncomfortable. Laura met with the member before they submitted the report and the ideal outcome for the member was to have a conflict mediation where they discussed the incident and also to provide the non-Arrakian with statements from housemates to let them know the impact of their actions.

Conflict Mediations

- Dec 7 - House meeting at Arrakis to address on-going problematic behavior of a housemate (led by Laura with help of trained conflict mediator)
- Dec 18 - Conflict mediation between Arrakis member who submitted incident report (brought written statements from other housemates) and non-Arrakian and significant other who caused the disturbance on 12/15 (mediated by Laura)

SPRING 2019

Racial Equity Workshop - In December, Laura met with Dr. Martha Ramos-Duffer (ICC's anti-oppression and racial equity consultant) to work together to modify Martha's 4-8hr racial equity presentation. The end goal was to create a shorter presentation targeted specifically to ICC Austin that would be led by Laura. It was challenging to pare down relevant, interesting, and crucial information but the end result is exciting! After their meeting, Laura spent about a month creating a 2 hour workshop that includes videos, self-reflection writing exercises, and group discussions. She led the workshop at the Spring Board Retreat on February 2nd and will lead it again on Wednesday, February 27th 6:30-8:30p at Helios. There will be a repeat of the workshop one more time this spring - exact date and location TBD.

New Member Orientation - On January 24th, 13 of the 25 new members attended NMO. Last fall, we tried a new format for NMO that involved 4 different learning stations: Healthy Community (mental health, substance abuse, consent), Facilities and Stewardship (maintenance requests, house labor), Organizational Structure (how the Board works), and Racial Equity (ICC Austin's anti-racist identity affirmation, microaggressions). Each station had an activity to help members stay engaged, and we received positive feedback. However, since the group of incoming new members was so much smaller this spring, we modified the orientation. The topics and activities remained the same, but there weren't stations; the members stayed in one group.

New Member 1:1s - Last fall, Laura started a new community-building initiative to meet one-on-one with as many new members as possible. These are getting-to-know-you type meetings where she asks about hometown, family, hobbies, major, etc and lets them know more about opportunities to get involved at ICC Austin. So far this Spring, she has met with 13 of the 25 new members.

Mental Health Focus Group - A call went out via Weekly News, flyers, and Facebook for participants in a mental health focus group and 8 members (representing 5 different houses) met with Laura on February 12th. The goal of the meeting was to help create the content and plan the agenda of ICC Austin's mental health training. The group determined that topics will include: 1) how to build a healthy house culture that supports mental and emotional wellness, 2) how to start/have difficult but necessary conversations about mental health with your housemates, and 3) how to create a mental health crisis plan for yourself and/or your house. They also brainstormed various ways to increase attendance and are asking interested members to complete a Doodle poll to help select the date.

Officer Trainings - Almost all officer trainings have been completed. However, attendance varied quite a bit.

- Trustees - 8 out of 9 Trustees attended the training on 2/10 and Laura met one-on-one with the other to go over everything that was covered at the training. Trustees agreed it would be useful to continue to meet monthly as they did in the fall. Their March check-in meeting is TBD.
- Labor Czar - 2* out of 9 LCs attended the training on 2/1 (* plus the LC who led it)
- Kitchen Manager - 4* out of 10 KMs attended the training on 9/23 (* plus the KM who led it)
- Education/Social Officer - 1* out of 16 Education/Social officers attended the training on 2/9 (* plus the Education Officer who led it)
- Membership Officers - 5 out of 8^ Membership Officers attended the training (led by Billy) on 1/29 (^ Avalon does not have a Membership Officer since it will be closing at the end of the semester)
- Treasurers - There is no formal group training for this position. All new treasurers have become bank signers and have learned how to enter house spending information into the appropriate spreadsheet.
- Maintenance Officer - There is no formal group training for this position. However, Chris sent out an email asking to meet one-on-one with each officer to go over relevant information and only one person responded.

Incident Reports - There have been no incident reports submitted so far this semester.

Conflict Mediations

- Jan 27 - Conflict mediation at Avalon for repeated inappropriate use of GUFF food
- Feb 13 - Conflict mediation at Helios for labor violations

INVEST IN & MAINTAIN FACILITIES

Goal Statement: Create and maintain physical living spaces conducive to student success and promote a culture of stewardship so that members are proud of their homes and feel a sense of shared responsibility on behalf of current and future members.

FACILITIES UPDATE

Facilities work over the last three months can be summarized in two words “reactive-management”. Chris has been busy with multiple roof leaks, a falling ceiling, a collapsing floor, and countless other maintenance requests.

Facilities maintenance and improvement is a critical priority for ICC Austin in the coming years. To help us understand the full picture of needed repairs, there will be a facilities assessment conducted by an outside company this summer. They will spend 4-8 hours at each house to determine the scope of work and repairs that are needed to enhance the condition and habitability of each property, including: electrical, walls, roofs, plumbing, life-safety, and other interior and exterior facilities work. The assessment includes a multi-year facilities planning and budgeting software that will allow staff to better plan for and prioritize facilities work. Both College Houses and Berkeley Student Co-ops used the same vendor, so they are familiar with co-ops.

There are two major reasons for the assessment: 1) ICC Austin has an accurate and realistic understanding of the work needed to repair the houses; 2) Staff will be able more accurately analyze costs and budget short-falls. ICC Austin **cannot** repair all of the houses with internal money. We will need outside money and grants - sooner than later - and an accurate assessment of the facilities will be a starting point for developing fundraising goals and plans.

DEVELOP COLLABORATIVE CAMPUS & COMMUNITY RELATIONSHIPS

Goal Statement: Be known on campus and in the community as an inclusive, equitable organization that empowers students to learn the principles of cooperation and to grow through generative communities that support and encourage diversity.

COMMUNITY RELATIONSHIP BUILDING

This quarter (Dec-Feb) Ashleigh participated in two activities to further ICC Austin's community relationships. The first, which also served as professional development for Ashleigh, was as an Executive Director Leadership Academy with Mission Capital. Fourteen Austin-area EDs participated in the academy - including Kim Garmany from College Houses and Lisa Barden from Keep Austin Fed (the organization that New Guild has partnered with to procure excess food). Topics covered over the four-day academy included leadership profiles, Board/Ed relationships and roles, fundraising, financial management, systems leadership, impact management, and nonprofit effectiveness. The course was incredibly valuable and provided useful information to further ICC Austin's mission-driven work.

The second activity was an opportunity to connect with the cooperative community at the NASCO Development Services (NDS) quarterly board meeting which was held in Austin January 25th through 27th. Ashleigh and Kim worked together to coordinate and lead a morning tour of four co-ops (Super Co-op, Helios, Ruth Schulze, and 21st St). Afterwards, the group convened to brainstorm opportunities and strategies for cooperative development (i.e. building or procuring more student housing cooperatives). The NDS board is primarily comprised of staff members from the large, student co-op systems including: Santa Barbara, Michigan Student Cooperative, ICC Ann Arbor, College Houses, and UC Davis Co-ops. The day was engaging and folks appreciated learning more about Ruth Schulze and the process ICC Austin has undergone to construct the new house.

STAFF DEVELOPMENT - RACIAL EQUITY

ICC Austin staff, along with 80 other city and community leaders, will attend the *Beyond Diversity* training on February 22nd and 23rd. The training, run by the [Pacific Educational Group](#), is being convened in support of the Mayor's Task Force on Institutional Racism and Systemic Inequities. A total of fourteen, two-day trainings are being hosted over the course of this academic year. The goal is for community leaders to have a common framework and shared language for talking about race - a difficult conversation for many people. This is important, foundational work as Austin continues to wrestle with the impact of institutional racism and systemic inequities across our community. You can read the full Task Force report [here](#). Staff is attending this training to learn, engage and network with other leaders, and further support ICC Austin on our journey of racial equity.

SOCIAL MEDIA TEAM LAUNCH

We are excited to launch ICC Austin's first social media team (strategic plan strategy: *Share the ICC Austin story*). Comprised of four members the team will be ICC Austin's digital voice - focusing efforts on Instagram, Facebook, & Twitter (for starters). Their kick-off meeting is scheduled for Monday, February 25th. The team will spend time discussing strategies for enhancing ICC Austin's social media presence, laying groundwork for an ICC Austin social media policy, and mapping content plans for the coming month. This semester will be trial and error as the team divvies up the work, determines strategies, and learns to engage our audience (students in need of affordable housing).

Ashleigh will serve as a facilitator and staff advisor for the team but they will have the latitude and discretion to build our social media presence. Ashleigh & Laura have been the primary drivers of ICC Austin's social media content over the last few years.

IMPROVE ORGANIZATIONAL STABILITY

***Goal Statement:** Ensure stability and sustainability of the organization through improved governance, staff development and retention, maximized affordability, enhanced member engagement, and incorporating racial equity work into our infrastructure.*

PETS & ICC AUSTIN

ICC Austin needs to engage in serious conversations about pets in the houses. Currently, French House & Avalon, both upper-division/graduate houses, with Avalon closing in the May, are the only two pet-free spaces in ICC Austin. This week an incoming freshman, who is a need-based financial aid recipient, reached out asking about housing options* since they have a pet-allergy. While pets are wonderful and bring joy to our lives, members should consider the greater impact on accessibility and habitability. Does having pets at 7 of our 9 houses impact ICC Austin's ability to meet its Ends? Why or why not? These are conversations that need to take place as ICC Austin continues to explore its identity and commitment to achieving its Ends.

*Ruth Schulze is set to open as a pet-free house. However, until we are certain the house will open on-time, pet-free housing options are limited.

RUTH SCHULZE EXPANSION

Successful completion of the 34-member Ruth Schulze expansion project in August 2019 remains essential for both maintaining and improving ICC Austin stability. With the loss of Avalon in May 2019, urgency has increased dramatically. Success hinges on both opening on time (no later than August 15) and on budget.

Despite a month of weather delays since December, construction of the building is going very well, with current and anticipated building costs all in line with the budget. By the February 21 Board meeting, the fire exit stairwells are expected to be completed, and framing should be underway. Framing should be complete by late March.

There are, however, a couple of major issues still facing the project:

1. **Large Utility Cost Increases:** Despite our best efforts to avoid being blindsided, Austin Energy and Austin Water Utility are requiring about \$500,000 in unplanned utility infrastructure improvements to supply Ruth Schulze with water and electricity. Over the past six months, the project team tried everything possible to negotiate alternative options to no avail. The only path forward that will allow Ruth Schulze to open on time is to simply do what the city bureaucracy demands (no matter how unreasonable or tragically wasteful).

\$500,000 is way beyond the budget contingency. So, ICC Austin completed an application for additional UNO trust funds (we'd previously been awarded \$928,000). We know that there are plenty of funds available, and are now waiting for the application to get through the city review process. At this point, we

don't have any indication about where we stand. If additional funds are awarded, ICC Austin will need to work with Wells Fargo, our primary lender, to make sure it's ok to actually use them.

The worst-case scenario is that ICC Austin will not be able to obtain any additional funding. If that happens, ICC Austin can access about \$150,000 in additional bond financing, and \$250,000 in emergency funds. That \$400,000, in conjunction with other cost-saving measures, will allow ICC Austin to complete Ruth Schulze. However, without any emergency funds left, ICC Austin would be in a substantially weaker position for the next 5-10 years while emergency funds are rebuilt.

2. **Weather/Delay Contingency:** When started, the project had about 4 months of contingency for delays. Three of those months were used up getting the Wells Fargo non-profit bond financing completed this summer. Then we had a month of rain delays from December through January. So, at this point we have no time left for any new delays, and any new delays will start having an impact on fall move-in timeline. The estimated move-in ready date is currently August 5.

Until the building is framed (dried-in) at the end of March, rain could be a major problem. February and March tend to be relatively dry in Austin, but the weather this year has been unusually wet. After we get the framing in done, weather will be much less of a factor.

FINANCIAL UPDATE

The 2nd quarter financial report is in the February Board packet. The numbers should be reviewed carefully, but keep in mind that the 2nd quarter ended November 30, 2018 and is not terribly relevant now. The 3rd quarter report for the June 1, 2018 - February 28, 2019 period should be in the March 28th Board packet.

To summarize, despite a rocky start with very poor summer occupancy (and average fall/spring occupancy), ICC Austin is on track to finish the year in a good financial position. The revenue shortfalls have been offset primarily by reduced interest expenses due to refinancing ICC Austin debt as part of the Ruth Schulze project, and reduced discretionary maintenance spending. As mentioned in the financial report, ICC Austin needs to be financially conservative until Ruth Schulze opens.

MARKETING & OUTREACH

ICC Austin members have been tabling on-campus (West Mall and Speedway) daily (M-F, 11am-2pm) since January 22nd. As of February 18th, 32 UT students signed up to receive more information about ICC Austin. Tablers are working hard to dispel the myth that co-ops are just a bunch of party houses and are informing prospective members about various healthy aspects of co-op living. They are also promoting Ruth Schulze.

Former HoC member Natalie Bradford designed 2 new posters for Ruth Schulze, both of which have been posted around West Campus, in shops along the Drag, and on campus. Additionally, members who table daily on campus daily have postcard-sized versions that they have been passing out. As this packet goes to print, there is a plan for a member to poster at ACC as well.

MAINTAIN OPERATIONAL EXCELLENCE*

Goal Statement: Maintain strong operations to support a healthy, nonprofit business.

*This goal has been separated from *Improve Organizational Stability*, so we can better capture progress on regular, ongoing operational work.

STRATEGIC PROGRESS

If you have spent time with the strategic plan, it may feel overwhelming. There are many moving parts and goals in-progress simultaneously. To help staff and ICC Austin maintain focus and track progress, Ashleigh researched strategic planning software and found an affordable option: [Khorus](#), an Austin-based technology company. It's a user-friendly platform with great pricing for nonprofits. Staff adopted the platform in mid-January, so we're one month into using it. It's helpful in keeping track of the big goals and predicting progress each week. Another advantage to the software is that we can assign "Observer Only" view, so the Board and other interested members can see the big strategic projects that staff is undertaking. The only 'downfall' is that planning and progress is tracked on the quarter system (where-as ICC Austin typically operates on a semester system).

"Give me six hours to chop down a tree and I will spend the first four sharpening the axe." — *Abraham Lincoln*

Planning is an essential part of life and business; but it can be difficult among the hustle and bustle of daily activities. On February 19th, the office will be closed for the (new) quarterly staff retreat. Staff will be working at the Austin Central Library in one of the community meeting rooms. This gives staff time to think and plan without the hourly interruptions that are normal when we are at the office. The day will be spent reflecting on ICC Austin and our work over the last quarter as well as setting our goals and action plans for Q4 (March-May). Moving forward, there will be a retreat at the start of each quarter to keep staff moving forward and working together to achieve ICC Austin's Ends.

LEGAL COUNSEL UPDATE

Ashleigh consulted with Xavier Medina, ICC Austin's attorney, twice since the last Board meeting.

Crane Agreement (air-use easement) - A new 18-story apartment complex will be built across the street from Helios. Demolition of the current buildings will take place this summer, followed by ~24 months of construction. The company will use a large crane that may need to swing partially over Helios. The agreement is a standard construction contract. Xavier reviewed the agreement, provided edits to the document, and consulted with Ashleigh prior to contract negotiation with the construction company. We are waiting for their attorneys to approve the contract changes and execute the agreement.

Liability for injuries caused by member pets - An issue arose in February where a cat (owned by an ICC Austin member) was purported to have bitten/clawed a pedestrian. The person proceeded to badger staff over animal vaccination records and ultimately called animal control. Ashleigh called Xavier to inquire about 1) our necessity to collect vaccination records and 2) any liability that could result from the person's claim of harm caused by the cat. As an organization, and in most situations, ICC Austin is not liable for the actions of a member-resident's pet nor are we required to collect vaccination records - though the city of Austin has its own [ordinances](#) regarding vaccinations that pet owners are expected to follow.

-ICC Austin Staff

Ashleigh, Laura, Billy, & Chris

Legal Counsel Overview

At the 11/29 Board Meeting, the Legal Counsel Search Committee recommended the Board be provided with a training covering the following topics at the start of each semester.

Roles of legal counsel in ICC

- ICC's lawyer advises on a variety of things. They review membership contracts, draft contracts with banks and contractors, and provide consultation for situations which could lead to a lawsuit. These could involve evictions, breaches of contract, etc.

The transparent structure of Board, ED, and lawyer relationships

- Both the Board and staff are required to be transparent with each other when communicating with the lawyer. A brief summary of all communications to the lawyer should be reported to the Board.
- The Board is able to access the lawyer, but no single Board member should have unlimited discretionary access to the lawyer.

Fiduciary duty:

- Fiduciary duties are Board member's legal responsibilities to the Board and organization. They include:
 - Duties of Care: Attending board meetings, actively participating, being as educated as possible on discussion topics, etc.
 - Duties of loyalty: Acting in the interest of the bylaws, organization, and membership.
 - Duties of obedience: Acting within the scope of the Bylaws, knowing state laws and regulations that apply to our type of organization.

ICC Austin's legal structure and tax exemptions:

- ICC Austin is a 501-c3 nonprofit.
- The Bylaws give the framework of our structure. The Bylaws are reviewed yearly and changes are approved through a membership vote.
- ICC Austin is tax exempt. That means it does not have to pay property taxes, saving the organization \$300,000 per year, and sales tax.

What is an executive session?

- An executive session is a closed board discussion that can involve invited staff or other guests.
- C4 Executive Session Policies:
 - Meetings will be open to the membership except when executive session is officially called.
 - Executive session may be used to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session should be on the published agenda.

- The Board may include or exclude anyone it chooses from executive session, as further described in Board Meeting Procedures Document.
 - The Board will take no official minutes during Executive Session.
 - The Board will come out of executive session to take official action.
- Possible times to call an executive session:
 - Discussion about the Executive Director's evaluation
 - Discussion about legal matters
 - Any time that confidentiality is needed

Executive Summary

ICC Austin financial performance from June 1, 2018, through November 30, 2018, was mixed. Of particular note, the extremely low summer 2018 occupancy resulted in a summer loss higher than any summer in the last decade (or longer). The low summer occupancy, along with significant cash outlays to get the Ruth Schulze project started, resulted in very tight cash flow by August 2018.

After getting City of Austin reimbursement for some of the Ruth Schulze expenses, and having fall 2018 occupancy on-budget, cash flow stabilized by the end of November (Q2). You can see from the annual budget and forecast data that the ~\$95K in reduced summer income is expected to be offset by reduced expenses. We expect a strong end to the year. It's important to note that about half of the reduced expenses come from reduced discretionary maintenance spending, which means more deferred maintenance liability for future members to bear.

With the \$3.2M Ruth Schulze development project underway, the loss of Avalon at the end of May 2019, and being at the end of the longest US economic expansion in history, it is critical that the ICC Austin Board recognize the uncertainty and risk of our financial position. The numbers in the Q2 financials reflect conservative operation commensurate with the current conditions: Cash expenses are being minimized, and a healthy profit margin maintained.

Financial Statements are at the back of this report and the following are notes and comments for material variations from the previous year.

Note 1 (Statement of Financial Position)

ICC Austin has several bank accounts holding cash, internally the organization segregates and monitors:

- cash held in house bank accounts for house operations (food, internet, cleaning supplies)
- central operating funds (utilities, maintenance, staff payroll, loan payments)
- money internally designated for capital improvements (renovations, big purchases, and large projects)
- money held in escrow (prepaid rent and security deposits) – see Note 2
- Emergency and expansion reserve funds – see Note 4

Cash designated for operations is about the same as this time last year. This is the result of more conservative cash management to balance out the poor summer occupancy revenue shortfall.

House balances are about the same as they were this time last year, which indicates that funding is adequate and that houses are not over-spending. Each house has a comfortable financial cushion, with at least \$1,500 in every house savings account. Spending on groceries is lower (see Note 11).

Note 2 (Statement of Financial Position)

Member security deposits (\$98.5K) and member pre-payments (\$46.8K) are shown as equal assets (cash) and liabilities on the balance sheet. This is basic accounting which is indicating that even though ICC Austin is holding this money, these funds do not technically belong to the organization. For example, security deposit money is held in escrow and generally returned to members when they leave (unless they damage their room or have an outstanding balance).

Similarly, member prepayments happen when people pay rent in advance and it doesn't become "ICC money" until the 1st of each month when rent is due. Deferred revenue related to member pre-payments decreased ~\$12K from this time last year. This is purely due to timing of when rent payments are received from members. Many members pre-pay for the semester or academic year at the beginning of their contracts. Under accounting rules, these funds are held as a liability on the Balance Sheet and ICC Austin recognizes a portion of the pre-payment each month as revenue until the end of the contract.

Note 3 (Statement of Financial Position)

Accounts Receivable is down significantly. This is a good thing and indicates that members are paying on time and not letting balances build up more than a month.

Note 4 (Statement of Financial Position)

Changes in property, plant and equipment for the year so far are as follows:

	YTD FY2018-19
Beginning Balance May 31, 2018	2,847,095
Ruth Schulze Pre-construction	56,124
Ruth Schulze Construction	515,645
HoC Fire Sprinklers	11,149
French House HVAC	6,850
New Guild Jackson Sanitizer	4,195
Seneca Kitchen Floor replacement	2,833
Depreciation	(79,612)
Ending Balance at Nov 30, 2018	3,364,278

Note 5 (Statement of Financial Position)

Restricted funds represent ICC Austin reserve funds designated for specific purposes in the Bylaws. All reserve expenditures were related to the Ruth Schulze development. During the last fiscal year, ICC Austin released \$64K in expansion reserve funds for the Ruth Schulze development project and another \$17K to-date this fiscal year.

ICC Austin also maintains two other designated funds, one for capital improvements funded by mandatory savings, and the other a scholarship funded by donations and bank interest.

ICC AUSTIN - RESERVES - NOV 30, 2018 AND MAY 31, 2018

	11/30/2018	5/31/2018	Change	
			\$	%
Board Designated Reserves:				
Emergency Reserve	265,598	262,652	2,946	1.1%
Expansion Reserve	3,158	5,258	(2,100)	-39.9%
	268,756	267,910	846	0.3%
Other Designated Funds (not reserves):				
Capital Improvement Funds	143,119	130,569	12,550	9.6%
Scholarship Funds	10,694	4,422	6,272	141.8%

Note 6 (Statement of Financial Position)

Accounts Payable for outstanding bills and invoices is much higher than usual. This was due to the ~\$15K bill from College Houses for NASCO travel airfare. At 11/30 there was nothing outstanding more than 60 days and the majority of payables were less than 30 days old.

Note 7 (Statement of Financial Position)

Bond debt (formerly Notes Payable) is increasing as Ruth Schulze construction progresses. ICC Austin will be able to borrow up to \$2.5M. The organization should expect significant increases to debt until construction is complete, but overall debt is still considered very low and the monitoring ratios are well within reason.

****Note 8 (Statement of Activities and Budget)****

Rental revenue for this fiscal year was ~\$73K *lower* than the same period last year, primarily due to extremely poor occupancy this summer. It's also nearly \$100K below budget revenue, so ICC Austin will need to have really good occupancy, and cut expenses the rest of the year to make up for the lost revenue. Currently we are on track to do so.

Note 9 (Statement of Activities and Budget)

Credit card revenue and expenses are both down considerably. This is because the company that processes rent payments for ICC Austin started processing credit card payments internally and significantly lowered the processing costs. This savings was passed on to members. In the past, the organization charged members a convenience fee to offset these costs. The lost revenue is offset by the reduced expense.

Note 10 (Statement of Activities and Budget)

Spending on groceries is about \$7.5K lower than this time last year, about \$5K of this change is attributable to low summer occupancy (people eating less), and \$2.5K is related to lower fall spending.

Note 11 (Statement of Activities and Budget)

Board Professional services spiked dramatically – increasing to about \$20K. One third of the expense came from the use of interim facilitation services for the summer Board meetings and retreat. Another third came from a summer Board request for legal research and presentation about referendum, bylaws, and other processes. The last third was simply a timing difference in when the auditor billed ICC Austin for services.

Based on advice from ICC Austin CPA's, the new Board Office compensation policy establishes a clear employer-employee relationship between the Board Officers and the Board of Directors. As such, ICC Austin now has to treat the Board Officer compensation as wages, and is now liable for additional payroll and Texas Workforce Commission (unemployment) taxes. This cost has been averaging 25% of the total amount paid to the Board Officers. Because the policy changed in October, the financial impact won't be seen until starting in Q3.

Note 12 (Statement of Activities and Budget)

Member engagement costs is higher compared to last year. The biggest factor was an unplanned \$4,000 racial equity training in September. The other \$3,500 was due to increased travel costs for NASCO institute.

Note 13 (Statement of Activities and Budget)

The original budget had a substantial staff structure change, and this was modified again in fall 2018 when the Board hired Ashleigh as Executive Director. Despite the changes, the staff budget is expected to be a little lower than originally planned.

Note 14 (Ratio Analysis):

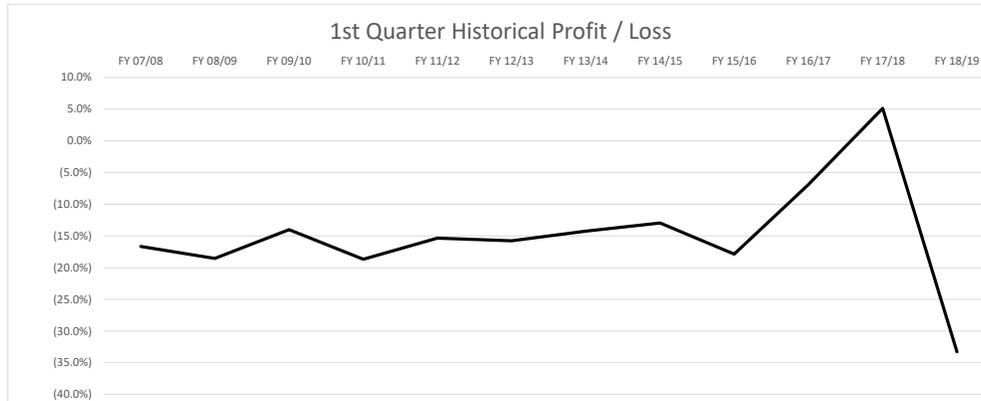
IMPORTANT – There are definitions and calculations on the following page that will help clarify some of the below ratios.

ICC Austin's liquidity has improved from this time last year and remains well above the Board designated goal of 0.7 because the organization is no longer running at a loss during the summer.

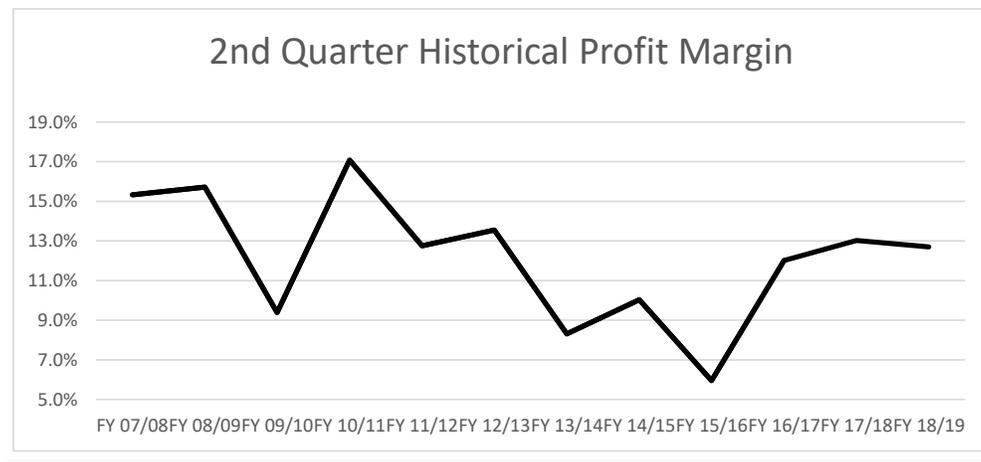
	Nov-18	Nov-17	Annual Target
Supplemental Information - Key Ratios			
Liquidity w/o designated reserves	1.91	1.19	minimum 0.7 (higher the better)
Liquidity w/ emergency reserves	2.87	1.77	minimum 1.2 (higher the better)
Solvency / Leverage (Debt to Equity ratio)	0.42	0.32	max 2.0 (lower the better)
Profit Margin	-4.79%	9.54%	minimum 10% (annual)

The chart below shows the really exceptional summer 2017, and then the really abysmal summer 2018 financial performance. It compares the June-Aug periods over time:

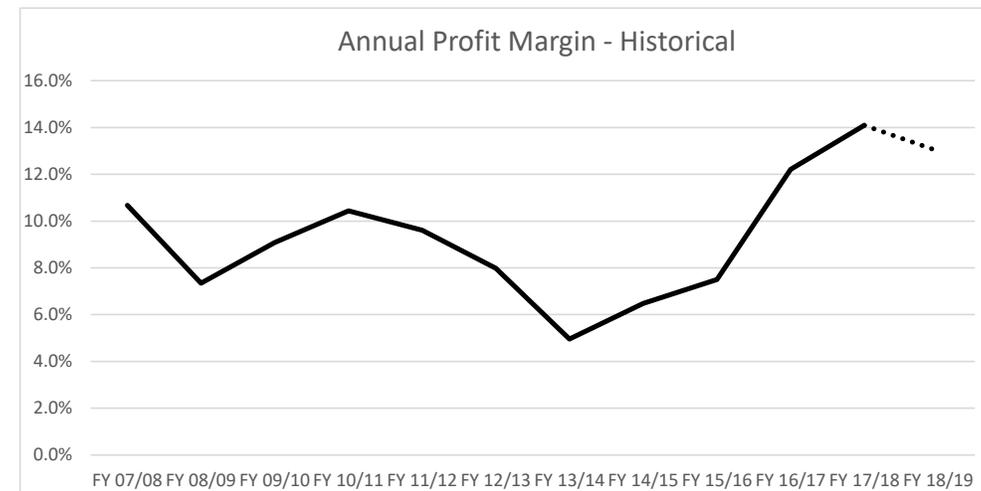
Governance – Q2 Financial Report



The chart below shows the how the Q2 period (Sep-Nov) compares with the same period over time. Basically at 12.7% for Q2 we are doing slightly better than the long-term 12.2% average.



And finally, the last chart shows the historic annual profit margin, with projection for FY 18-19:



FINANCIAL MONITORING – KEY RATIO DESCRIPTIONS

Liquidity ratio (also called the *current ratio*) is primarily used to give an idea of the company's *short-term* ability to pay back its liabilities (such as loans and bills due). It is used to take a rough measurement of a company's financial health. The higher the current ratio, the more capable the company is of paying its obligations. The higher the ratio, the better.

$$\text{Q2 Liquidity Ratio 1.91} = \frac{\text{Current Assets } \$494,026}{\text{Current Liabilities } \$258,847}$$

Solvency Ratio (also called debt to equity ratio) is used to measure *long-term* solvency and specifically a company's financial leverage. It indicates how much debt ICC Austin is using to finance renovations and expansion of its co-op houses. This ratio is used by lenders to gauge whether ICC Austin has taken on too much debt, with a lower result indicating a greater solvency (ability to stay in business). The lower the ratio the better. However, having debt is not always a bad thing. If applied appropriately, debt can be used to finance future projects and potentially generate more earnings than it would have without this outside financing.

A good example of use of leverage is ICC Austin using debt to build the Ruth Schulze house. Borrowing money allows ICC Austin to expand without current members having to pay for the project out of pocket (making the project feasibly impossible). If the project is successful, ICC Austin will bring in more revenue from Ruth Schulze Co-op than the interest expense it pays on the debt to finance it. Expanding membership also spreads out ICC Austin's overhead costs between more people, resulting in lower rent rates for the same services. However, if the cost of this debt financing (i.e. interest expense) ends up being more than the Ruth Schulze income -- than the organization may take a big hit. If the cost of debt becomes too much for a company to handle, it can even lead to bankruptcy, which would leave members with nothing. ICC Austin saw this happen in the 1980's. The Board, our lenders and staff monitor this ratio to help ensure ICC Austin takes out the right amount of debt and is appropriately leveraged.

$$\text{Q2 Solvency Ratio 0.42} = \frac{\text{Total Liabilities } \$258,847}{\text{Net Assets } \$2,921,828}$$

Profit margin is reflected as net income (or loss) as a percentage of revenue. ICC Austin's target annual profit margin is at least 10%. Nearly all of ICC Austin's annual profit margin is allocated to our two reserve funds and the Capital Improvement fund. This is different than a for-profit corporation where profits are distributed to owners.

$$\text{YTD Loss (4.79\% Loss)} = \frac{\text{Net Loss } \$31,372}{\text{Revenue } \$654,397}$$

Governance – Q2 Financial Report

ICC AUSTIN ANNUAL FINANCIAL REPORT STATEMENTS OF FINANCIAL POSITION NOV 30, 2018 AND 2017

ASSETS	Nov 30, 18	Nov 30, 17	Change	
			\$	%
CURRENT ASSETS				
Cash - Central Operating Funds	136,325	139,942	(3,617)	-2.6% Note 1
Cash - Capital Improvement Funds	143,119	119,734	23,385	19.5% Note 1/5
Cash - House Operating Funds	46,857	49,679	(2,822)	-5.7% Note 1
Cash - Member Security Deposits Held	98,500	105,000	(6,500)	-6.2% Note 2
Cash - Member Prepayments Held	42,698	54,693	(11,995)	-21.9% Note 2
Prepaid Insurance and other	18,032	20,808	(2,777)	-13.3%
Accounts Receivable	5,996	11,723	(5,727)	-48.9% Note 3
Deposits	2,500	2,500	-	0.0%
Total current assets	494,026	504,079	(6,436)	-1.3%
Property and Equipment - net	3,364,278	2,882,981	481,298	16.7% Note 4
OTHER ASSETS				
Designated Cash - Reserves	268,756	263,522	5,234	2.0% Note 5
Scholarship Fund	10,694	2,337	8,356	357.5% Note 5
Investments in Other Cooperatives	15,000	15,000	-	0.0%
Total other assets	294,449	280,859	13,590	4.8%
Total Assets	\$ 4,152,754	\$ 3,667,919	484,835	13.2%
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	24,083	2,312	21,772	941.7% Note 6
Accrued Expenses (wages, utilities, other)	31,494	25,169	6,325	25.1%
Member Security Deposits Held - Liability	98,500	105,000	(6,500)	-6.2%
Deferred revenue (member prepayments)	42,698	54,693	(11,995)	-21.9%
Current portion of notes payable	62,071	238,119	(176,048)	-73.9%
Total current liabilities	258,847	425,293	(166,446)	-39.1%
LONG TERM LIABILITIES				
Notes payable less current portion	972,078	468,359	503,720	107.5% Note 7
Total liabilities	\$ 1,230,925	\$ 893,651	337,274	37.7%
NET ASSETS				
Unrestricted				
Undesignated	2,642,379	2,508,408	133,970	5.3%
Designated	279,449	265,859	13,590	5.1%
Total net assets	2,921,828	2,774,268	147,561	5.3%
Total liabilities and net assets	\$ 4,152,754	\$ 3,667,919	484,835	13.2%

Governance – Q2 Financial Report

ICC AUSTIN ANNUAL FINANCIAL REPORT STATEMENT OF ACTIVITIES FOR THE 6 MONTHS ENDING NOV 30, 2018

REVENUE	2018	2017	Change	
			\$	%
Rental Income	631,763	703,355	(71,593)	-10.2% Note 8
Penalty Fees	12,937	16,792	(3,856)	-23.0%
Membership Dues	3,480	8,675	(5,195)	-59.9%
Scholarship Fund - Contributions	4,061	1,368	2,694	196.9%
Credit Card Fee Revenue	180	6,626	(6,446)	-97.3% Note 9
Interest Income	1,798	891	906	101.7%
Other Income	179	-	179	100.0%
Total Revenue	654,397	737,707	(83,310)	-11.3%
EXPENSES				
Staff and Administration	164,624	145,486	19,137	13.2% Note 13
Groceries and Other House Discretionary	114,297	121,644	(7,347)	-6.0% Note 10
Utilities	90,646	86,458	4,188	4.8%
Depreciation	79,612	89,277	(9,665)	-10.8%
Maintenance	63,702	44,237	19,465	44.0%
Professional Services	26,378	26,987	(609)	-2.3% Note 11
Avalon Lease	36,294	35,502	792	2.2%
Insurance	31,095	26,353	4,742	18.0%
Interest	13,495	23,391	(9,896)	-42.3%
Member Engagement	29,010	21,672	7,338	33.9% Note 12
Office	16,742	19,035	(2,293)	-12.0%
Board and governance	8,979	9,072	(93)	-1.0% Note 11
Credit Card Fee Expense	562	5,315	(4,753)	-89.4% Note 9
Community Engagement	5,450	6,436	(986)	-15.3%
Write-off of UFCU origination fees	4,585	168	4,417	100.0%
Business Planning Process	-	6,047	(6,047)	100.0%
Bad Debt Expense	299	280	19	100.0%
Total Expenses	685,769	667,359	18,410	2.8%
Change in net assets (Net Income)	(31,372)	70,348		
<i>Profit Margin (Loss)</i>	<i>-4.79%</i>	<i>9.54%</i>		

Governance – Q2 Financial Report

ICC AUSTIN ANNUAL FINANCIAL REPORT STATEMENT OF CASH FLOWS (DIRECT METHOD) FOR THE 6 MONTHS ENDING NOV 30, 2018

CASH RECEIVED FROM (USED BY) OPERATING ACTIVITIES

Cash receipts from:	
Members (net)	644,477
Interest Income	1,798
Total Cash Receipts	650,336
Cash payments for:	
House operating costs	(204,942)
Administrative overhead (Staff and Office)	(181,366)
Property operating costs	(107,595)
Insurance	(31,095)
Interest	(13,495)
Board expenses	(8,979)
Member engagement	(29,010)
Total Operating Cash Payments	(576,482)

Net cash provided in operating activities **83,071**

CASH RECEIVED FROM (USED BY) INVESTING ACTIVITIES

Ruth Schulze Development (Contributions) Expenditures	(521,230)
WF bond financing costs	(113,835)
Capital Improvements and Equipment	(26,789)
Emergency Funds (Contributions) Expenditures	(2,946)
Scholarship Funds (Contributions) Expenditures	(6,272)
Total cash used in investing activities	(671,072)

CASH RECEIVED FROM (USED BY) FINANCING ACTIVITIES

Payoff of all UFCU debt	(592,297)
Bond Principal Payments	4,870
City of Austin RS Financing	320,953
Series A Bond Financing	389,870
Series B Bond Financing	437,162
Total cash provided by (used in) financing activities	560,558

Net change in cash	(27,444)
Cash - beginning of period	505,636
Cash - end of period	478,192

Governance – Q2 Financial Report

**ICC AUSTIN
ANNUAL FINANCIAL REPORT
BUDGET TO ACTUAL ANALYSIS
FOR THE 6 MONTHS ENDING NOV 30, 2018**

REVENUE	Actual	Budget	Difference	
			\$	%
Rental Income	631,763	719,169	(87,406)	-12.2% Note 9
Penalty Fees	12,937	13,503	(566)	-4.2%
Membership Dues	3,480	6,916	(3,436)	-49.7% poor summe
Credit Card Fee Revenue	180	6,018	(5,838)	-97.0% Note 9
Scholarship Fund Donations	2,108	-	2,108	100.0%
Interest Income	1,798	1,100	697	63.4% interest rates
Total Revenue	652,265	746,705	(94,440)	-12.6%
EXPENSES				
Staff and Administration	164,624	172,632	(8,008)	-4.6% Note 13
Groceries and Other House Discretionary	114,297	130,812	(16,515)	-12.6% Note 10
Utilities	90,646	85,231	5,415	6.4%
Depreciation	79,612	84,450	(4,838)	-5.7%
Maintenance	63,702	70,410	(6,708)	-9.5%
Professional Services	26,378	6,252	20,126	321.9%
Avalon Lease	36,294	36,294	-	0.0%
Insurance	31,095	26,502	4,593	17.3%
Interest	13,495	20,658	(7,163)	-34.7%
Member Engagement	29,010	13,824	15,186	109.9%
Office	16,742	11,598	5,144	44.4%
Board and governance	8,979	13,542	(4,563)	-33.7% Note 11
Credit Card Fee Expense	562	5,418	(4,856)	-89.6% Note 9
Community Engagement	5,450	5,376	74	1.4%
Write-off of UFCU origination fees	4,585	-	4,585	100.0%
Total Expenses	685,470	682,999	2,471	0%
Net Income (Budget vs Actual)	(33,205)	63,706	(96,911)	-152%

ICC Austin FY 18-19 Annual Budget and Forecast

	FY 18-19 Budget	FY 18-19 Forecast	Change	Notes
Operating Income				
Room & Board (net)	1,504,274	1,413,548	90,726	poor summer occupancy
Penalty Fees	27,005	22,382	4,624	normal variation
Membership Fees	20,340	20,000	340	
Credit Card Fees and Other	12,034	5,250	6,784	change in credit card system
Interest and Investment	1,800	2,700	(900)	increased interest rates
TOTAL INCOME	1,565,453	1,463,880	101,574	
Operating Expenses				
House Spending (mostly food)	261,625	245,000	16,625	lower summer occupancy
Utilities (electric, water, etc)	170,462	168,000	2,462	
House Operating Costs	432,087	413,000	19,087	
Depreciation & Amortization	176,395	163,819	12,576	revised budget estimates
Maintenance	140,827	96,810	44,017	reduced discretionary expenses
Interest Payments	58,086	19,744	38,342	refinanced loans
Avalon Lease	72,588	72,588	-	
Credit Card Processing	10,831	600	10,231	change in credit card system
Property and Liability Insurance	53,008	62,000	(8,992)	normal variation
Advertising	4,600	5,200	(600)	
Eviction Court costs and other	2,400	679	1,721	
Property Operating Costs	518,735	421,440	97,295	
Staff Costs	345,268	335,128	10,140	staff struture changes
Office and Professional	36,197	28,881	7,316	conservative spending
Administrative Overhead	381,465	364,009	17,456	
NASCO Institute	18,025	22,917	(4,892)	
Member Education and Training	9,619	6,775	2,844	
2020 Scholarship Fund	-	-	-	
Member Engagement	27,644	29,692	(2,048)	
Board Governance	27,089	40,300	(13,211)	see note detail
External Community	10,746	5,450	5,296	nasco dues only; no NDS
TOTAL EXPENSES	1,397,766	1,273,891	123,875	
Change in Net Assets (net income)	167,687	189,988	(22,301)	

ICC Austin
Draft Board of Directors Budget
FY 2019-20 through 2022-23

	Actual FY 14/15	Actual FY 15/16	Actual FY 16/17	Actual FY 17/18	Forecast FY 18/19	Budget FY 19/20	Budget FY 20/21	Budget FY 21/22	Budget FY 22/23	
Financial Consulting	-	-	-	173	300	300	300	300	300	
Equity/Racial Justice Consulting	-	-	-	10,359	3,094	-	-	-	-	- Dr. Martha Ramos-Duffer
Legal & Contingency	-	188	-	1,875	8,250	5,000	5,000	5,000	5,000	contingency for Board consulting as-needed
Governance Consulting	10,570	9,162	3,425	-	2,415	-	-	-	-	CDS Consulting Co-op
Audit	6,000	7,000	7,350	7,600	7,800	8,000	8,200	8,400	8,600	Wegner CPA historic and projected costs
1 Auditor & Professional	16,570	16,350	10,775	20,007	18,465	13,300	13,500	13,700	13,900	
Monthly Stipend	4,850	5,050	4,700	6,275	2,000	-	-	-	-	stipend increase 17/18; officer compensation policy changed Sept 2018
Hourly Pay	-	-	-	-	5,000	7,200	7,200	7,200	7,200	4 officers @ \$200/month for 9 months;
Payroll Tax & Unemployment Expense	-	-	-	-	1,250	1,800	1,800	1,800	1,800	0.25% of hourly pay (new expense)
2 Board Officer Compensation	4,850	5,050	4,700	6,275	8,250	9,000	9,000	9,000	9,000	
Board Retreat Expenses/Dinner	1,445	1,234	458	1,523	1,200	800	800	800	800	assumes only 2 board retreats annually (fall/spring)
Board Meeting Snacks & Misc	464	783	764	599	1,000	800	800	800	800	no change from average (bump in FY 18/19 due to having to rent space for Sept meeting)
Meeting Facilitation	835	845	1,160	1,860	360	1,000	1,000	1,000	1,000	board meetings only
Meeting Minutes	68	-	-	-	900	900	900	900	900	board and ecc minutes
ECC Dinner/Food	426	211	611	967	600	300	300	300	300	assumes meetings only Sept-May
Loomio & Board Admin	-	-	-	-	290	300	300	300	300	electronic coordination/communication system approved by Board
Committee Food & Misc	200	-	540	262	200	200	200	200	200	ad-hoc work; contingency
4 Board Meeting Expenses	3,438	3,073	3,533	5,211	4,550	4,300	4,300	4,300	4,300	

ICC Austin
Draft Board of Directors Budget
FY 2019-20 through 2022-23

	Actual	Actual	Actual	Actual	Forecast	Budget	Budget	Budget	Budget
	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
1 Auditor & Professional	13,570	16,350	10,775	21,354	22,000	13,300	13,500	13,700	13,900
2 Board Officer Compensation	4,850	5,050	4,700	6,275	8,250	7,200	7,200	7,200	7,200
2 Employment Taxes	-	-	-	-	1,100	1,800	1,800	1,800	1,800
3 Board Officer Training	4,296	4,902	3,821	608	300	500	500	500	500
4 Board Meeting Expenses	3,438	3,073	3,533	5,211	4,550	4,400	4,400	4,400	4,400
General Membership Meetings	2,384	2,802	3,821	3,550	2,500	3,200	3,200	3,200	3,200
5 Directors & Officers Insurance	1,645	7,128	4,930	2,175	2,300	2,300	2,300	2,300	2,300
Governance	30,183	39,305	31,580	39,173	41,000	32,700	32,900	33,100	33,300

1 annual audit, legal, human resource consultants, etc. Assumes audit costs increase per historic trend

2 \$200/month - 4 Board Officers - 9 months (Sep-May); new officer compensation policy resulted in new payroll & unemployment taxes

3 Previously out-of-town/out-of-state conferences but Board opted for alternative. Cost includes local training w/Mission Cap & 2 ECC retreats

4 Meeting facilitation, refreshments, and other miscellaneous expenses to foster great Board and committee meetings

5 D&O insurance commensed in March 2015; we are now able to get far cheaper, but equally appropriate insurance for an ICC Austin-sized company

8. Policy Monitoring – B2

February 21, 2019

Policy B2 – Business Planning and Financial Budgeting rev. 4.19.13

I report compliance with all parts of this policy except B2.

This report is for the period October 4, 2018, through January 31, 2019.

I certify that the information contained in this report is true.



Ashleigh R. Lassiter – Executive Director

INTRODUCTION

ICC Austin has up to 188 members at any given time, 250 or so members in any given year, four full-time staff, nine house communities, and 40+ years of inertia. Without a well-articulated, written plan, it is easy to move from project-to-project, idea-to-idea, without any cohesive forward movement.

Business (strategic) planning plays a significant role in coordinating and guiding the co-op. Combined with a well-developed budget, a strategic plan is a road-map for the future: where we are going and how we are going to get there. This monitoring report provides data demonstrating compliance with the Board expectations regarding both business planning and financial budgeting.

Policy B2 – Business Planning and Financial Budgeting

The staff shall not cause or allow business planning and budgeting to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

INTERPRETATION

Is this the policy we want?

Business (strategic) planning and budgeting are important components of a healthy organization.

[Note: For consistency of language, *strategic plan* will be used in place of *business plan* throughout this monitoring report.]

Strategic plans are important because they provide a sense of direction and focus energy towards long-term goals. Strategic plans also allow organizations to proactively manage and anticipate change rather than simply reacting and redirecting on a whim.

Financial budgeting is essential to both avoid financial jeopardy and to ensure adequate resources are devoted towards achieving strategic plan goals. Used together, a strategic plan and budget allow an organization to make measurable and significant progress towards its mission and vision (Ends). ICC Austin will have an approved multiyear strategic plan and budget in place to ensure the long-term success of the co-op.

Is this a reasonable interpretation?

8. Policy Monitoring – B2

Operational Definitions:

1. ICC Austin will operate with a Board-approved, multiyear strategic plan that is collaborative, derived from member input, and makes measurable progress towards the Ends.
2. ICC Austin will operate with a Board-approved, multiyear budget.

Is this a reasonable definition?

DATA SUPPORTING COMPLIANCE (NONCOMPLIANCE)

1. ICC Austin is operating with a multi-year strategic plan that was approved by the Board on October 4, 2018. The plan was developed from extensive member input gathered through surveys, focus groups, and GMMs. The plan is also collaborative because it requires all decision making groups in ICC Austin (members, houses, Board, staff) to work together to build solutions and meet our goals.
2. **NONCOMPLIANCE** – ICC Austin is currently not operating with a Board-approved budget.

COMPLIANCE PLAN: Due to major governance issues last year, the Board never approved a budget. Staff has been operating with the budget that was presented to the Board in October/November 2017. The Board will have the opportunity to review and approve a new, multi-year budget this spring. As long as the Board is able to maintain focus on governing ICC Austin, future noncompliance is not anticipated.

Is this data adequate?
Does this data demonstrate compliance?

Policy B2.1a – The staff will not create plans or budgets that risk incurring those situations or conditions described as unacceptable in the Board policy “B1 - Financial Condition and Activities.”

INTERPRETATION

Is this the policy we want?

Policy B1 requires staff to ensure ICC Austin is not in fiscal jeopardy and that financial activities align with the Board priorities established in the Ends policy. Therefore, the budget must meet the financial conditions outlined in policy B1. The essential criteria being profit margin, current ratio, debt-to-equity ratio, and adequate reserve funds.

Is this a reasonable interpretation?

Operational Definitions:

1. The multiyear budget will show planned financial conditions of profit margin, current ratio, debt-to-equity ratio, and adequate reserve funds within the limits defined by policy B1.
2. Board acceptance of the B1 monitoring report will further demonstrate that ICC Austin is not in fiscal jeopardy and that the financial activities are not risking the conditions described as unacceptable.

Is this a reasonable definition?

8. Policy Monitoring – B2

DATA SUPPORTING NONCOMPLIANCE

- The multiyear budget plan, though not board approved, demonstrates all planned financial conditions fall within the acceptable ranges.

Ratio Analysis	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Targets Outlined in Policy B1
Profit Margin	10.7%	10.7%	10.7%	11.0%	minimum 10%
Current Ratio (excl er funds)	1.26	1.47	1.82	1.99	minimum 0.8 <i>(the higher, the better)</i>
Debt-to-Equity Ratio	1.01	0.93	0.85	0.77	max 2.0 <i>(lower is better)</i>
Debt Service Coverage Ratio	2.47	2.58	2.66	2.72	minimum 1.2 <i>(the higher, the better)</i>

- The Board approved the B1 monitoring report on October 18, 2018.

Is this data adequate?
Does this data demonstrate compliance?

Policy B2.1b – The staff will not create plans or budgets that omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

Is this the policy we want?

INTERPRETATION

Sound, multi-year budgeting requires research and analysis on current, future, and historical trends for both revenue and expenses. ICC Austin must be able to predict, with reasonable certainty, its projected annual revenue and expense (in other words, the fundamental reason for developing a budget).

Using historical data, expected business environment trends, and implementing cost-control plans, provide a reasonable means to forecast expenses. Net revenue is projected to reflect a positive cash flow. A capital budget is prepared to maintain facilities and support strategic initiatives. Assumptions on revenue, cost, and capital spending are carefully examined using historical data and current trend analysis.

Is this a reasonable interpretation?

Operational Definitions:

- Projections of revenues and expenses are based on historical data, trend analysis, and/or the effects of planned operational actions.
- A capital budget is prepared separately from the operational budget.
- Cash flow projections are clearly shown.
- Assumptions made in creating the multiyear plan and annual budgets will be clearly stated in writing in the plan.
- The overall credibility and reasonableness of the plan, including the embedded projections and assumptions, are tested by having the plan thoroughly reviewed by the entire ICC Austin staff team, and externally by other knowledgeable professionals as appropriate.

Is this a reasonable definition?

8. Policy Monitoring – B2

DATA SUPPORTING COMPLIANCE

Since Ashleigh has not yet presented a budget to the Board as ED, there is no-data available to support compliance with this policy. The Board can expect all five operational definitions to be addressed when the Board begins reviewing the operational budget next month. This report, or a portion of, can be re-monitored in April to determine full compliance.

Is this data adequate?
Does this data demonstrate compliance?

Policy B2.1c – The staff will not create plans or budgets that would result in default under any of the Cooperative’s financing agreements or cause the insolvency of the Cooperative.

Is this the policy we want?

INTERPRETATION

The operational budget will incorporate lender requirements. “Cause insolvency of the Cooperative” is fully captured in the B2.1a section as adequate current and debt-to-equity ratios.

Is this a reasonable interpretation?

Operational Definitions:

1. The operational budget will include a chart demonstrating the budget meets lender requirements.
2. Adequate data to support the operational definitions listed under B2.1a will also demonstrate compliance for this sub-policy.

Is this a reasonable definition?

DATA SUPPORTING COMPLIANCE

Again, since Ashleigh has not yet presented a budget to the Board as ED, there is no-data available to support compliance with this policy. The ratio-analysis chart provided under B2.1a demonstrates compliance with current loan covenants.

Is this data adequate?
Does this data demonstrate compliance?

Policy B2.1d – The staff will not create plans or budgets that have not been tested for feasibility.

INTERPRETATION

Is this the policy we want?

This policy provision applies to major projects: expansions, relocations, or other plans that require substantial debt. In *The Expansion Toolbox*, Bill Gessner outlines five ways to assess the feasibility of a major project: market feasibility, internal readiness, financial feasibility, design feasibility, and risk assessment. ICC Austin will not undertake any major project unless feasibility has been assessed in this way.

Is this a reasonable interpretation?

8. Policy Monitoring – B2

Operational Definitions:

1. Feasibility for any major project will satisfactorily answer the following questions:
 - Financial and Capital Analysis
 - Can ICC Austin raise the money?
 - What are the financial projections, ability to repay debt, etc.?
 - Market Analysis
 - What are the occupancy projections?
 - What is possible in the operating area?
 - Is ICC Austin thinking too big or too small?
 - Organizational Capacity
 - Does ICC Austin have the capacity in terms of leadership, governance, management, staff, systems, alignment, member engagement, and commitment, to handle this project?
 - Design
 - Can the new facility operate effectively as a student housing cooperative?
 - Worst Case Scenario/Contingency Planning
 - What could go wrong and is ICC Austin prepared?
 - Does ICC Austin have sufficient cash to weather disruptions of a variety of types?
 - Are the contingency funds and working capital sufficient?

Is this a reasonable definition?

DATA SUPPORTING COMPLIANCE

1. The Ruth Schulze expansion project (currently the only project falling under this definition) underwent a thorough feasibility phase in spring of 2015. The Board then reviewed the feasibility information one more time prior to making the final decision to begin construction.

Is this data adequate?
Does this data demonstrate compliance?

Policy B2.2 – The staff will not create plans or budgets that provide less for Board prerogatives during the year than is set forth in the Governance Investment Policy (C8).

Is this the policy we want?

INTERPRETATION

The annual budget contains adequate funds for governance as determined by the Board.

Operational Definition:

1. The Board's budget is included in the annual budget.

Is this a reasonable definition?

8. Policy Monitoring – B2

DATA SUPPORTING COMPLIANCE

1. The FY 18-19 budget contains a line item for Board budget showing \$27,089, which is the amount requested and approved by the Board in November 2017. Additionally, the Board is reviewing its budget for FY 19-20 at the February 21st meeting.

Is this data adequate? Does this data demonstrate compliance?
--

Policy B2 – Business Planning and Financial Budgeting

The staff shall not cause or allow business planning and budgeting to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

The staff will not:

1. *Create plans or budget that*
 - a. *Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities."*
 - b. *Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.*
 - c. *Would result in default under any of the Cooperative's financing agreements or cause the insolvency of the Cooperative.*
 - d. *Have not been tested for feasibility.*
2. *Provide less for Board prerogatives during the year than is set forth in the Governance Investment Policy*

February 20, 2019

Policy B4 – Membership Rights and Responsibilities rev. 4.1.13

I report compliance with all parts of this policy except B4.1.

This report is for the period October 4, 2018, through February 15, 2019.

I certify that the information contained in this report is true.



Ashleigh R. Lassiter – Executive Director

INTRODUCTION

Living in ICC Austin requires members to be active in their community – both at the house and organization levels. This includes, though not limited to, participating in democratic co-management, adequately and consistently performing labor duties, making a good faith effort to keep the houses running effectively, and making a reasonable effort to get along with other members.

While members are expected to uphold their responsibilities, it is staff’s responsibility to ensure that members have the adequate resources and support to fulfill their obligations. This includes training and education, documentation of processes, and written policies and procedures.

Policy B4 - The staff shall not allow the members to be uniformed or misinformed of their rights and responsibilities.

Is this the policy we want?

INTERPRETATION

Being a member in ICC Austin grants certain rights and entails certain responsibilities that are detailed in the Bylaws, board policies, member-resident agreement, and operational policies. Staff will ensure this information is presented regularly to members through various forums including education events and written handbooks and procedures.

Is this a reasonable interpretation?

Operational Definitions:

1. The rights and responsibilities contained in the member relations policy will be provided to new members prior to moving-in and at new member orientation.
2. Prior to signing a member-resident agreement, prospective members will review a new member education presentation and questionnaire that outlines the important differences between ICC Austin and other housing options, including information on: harassment, consent, sexual assault, house participation, labor, and maintenance.

DATA SUPPORTING COMPLIANCE

1. Membership rights and responsibilities were provided to new members via a handout at the January new member orientation. While the format of new member orientation has changed and time constraints do not permit a review or discussion of rights and responsibilities, the information is contained within the entirety of the orientation. In addition, all new members received an updated copy of the ICC Austin Book of Answers which contains a list of the rights & responsibilities. Rights & responsibilities are also available on the ICC Austin website.
2. All new members are required to complete the new member education before a contract with ICC Austin is finalized. The [presentation](#) includes all topics listed in the operational definition.

*Is this data adequate?
Does this data demonstrate compliance?*

B4.1 - Staff will not operate without a policy on member relations, including rights and responsibilities as co-op members and as tenants.

Is this the policy we want?

INTERPRETATION

Despite frequent overlap, the distinction between the rights and responsibilities as an ICC Austin member, and as an ICC Austin tenant, is relevant. For example, members are the ICC Austin owners, but that does not mean that they can purposely damage the houses or not pay rent. The Member-Resident Agreement specifies members' rights and responsibilities as tenants. To compliment this document, staff also maintains a policy on member relations that outlines the rights and responsibilities of ICC Austin as members. In addition, since house communities form ICC Austin's functional working groups, the rights and responsibilities of houses must also be considered.

Is this a reasonable interpretation?

Operational Definitions:

1. The Member-Resident Agreement will be reviewed annually by staff.
2. A member relations policy including member rights and responsibilities will be in place and have been reviewed by staff within the last twelve months.
3. A house operations policy will be in place and have been reviewed by staff within the last twelve months.

Is this a reasonable definition?

DATA SUPPORTING COMPLIANCE (NONCOMPLIANCE)

1. The Member-Resident agreement was reviewed by ICC Austin staff in January. Due to major contract changes and additions in spring 2018, no changes were necessary for the upcoming year.

2. A Member Relations Policy is in place and available on the ICC Austin website. The policy has not been reviewed since 2017.
3. A House Operations Policy is in place and available on the ICC Austin website. The policy has not been reviewed since 2017.

COMPLAINT PLAN: All operational policies will be reviewed during the 4th quarter (March-May). Policy review did not take place in 2018 due to operational disruptions and staff role changes.

*Is this data adequate?
Does this data demonstrate compliance?*

B4.2 - The staff will not allow any member to be treated inequitably, unfairly, or disrespectfully.

INTERPRETATION

Is this the policy we want?

Inequitable, unfair, or disrespectful treatment of members by ICC Austin as an organization, and in particular by staff, is always unacceptable. However, because of the highly social nature of cooperative living, inequitable, unfair, and/or disrespectful treatment between members is at some level inevitable. The mere occurrence of such treatment does not imply operational (or institutional) failure. Rather, the overall outcomes from the policies which attempt to resolve these issues gauge the degree of success.

Is this a reasonable interpretation?

Operational Definitions:

1. Staff will promptly report to the Board any known instances of inequitable, unfair, or disrespectful treatment resulting from ICC Austin policies or practices along with the steps taken to prevent future instances.
2. No appeals under the Conflict Resolution and Member Review policy will be granted due to unfairness.
3. On the ICC Austin Exit Survey, members are asked: “At any time during your contract period, did you receive inequitable, unfair or disrespectful treatment? If so, by who(m)?” The Board will receive a detailed response summary to this question, along with any follow-up action, at the start of each semester (to review data from the previous semester move-out).

Is this a reasonable definition?

DATA SUPPORTING COMPLIANCE

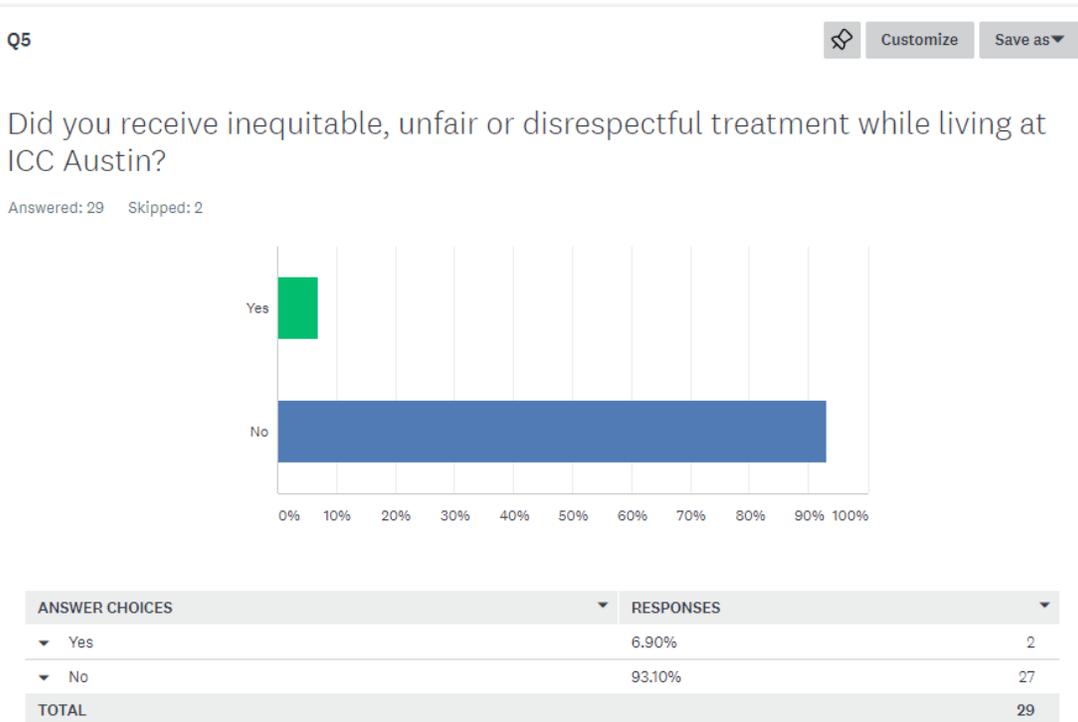
1. Staff is not currently aware of any instances of inequitable, unfair, or disrespectful treatment resulting from ICC Austin policies or practices* during this monitoring report period (October 2018 – February 2019).

*It is worth noting that deteriorating house conditions are causing some members to feel that they have received inequitable, unfair, or disrespectful treatment due to unfavorable maintenance issues. While staff, and in particular Chris, makes every effort to address and correct maintenance problems as quickly as possible, scheduling, coordinating, and prioritizing repairs may mean some issues take longer to correct than others.

2. The Judiciary Committee did not hear any appeals under the Member Review and Conflict Resolution policy for the reporting period.
3. This operational definition has been re-defined, so the Board has not received the summary data from December move-outs. For compliance purposes, the exit survey data is included below. Moving forward, this information will be included as a Board report at the start of each semester.

One member reported receiving inequitable, unfair or disrespectful treatment from staff due to room conditions. I followed-up with the member via email and a phone call. The maintenance timeline was thoroughly reviewed and I believe all action that could be taken was. The important thing for the Board to recognize is the critical need for major facilities improvements sooner than later.

*Is this data adequate?
Does this data demonstrate compliance?*

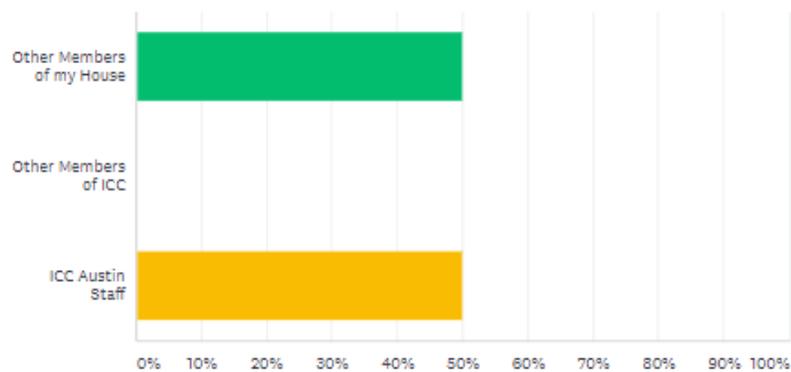


Q6

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If 'Yes' to question 5, from who/whom did you receive inequitable, unfair or disrespectful treatment?

Answered: 2 Skipped: 29



ANSWER CHOICES	RESPONSES
Other Members of my House	50.00% 1
Other Members of ICC	0.00% 0
ICC Austin Staff	50.00% 1
Total Respondents: 2	

[Comments \(3\)](#)

[RESPONSES \(3\)](#) [WORD CLOUD](#) [TAGS \(0\)](#)

Add tags Filter by tag

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Showing 3 responses

Certain people have just been very catty for reasons I don't understand. I think there's a certain person ICC appeals to; they want to be a miniature dictator and they use the small power structure within the house to try to achieve that end. Most people have been great though.

12/12/2018 2:37 PM

[View respondent's answers](#) [Add tags](#)

The deteriorating condition of my bedroom [REDACTED], along with corresponding maintenance requests, did not feel acknowledged or respected in any way by ICC staff. Waiting months for a ceiling absent of severe water damage and overhead leaks is not fair, in my opinion.

12/12/2018 1:15 PM

[View respondent's answers](#) [Add tags](#)

N/A

12/7/2018 9:14 AM

[View respondent's answers](#) [Add tags](#)

Policy B4 – Membership Rights and Responsibilities

The staff shall not allow members to be uniformed or misinformed of their rights and responsibilities.

The staff will not:

- 1. Operate without a policy on member relations, including rights and responsibilities as co-op members and as tenants.*
- 2. Allow any member to be treated inequitably, unfairly, or disrespectfully.*

NOTES