**Agenda for CHEA Meeting**

Tuesday, June 2, 2015, @ 8:45 p.m.

7910 Gault St., Austin, TX 78757

Abigail Tatkow, Serving as Board Chair, calls meeting to order at 8:54 p.m.

Board members present: Donny Goff, Board Chair, Corey Williams, Member at Large, Clayton, Treasurer, Hannah Wright, Secretary, Abigail Tatkow, Community Board Representative, Genieva Croley, newly elected Board Representative of Sasona.

Also present:

Phil Wilson, of Sasona, Hannah Frankel, of La Reunion, Ryan Nill, of La Reunion, Andy Goolsby, of La Reunion, Sam Bean, of Sasona, Nolan Darilek, of La Reunion, Daphne Sung, of Sasona, Ruth Sullivan, of Sasona.

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| **Agenda** | **Action** | **Comment** |
| Review of previous meeting’s minutes. | Clayton moves to approve the previous meeting’s minutes; Donny seconds. Minutes approved by consensus. |  |
| CHEA budget discussion -- approve the budget. | Clayton proposes that CHEA pass a 13-month budget, taking an average of the temporary and future proposed budgets, to make monthly payments to CHEA of $13,391.88 for La Reunion and $8,743.46 for Sasona, effective June 2015, through June of 2016.  No objections, motion passes. | Fresh Start Budget that Clayton sent out, is based on what NASCO will be asking CHEA to pay, starting in September. Andy G. was right, NASCO fiscal year has a four month gap between what is asked and when it is asked for.  Clayton made a temporary budget, and a budget that will kick in in September.  Andy: why can’t we just do it through NP’s fiscal year?  NP’s fiscal year is September 2015-August 2016  Last meeting, we set a more accurate budget schedule, to hopefully stop something like this from happening again, getting everyone’s budget cycle lined up.  Corey: if this is how NP’s fiscal year works, will we have to create a budget that can flex, increasing halfway through? Corey  There is also the possibility of frontloading, paying more upfront, and then less later.  Clayton: the temporary budget is happening because Sasona feels that their portion of the loan needs to change, to rectify past mis-payments.  Erroneous payments: last August, someone at Sasona decided to start paying more money to CHEA, but it turns out, that was too much. The context of why those mis-payments happened has been lost.  Clayton is proposing that we follow the fresh start budget sent out, starting in September. In the meantime, maybe starting this month, we could pay by following the temporary budget. The temporary budget reflects what both houses should have been paying for last 8 months.  Summary: 8 months ago, for whatever reason, Sasona began paying more than expected.  The time in question: August 2014 -- Sasona went from paying $8300/month to $8700/month. Payments have been that high ever since. Is not that much more than Sasona should have been paying, but it has been adding up. Will figure out how much Sasona has overpaid, and rectify those mis-payments. For now, we have a temporary budget that shows what each house should be paying. 8555 for Sasona, 14000 for La Re.  Clayton: we can decide to split the loan, right now, or we can split the loan at the start of CHEA’s fiscal year.  If we split the loan immediately, it would change amounts for both houses, effective immediately. The loan payment, lease payment, and CHEA budget would still be split between the houses at 60/40, La Re/Sasona.  Corey: can we even it out, so that the budget won’t have to flex?  Fiscal years cannot be aligned, because NP’s is fixed. Almost all co-ops will have different fiscal years than NP’s. Impossible to line them all up. NP asks for a rate increase in September because they tie it to the academic calendar, and September is when school starts. Plus, we need to hear what the increase will be before we have to make the budget, so a cascade of budgets works best.  Donny: do we have the info to know what the budget increase will be? In the middle of our cycle?  Yes, we have enough knowledge, could total all monthly budgets, then divide by 12.  CHEA budget won’t need more than what is budgeted now. 3% on 6,000 is pretty negligible.  Sam: not remembering the reason for a rent increase.  Clayton: talking about increases to the houses, for what they pay for the lease. How the houses decide to budget to cover those increases is up to the houses.  Sam: concerns about houses utilizing labor base -- we are we paying for professional bookkeeping services?  Nolan: about using house labor pool -- just because you have a professional living at a co-op doesn’t mean that the person has to go to work and come home and go to work for the co-op. It is nice when professionals line up with co-op work, but it is not fair to expect that.  We should start paying new amounts immediately, especially since Sasona has been overpaying.  Do we want to set a precedence to change in August?  Clayton: maybe the changes now will soften what will happen in September?  It seems that essentially, La Re has starving the CHEA budget.  Can we fix these budget snafus, while keeping CHEA solvent?  We can lower amount paid now, but will we be able to pay Andi for books? We still have to do next year’s taxes. Also, will be paying through Andi for QuickBooks service, because she gets a good deal on it, about $30/month.  Ryan: how much as rent gone up at Sasona since La Re was founded?  Clayton: cannot remember a rent increase since moving in Dec. 2013.  Sam: can remember 1 rent increase.  Ryan: either La Re is screwing Sasona, or Sasona is not increasing rents. Last year, Sasona did not make a budget. Is Sasona not raising rents to pay the cost? Because La re has had a $90 rent raise for some rooms.  Ruth: every time NP asks for more money, each house has to figure out how to deal with it. Sasona has used reserves to pay for increase. There is no way to avoid increases coming down to houses.  Sam: need to have a meeting of the minds for house treasurers.  Daphne: agrees that we need transparency, agrees with Ryan, but Sasona did not expect a $700 bump to lease payment, based on CHEA. No one saw that coming, we didn’t know we were being drained, we did not know that we needed a budget. The last time we had a budget, the payments were closer to $8000, so that means we missed one budget cycle. The flags didn’t get raised. No one told us that there would be an additional raise. The 2-3% NP was expected. The extra 300-400 was unexpected. Sasona should have made a budget, but Sasona didn’t know.  Clayton: This is about how the payments get broken down, from CHEA to NASCO.  Ryan: remembers that there were some numbers last year due to NP increases, so started paying new number in June or July. Then, in August, Sasona started paying an increased rate. Is guessing that maybe Sasona Treasurer did not know that rates went up, then started paying more for 9 month span, to make up the difference. Might be that treasurer missed that there would be a rent increase.  Clayton: board might not have been so coherent then, was worried about figuring out how to send both lease payments to NP at once, splitting maintenance money, getting everyone on the right bank accounts, etc.  There is nothing conclusive in the minutes from that time about why the increase would have happened.  We need to jump to split that should have been happening last year. Could increase La Re’s portion for next three months, then jump to fresh start numbers starting in September.  Sam: talking about gaps in communication here. Thinks that both houses are due for some sort of long-term cultural shift.  Clayton: even at this point, CHEA is still figuring out what is should be doing, responsibilities, timelines, etc.  Daphne: It is a process that we have to go through.  Donny: agrees with Daphne, that this is a process. Part of the reason that there is chaos, we didn’t have a CHEA-wide budget process, so now we have one, we have a trigger for making budgets, and that, at the very least, will be an improvement. Ryan, if we do the budget as Clayton proposed, can La Re eat the increase?  Ryan: Yep.  Numbers: for the next few months, Sasona’s will be going down 150, then Sasona’s will be going up from 200. La Re will be going up 300 for a few months, then 300 more in September.  Daphne: would like to know why increase at La Re is different than Sasona  Clayton: because of the ratios, and because the ratios have been off, the proportions of increase/decrease are uneven.  Ryan: a few meetings ago, decided to go back to NP’s original split, of about 39.5/60.5 for Sasona/La Re.  Going up differential amount because instituting new split moving forward, to go back to original split.  Sasona will be paying 72 less, La re paying 376 more, then in Sept, Sasona paying 78 more, La re paying 307 on top.  Donny: lest the Sasoonies feel too wronged over the past 8 months, La Re was out 1000 in maintenance money recently too. Mistakes happen.  Daphne: if there is any frustration it is because we have seen savings wiped out, part of that is because we didn’t pay attention to our own budget. It hard, because earlier this year, we had to cap membership at 25, because we are doing so well, that we didn’t want to overextend ourselves. So, to hear that yes, we have 6 associates, but then to realize that budget and savings are so out of whack with what we are actually doing, that is part of where that frustration is. We dumpster dive, we work so hard to create a good life for our family. And yet, the savings are getting depleted. That is the source of frustration.  Sam: reiterates the issue of transparency, all documents need to be easily understood.  Phil: recollection of why we capped membership at 25 had to do with space issues, not financial issues.  Ruth: what are you talking about Sam, when you talk about clarity and transparency? What specifically are you talking about?  Sam: referring to what Daphne was saying, was a general observation. Concerned about all these errors we are hearing about.  Ruth: what do you feel you don’t have access to?  Sam: doesn’t know… What ever was missing that led to these errors. Could this have been prevented?  Donny: would like to get back to passing the board budget.  Corey: did some rough math. Thinks we should do a weighted average the budgets, having one shift, and doing it right now.  Clayton: thinks we should have a change now, make it less painful.  Corey: worried about consistency, things getting lost as time progresses. Paying the same number each month is important.  Phil: procedural question: are nonmembers allowed to make a motion? Suggests that the board vote to pass what Clayton proposed, the two different amounts.  Clayton: all the people who will have to do it are in this room right now. Is not too worried about having to pay two different amounts.  Ryan: There have been so many different payments amounts. There was a dynamic range in the beginning. That was why we didn't have a coherent budget, we were trying to figure out how to make those payments together. Would support the average payment, trying to avoid what got us here in the first place. An average would be a good way to do that.  Hypothetically, would that start this month? It would mean relief Sasona, starting this month. 3 months with one budget, 9 months with the other budget.  Donny: in two months, we won’t be on the board, so we really need to keep it simple. Same payment for each house for 12 months, La Re will eat the increase, and Sasona will get some relief.  Will have to make it a 13 month budget. Because our fiscal year doesn't start until July.  Clayton will send out averaged budget in the next few days.  [See ‘action’ column for motion].  Clarification: as of June 15, CHEA takes responsibility for paying the NASCO loan. |
| Standing rule to fix the percentages of the individual houses' share of the lease payment and CHEA expenses at 60.5% for La Reunion and 39.5% for Sasona. | Clayton motions, that CHEA create a “Standing rule to fix the percentages of the individual houses' share of the lease payment and CHEA expenses at 60.5% for La Reunion and 39.5% for Sasona.”  No objections, motion passes. | Let’s pass it! It will clarify all future discussions about the lease, will match up with what NASCO asks for. Before, it was not clearly defined, it was not an actual rule, so things got out of whack. |
| Treasurer update. | Discussion. | The loan -- Clayton asked Daniel if we could pay more, and he said go ahead, pay more, get it paid off quicker, and save money, by not having to pay so much in interest.  Maybe could send back vacancy money to go toward the loan? It is extra money. Would help pay down the loan. Could put it straight into the loan. First check from overflow is $500. It is within treasurer’s purview to make that decision. Could even ask Daniel if we could set up overflow to do that automatically.  Sam: should we be saving it for some other project?  Clayton: once that vacancy fund money accrues to be 10% of a year’s lease, it comes back to CHEA. Had been thinking that we could split it back, to go toward houses in 39.5/60.5 proportion. But, this item cannot be budgeted, because it is vacancy-dependent. Cannot count on this money coming up regularly.  To be clear, this would be paying on top of the regular $187 loan payment.  Put on next week’s agenda: the vacancy reimbursement.  About the maintenance allocation split between major and minor - if we run out of minor money, we can ask Daniel to give us money from the major account.  Ryan: but we didn’t get that money back.  Clayton: In theory, La Re could have taken that from the major…  Ryan: if we change the split in CHEA books, that would be okay.  Clayton: change the way we look at things, then.  Daniel did not change the split. It is about 52/48. Since major rolls over, is good to have it higher. |
| Co-op tour update. | Discussion. | Abigail brought up the coop tour at the ACBA board meeting. They’ve had their first meeting, will be having a retreat in June. Will get more clarity then, but there was excitement to have an ACBA sponsored event. It aligns well with that they are trying to do, increasing awareness, combining with bike community. Cool! |
| CHEA.coop wiki -- where is it backed up?? | Discussion. | Where does it live? Currently, it is hosted on Gatlin's stuff, so we need to work on getting it off. Can put it on a virtual server, to host it on La Re site. Maybe it was backed up on Github for a while? At any rate, we need to get it backed up. Corey will work with La Re’s IT coordinator on getting a solution to that. |
| Property taxes as they affect housing cooperatives. | Discussion. | Daniel told us we are both commercial properties, so what they are talking about in news, the homestead tax exemption, is bad for coops. That would raise what we would owe to NASCO. Costs would go up.  Ryan talked to Greg Cazar at a meeting this past week, about maybe finding loopholes… Developing story. |
| Clarifying NASCO-CHEA-House relationships -- building inter-house cooperation. | Discussion. | This is a long-term discussion. Can add it to next agenda. Need to clarify in bylaws the exact financial relationships between houses and the board. People don’t understand up front how it works. We haven’t equipped our members with the tools to be informed. Need to make sure we are on same page with responsibilities for houses and CHEA.  Corey: in budget discussion, has been really difficult for one house to talk to another house, since one listserv cannot communicate with another.  Clayton: would be cool if members had a way to talk to one another. Need to find a solution.  Genieva: maybe Slack, like a social network group?  Sam: could we split listservs like for Sasona fun and business? Like, have a listserv for sasona only, one for sasona and la re, and one for la re only.  Would have to add names to each...  Could talk to IT people about solutions.  Need to make a board list, too. Make sure new board members get on email ist. Board secretary will do this. |
| CHEA part-time position. Working Group #2 -- Job Description. | Tabled. | This is an important thing to talk about, but it is getting late. This was a big meeting. Will table it this week, will talk about it next meeting. |

**New Business**

Clayton: now, we have QB online set up. Thinks we should do training on June 27th? or 28th? Clayton will send Daniel an email. The sooner the better.

Donny: thinking about the houses in budget discussion, we are doing a good job, on all volunteer labor. It is hard, but we are doing amazing things.

Projected changing of the guard for board members is June 30, pending La Re’s elections.

Next meeting will be Tuesday, June 16, @ 8:45 p.m., held at Sasona Co-op.

Meeting adjourned at 10:47 p.m.

Hannah Wright, Secretary

**Agenda for CHEA Meeting, Tuesday, 06.16.15, @ 8:45 p.m.**

Sasona Co-op, 2604 Paramount Ave., Austin, TX 78704

1. CHEA part-time position -- Working Group #2, Job Description.
2. Set standing rule for meeting time notices.
3. Clarifying NASCO-CHEA-House relationships -- building inter-house cooperation.
4. CHEA.coop wiki update.
5. Co-op tour update.
6. Treasurer update.
7. What to do with the vacancy reserve refund? Pay it toward the loan?