

**BOARD OF DIRECTORS
MSU STUDENT HOUSING CORPORATION**

Agenda

Monday, February 26th, 2005

7:00 PM

328 Student Services

Call to Order

Attendance
Agenda Approval
Minutes Approval

Reports

Officer Reports
Special Report: Audit Presentation
Staff Reports
Board Members
Committees

Presentations

Member Time*

Business

Old Business
New Business
Amendment to align contract with Motion 37.02.01
Incentive to boost summer occupancy

Discussion Items

Changing the fiscal year

Announcements

Adjournment

Next Meeting:
Monday, March 12th, 2007
7:00pm
328 Student Services

* Member time is a time set aside for members to voice any concerns about anything that they want the Board of Directors to hear.

Report to the Board of Directors
February 26th, 2007
Laurel Koenig, President

Hello Everyone!

Here are some important dates to mark on your calendar!

- ★ Next Board Meeting: Monday, March 12th
- ★ Next Extreme Flyer Team: Sunday, March 18th, 3pm!
- ★ All Member Meeting/potluck!: Thursday, March 22nd, Vesta, 7pm
- ★ Co-op Bar Crawl: Friday, March 23rd
- ★ SHC Open House Day: Sunday, April 1st
- ★ “Y5K” SHC sponsored 5K extravaganza!
- ★ SPAMPO!: April 21st at Avalon

Membership Committee Board Report
Christina Bell VPM
February 26, 2006

Not much has gone on since the last board meeting because I have had 3 exams since then, and managed to catch the plague. The next membership committee meeting is this Thursday at Avalon at 8pm. Please inform your membership officer that I have started fining people who do not attend and do not contact me.

By the next board meeting there will be assignments for each house to participate in SPAMPO.

HAVE A GREAT SPRING BREAK!!!!!!

Report to the SHC Board
Chris Matus
Vice President of Education

February 26, 2007

Well, there's really not much to say so I'll keep this brief. The next issue of the Pine Press will be out by the end of this week and guest speakers and Ally Training will be scheduled at the next Education Committee meeting (after Spring Break).

My land-legs are officially gone. Things are going to pick up after break; you won't recognize the Education Committee as we jump right into planning speakers and training, not to mention continuing to put together fine Pine Presses. Get ready – it's gonna get crazy.

Have a great break everyone!

Chris

MSU Student Housing Cooperative, Inc.

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Executive Director's Report

Meeting Date: 02.26.2007

Office

Nothing exceptional happened in the office this week. We have one member who is making good on a payment plan, several others who paid their balances after we lost a bunch of money having our attorney file legal proceedings against them, and a few more who are on the road to eviction.

Mikey Formisano picked up his final share return. We fined him \$200 for clean up and damages, and pro-rated charges for the first few days of June.

Finance

Elsworth's Audit is done.

Staffing

Em will be out of the office for spring break. I will be here all week.

Anyone coming in for office labor will either get to make up a previously missed shift or will get to bank a credit for future use.

Community Relations

Our MSU staff advisor has strongly recommended that we apply for an award as an outstanding student organization. None of the categories available completely match our organization's contributions to the greater MSU community, but several of them are somewhat applicable.

Sheet1

Summer 2007

As of 02.19 for :
Total Spots Signed/ Total

	01/15/2006*	01/22/07	02/05/07	02/19/07	02/23/07	03/19/07	Total Spots	Signed/ Total
Avalon		1	1	1	1		17	6%
Elsworth		2	2	2	2		21	10%
Ferency		1	3	6	7		7	100%
Hedrick		1	1	1	1		15	7%
Miles		1	1	1	2		5	40%
New Comm		3	3	3	3		11	27%
Orion		0	0	1	2		15	13%
Phoenix		3	5	5	5		20	25%
Raft		2	2	3	3		10	30%
Toad		1	1	1	1		3	33%
Vesta		4	5	6	6		18	33%
Vlach-Bower		0	0	0	0		18	0%

School Year 07/08

As of 02.19 for :
Total Spots Signed/ Total

		01/22/07	02/05/07	02/19/07	02/23/07	Total Spots	Signed/ Total
Avalon	8	8	8	12	13	21	62%
Elsworth	12	4	4	5	5	21	24%
Ferency	7	9	9	9	9	9	100%
Hedrick	15	11	15	15	15	15	100%
Miles	6	6	6	6	6	6	100%
New Comm	6	15	15	15	15	15	100%
Orion	15	20	20	20	20	20	100%
Phoenix	16	29	29	29	29	29	100%
Raft	9	12	12	12	12	12	100%
Toad	1	3	3	3	3	5	60%
Vesta	22	22	22	22	22	22	100%
Vlach-Bower	3	2	4	6	9	18	50%

*Signed and holds

Discussion Item

Changing the Fiscal Year

Currently, our fiscal year operates on a budget that starts and ends in the fall. This means that the Board of Directors approves a budget in the spring, the budget is implemented in the fall, and then that budget wraps up the following fall when audits begin. If we have low occupancy over the summer, our options for dealing with that problem are quite limited as we are encountering a large problem at the end of our budget cycle. We have closed houses in the past, given employees unpaid leave and/or pay cuts, and spent money out of savings. None of these options really work well for our staff or the health of our company. It is time to explore another option. We would like to discuss moving the start of the Fiscal Year to a May to May cycle.

One benefit to changing our fiscal year to starting in May is that budget problems related to summer occupancy would happen early in the budget cycle, giving us a lot of time to find solutions to that shortfall. This would greatly benefit our leadership, since the new Executive Committee members would be able to face a massive problem with a much longer time-frame for exploring and enacting solutions. The Board of Directors could even amend the budget for the fall during the summer to reduce the amount that our income is impacted based on summer occupancy.

This is a double-edged sword: given a year with a solid summer, the Board could amend the budget to reduce academic year assessment accordingly. However, given a year with a poor showing in summer, the Board could amend the budget to increase academic year assessment to make sure that our budget balances. In both of these cases, the balancing of our budget is a high priority since our financial health has an impact on the loan rates we are offered when refinancing. Having solid financial data would save our membership a lot of money in the long run.

When considering the impact of assessment increases, one could consider our current budget. In the case where we have 0 summer members, academic contract period assessment would reach its peak at \$386 per month. This is an increase of roughly \$70 over the current assessment rate. However, if we capped summer assessment at \$250 and had a full summer (allowing for one closed house for repairs) assessment for the academic contract period would drop to \$301, a drop of nearly \$20. If we were to cap summer assessment at \$200 for the summer contract and be full (again with one house closed), academic year assessment would be roughly \$320. This is almost no change from the current assessment rate.

This ability to modify academic year assessment due to membership practices over the summer might encourage returning members to actively recruit for the summer. Currently, our members can recruit all they like, and it will have zero impact on them in the future except for larger house fees and house job responsibilities if they are not successful. .

If we are going to change this, it needs to be done soon. We are going to start discussing the budget within the next couple meetings, and the Finance committee will need information about this. Due dates for our taxes and mortgages will probably need to be modified because we will have our fattest bank balance at a different part of the year.

When we asked our previous Executive Director about this possibility for a change she said:

“... If you made the change you are right, the academic year charges can be changed to reflect how the summer went, so it makes sense to me. The IRS regulates accounting changes and requires that you get approval, and that you spread the accounting effects of the change over several years. Rick will be able to handle all those details for you...”

This sounds like it is a feasible option and one that might help save MSU SHC from end-of-year financial trouble.

Report from the Summer Membership Committee

Adrien, Cass and I met at the office on Thursday night to discuss more options to boost our summer membership. Many of the issues we talked about are presented to you tonight as proposals, discussion items and motions. We have been discussing:

- Providing an incentive for members to recruit for summer
- Providing an option for year-long contracts
- Augmenting the contract to comply with last week's house closure motion
- Incentives for summer membership for both new and returning members
- Changing the Fiscal Year to a start in May
- Assessment audits to happen at the end of a contract period, in addition to House audits

If you have any ideas, please let us know!

Motion 37.02.02

Presented by the Summer Membership Committee

- Amendment to the Contract to Align with Motion 37.02.01
- Explanation
 - Part of Motion 37.02.01 at the February 19th meeting read as follows:

08.02.00 If by one week prior to the end of the academic period a House's summer membership has not exceeded 40% of the summer capacity, the following shall occur:

- a. The house will be closed.
 - The issue was raised at the end of discussion of that motion that we lack contract language that allows the MSU-SHC to transfer members from one House to another against their will. Adrien drafted a revision to our contract and sent the idea to Don Frank, our attorney. Mr. Frank sent his revision to the statement.
- Specific substantive terms
 - Be it resolved that the contract of the MSU Student Housing Cooperative, Inc. add a sentence to Section 2 of the Contract for Membership, Co-management and Occupancy. After this addition, the section shall read (added material is underlined):
 - **DESCRIPTION OF PREMISES AND TERM:** In exchange for the house assessments and house charges and other promises of Member expressed in this Contract, Co-op agrees to lease to Member the premises a room and common areas of _____ House Co-op, ("House") East Lansing, Michigan, for a term beginning at 12:00 p.m. on **May 12, 2007** and ending at 6:00 p.m. on **August 21, 2007** unless sooner terminated in accordance with this Contract. Co-op reserves the right to substitute a room and common areas in another building as the leased premises under this contract at any time if Co-op decides in Co-op's sole discretion to suspend or terminate member residential occupancy of the House.
- Enactment clause
 - Effective immediately, and for the foreseeable future.
 - When enacted, the new member Powerpoint presentation should reflect this change in our operations.

Motion Number 37.02.03

Presented by the Summer Membership Committee

- An Incentive to Boost Summer Occupancy
- Explanation
 - It is crucial that the MSU SHC boost its summer membership. If MSU SHC cannot improve summer membership, a higher percentage of the annual budget will have to be defrayed by the academic year members – an idea that has met much resistance. The idea of a reward for newly recruited members was implemented last year and we hope to improve on it this year and in years to come.
 - It should be stated explicitly that this is not the final form that is recommended by the Summer Membership Committee. As we would like to have a more concrete idea of summer membership earlier in the year, we would like to offer a \$50 reward starting with the signing of contracts in October, and decreasing to a \$25 reward as we pass March 1st and contract signings increase with the ending school year. After the March 1st deadline, the Finance committee and the Board of Directors will work on the budget for the coming year with data on the upcoming summer yielding much needed projections for those plans. We believe that incentives might still be helpful with acquiring new members after that point.
 - There are several reasons for offering incentives. If nobody signs a new member, then no money is lost due to the incentive program. However, each empty spot that the MSU SHC has in the summer will cost the company \$775 in lost assessment income. With the incentive program, we would spend \$50 to make \$775. In addition, we will be rewarding members who take it upon themselves to improve the state of the cooperative.
- Specific substantive terms
 - Be it resolved that the MSU SHC will reward current members for the recruitment of new members for the summer contract period. For each new member that is signed for the full summer 2007 contract period, the MSU SHC will reward the referring member \$50. A member will be considered a referring member if they are listed on the new member's application as such. For each new member that is signed for half of the summer contract period, the MSU SHC will reward the referring member \$25. Rewards will be payable by check after the verification of the contract by the Vice President of Membership. Referring members must be noted on the prospective member's Application for Membership. All current MSU SHC members are eligible for this reward. Funding for these rewards will come from the MSU SHC Vacancy Reserve.
- Enactment clause
 - Effective immediately, until the beginning of the Academic Year contract for 2007-2008. At that point in time, the topic should be revisited to determine implementation for the following year.

Board of Directors
MSU Student Housing Corporation
Minutes
02.19.07

Call to Order

1. Attendance
 - a. Avalon: Stephen Freeman
 - b. Elsworth: Kelli Kachalla
 - c. Hedrick: Alana Mayol
 - d. Miles: Ryan Hunt
 - e. New Community: Pres Benbow
 - f. Orion: Bridget Martin
 - g. Phoenix:
 - h. Raft Hill: Emily Petz
 - i. Toad Lane: Noah Moskowitz
 - j. Vesta: SICK
 - k. Vlach-Bower: Dani Berry
 - l. Zolton-Ferency: Paul Kelly
 - m. President: Laurel Koenig
 - n. Vice President of Education: Chris Matus
 - o. Vice President of Membership: Christina Bell
 - p. Executive Vice President: ABSENT
 - q. Corporate Treasurer: Cass Hausserman
 - r. Executive Director: Adrien Vlach
 - s. At-Large: Aaron Mosier
 - t. MSC: Em Ketterer
2. Agenda Approval: APPROVED
3. Minutes Approval: APPROVED

Reports

1. Officer Reports
 - a. President: All member meeting, Thursday March 22nd. Elections will start around mid-March. Report attached. We have a meeting next week, as well. Two meetings in a row.
 - b. EVP: Report attached
 - c. VPM: Report attached. SPAMPO, April 21st at Avalon. Might also be a potluck. Budget will be spent on food (veg friendly). The 23rd, techno and taco bar. March 23rd Bar Crawl. Tabling around campus. All system open-house is coming up.
 - d. VPE: We made our first Pine Press. The next issue is going to be: Are you a Douchebag? You can take a Pine Press quiz! There will hopefully be articles about making everyone feel comfortable. Ed committee will be working with those who are doing the 5K, now called the Y5K. I am also looking at getting wholesale status with American Apparel. Everything is getting going. Article in State News about coops, any feedback? I have

an idea for a speaker: Farheen. She could talk a lot about community action. What it is like to be a muslim activist and a feminist.

- e. CT: We discussed moving the fiscal year to May 1st instead of September 1st. We don't want to change school year assessment to be enormous. I told the committee that they were looking at capping school year assessment, they seemed happy. We also voted on how to use calendar money. One of the ideas is the Kenyan girls education fund. We will pay for one year of a girl's secondary education in Kenya. Also, we voted to put \$75 toward a new powerpoint and membership video. If someone wants to do it, let me know! Deadline to apply is next Tuesday. I also gave people info on CT for next year. We are also working on the annual report. 5K update: proceeds are going to Haven House. T-shirt design and registration should be done this week. Should be about \$15.

2. Staff Reports

- a. Adrien: It has been way too busy in the office. Answering lots of phone calls, walk-in issues, conflict resolution. Doesn't really leave a paper trail, but it is very important. I am feeling like we are getting lots done. We have an inordinate number of late or delinquent payments. I am going to ask the EC to handle them differently. Joan suggested that we come up with a different structure for our legal fine system. I think I am going to ask the EC to look at other models, maybe Ann Arbor's. Finances, Raft Hill and Avalon audits are complete. I was expecting Bower people to be angry, but some good things came out of it. Many of them agreed, as a group, to pay the \$50 fine that is left over. They are concerned that there may have been some shady dealings going on in their checking account. They are still trying to figure out if this is worth their time. Good response. Accountants have delivered a draft account of our statements. Either way, you will get statements. One of our mortgages has been re-financed. Good thing. Stu will be available while Mike is out.
- b. Em: Attached.

3. Board Members

4. Committees

Presentations

Member Time*

1. Michael Langdon: Reads an email from Jen Lieb sent out over the SHC listserv. Email advertises alcohol for a party at Ferency. This is in direct violation of the code. This needs to be remedied soon, if it is not, I will resign the Board. Tell your housemates that you can't do this. It is skirtingly illegal. We are the Board and it is our responsibility. I think Ferency needs to think about not having the party. If they have this party, it could be grounds for party probation.
 - a. Ferency: So advertising the alcohol was wrong. We did not intend to give alcohol to members. We didn't know Jen was going to send out the email.
 - b. Phoenix: I mean, if you are going to say there isn't going to be any alcohol there, we could take you at your word.

- c. Orion: So where does the line fall?
- d. Mike Langdon: I don't think there is anything illegal about sharing drinks with friends, but the common source is the problem.
- e. ED: I would have to double check the party policy. They give you a list of four or five things, if you are in violation of 2 or 3 then you can get a ticket. It is hard to control who is drinking at parties.
- f. Ferency: The things you need, open source, amplified music directed outside, an excess of so many persons per living space...
- g. Orion: Normally when we send out info, we say we are going to have mixers and stuff.
- h. Ferency: So if we sent out an email instead of Jen saying something about how it was wrong to advertise the party as a drinking party, have signs up to drink...
- i. Mike Langdon: I am saying that I think we should send an email saying there is going to be no alcohol. I think we need to act legally. I am not going to be there, I want them to say there is not going to be alcohol.
- j. President: Since this email already went out, it would be almost more suspicious if we sent out another email. Maybe we could send out an email about what WOULD be appropriate for advertising.
- k. Miles: Maybe we could just issue a statement from the Board condemning the email.
- l. VB: This was an email forwarded to our membership. I know I have gotten emails like this in the past. I understand your point, Mike, I have my doubts over whether the cops are going to come knock on our door over this.
- m. ED: Let's not confuse our rules with EL law. Even having the party wouldn't be against the law. If someone gets drunk and struck by a car and they are understand, we could have liability. I understand Mike saying he doesn't feel comfortable.
- n. ZF: So Jen sent out the email, and we didn't know that. At what point do we consider this an msushc sponsored party. Isn't this a Ferency party? Would the Board get in trouble for a Ferency party. We invited a lot of people. If you are going to invite someone, you have to invite all the hosues. That isn't how we wanted to do it. I think the house is fine with the Board sending out an email chastising us, and Ferency will send out an email clarifying the party.
- o. Mike Langdon: I want to clarify: my issues isn't with Ferency. The issue is that the ED sent it out and that he is the voice of our company. That is corporate sanction, which is Board sanction, which could be liability.
- p. ZF: I understand.
- q. VB: I guess we have said some things. ZF should do something about this. What should be do to 1) Keep mike, 2) about forwarding emails.
- r. Mike Langdon: I would like to see an email from Adrien disavowing the previous email. Citing the code that says it is wrong.
- s. ED: I can take care of it.

- t. Orion: Is one of the things we are voting on is whether ZF will send an email that says they will not provide alcohol.
 - u. VB: I motion that Adrien send a retraction of today's email: PASSES UNANIMOUSLY
 - v. AL: I would just like to see the Board occasionally talk about the party policy as a refresher. Cites code issues.
 - w. ZF: It is a closed party on facebook. We actually did sit down with the party policy and we have our sober reps and everything...
2. Bridget Martin: Orion got our faucets fixed and it was amazing. The showers actually work. It is so nice! Thank you!
- a. ED: You should really thank Recca. He just pushed and pushed and pushed.

Business

1. Old Business
- a. Summer Occupancy Committee Summer Closure Proposal: introduced by Adrien. Reads the intro. If by one week prior to the summer starting the house is not more than 40% full, the house will be closed for the summer.
 - i. Orion: If, for the second part, you make them move out and they can't get back into the house, how would you prevent that?
 - ii. ED: We would change the locks.
 - iii. Phoenix: I have some friendly amendments. Instead of "Has not" go with "Does not", semantics.
 - iv. President: Temperature
 - v. AL: Have we sorted out how to get around the contracts?
 - vi. ED: There will be a small provision added to the contracts about reserving the right to move them from one to another.
 - vii. Phoenix: Is academic period defined?
 - viii. ED: I think so.
 - ix. ZF: Do we like the percentages?
 - x. ED: They involved some though. Aaron helped out with some number stuff. At 60% you can run a decent house, when you get to below 50%, it stops being much of a coop. Your labor system falls to crap. We chose numbers that work in terms of making houses work.
 - xi. ZF: Motion to vote: 11-0-0
2. New Business
- a. Phoenix: Introduces proposal. Part of Board Pack. MOTION: Be it resolved that SHC shall make available half-summer contracts for the summer of 2007, effective immediately. The dates for these contracts shall be determined by staff to complement the Michigan State University academic calendar. Half-summer contract signers shall be assessed a one-time reservation fee of \$50 per contract. This fee is not applicable to persons signing for the second half of the summer during the second half. Half-summer contracts will be limited to 10% of the assessed capacity of each house, except when matched with a contract from the opposing period.

- b. AL: So, at most, 2 people in your house could be 1.2 summer people and you would find yourself with no one in the house.
- c. Orion: So we don't let more than a few people sign up in those terms.
- d. CT: Does that last sentence limit us from not having a bunch of people signing up in the second half of the second half of the summer?
- e. Phoenix: No, it shouldn't.
- f. ZF: I don't think we should give them their fifty dollars back. 10% seems kind of small... in Ferency, that would be one person.
- g. ED: I think when the summer occupancy committee talked about this originally, we talked about rounding.
- h. Orion: MSU academic summer terms are about a month and a half. What about May 5th – May 15th... are we going to start paying rent on May 15th, or the first week of May.
- i. President: This wouldn't change the regular contract.
- j. VB: I don't see the point of changing the 10%, it doesn't help us to have a ton of these spots, so at most I think 12 would be good. If we are going with one or ten percent, that is only giving us 2 more of these spots...
- k. ZF: I like the idea of 1 or 10%. If we advertise this, I think people might want to take us up on it. If we turn people away, that would be bad. I am worried that maybe they can't get their first half filled. Maybe the office could call people back, start a first-half waiting list or something.
- l. CT: I don't think this would matter that much if we don't offer it to the smaller houses. People doing half summer contracts probably don't care where they move.
- m. ED: If you round to the nearest whole person, you get a person for a half-vacancy. If you are Phoenix, you could have 2...
- n. Miles: If two people want to leave and they cannot find replacements, who gets priority in a small house?
- o. Phoenix: If someone signs up for the first half, they are not obligated to anything. If someone comes and signs up for a second half spot that opens a spot. I would like to offer, as an amendment to vote on, after where it says 10%, say "1 member, or whatever is higher."
- p. ED: Numerically, the difference between rounding and 1 or 2 is four people/spots.
- q. ZF: Let's add a friendly amendment: "rounded to the nearest whole person."
- r. ZF: MOTION: Be it resolved that SHC shall make available half-summer contracts for the summer of 2007, effective immediately. The dates for these contracts shall be determined by staff to complement the Michigan State University academic calendar. Half-summer contract signers shall be assessed a one-time reservation fee of \$50 per contract. This fee is not applicable to persons signing for the second half of the summer during the second half. Half-summer contracts will be limited to 10% of the assessed capacity of each house *or rounded to the nearest whole motion*, except when matched with a contract from the opposing period. (seconded by Phoenix).

Discussion Items:

1. One person taking both halves of a double:
 - a. VB: A lot of people in my house agree with Cass.
 - b. Hedrick: My house doesn't care because it is all singles.
 - c. Elsworth: Yeah.
 - d. ZF: I think my house was fine as long as they pay double for everything.
 - e. Phoenix: My house was so opposed to this that they amended our house constitution, which we haven't done in a while. Not only will they pay twice, but they will do twice the house jobs.
 - f. Avalon: I really like what Phoenix did. I think this should stay at the house level as much as possible. Doubles are harder to fill than anything. I don't think we need to discuss this too much.
 - g. Orion: Does anyone have a copy of Cass's proposal? Also, I talked to my house and I don't know. I personally think it's a good idea, but the members from my house next year are opposed.
 - h. President: I am hearing that houses are different and that we should keep this on a house level.
 - i. ED: I have gotten burned here once, but I thought I was doing the right thing. So, we will refer people back to the house.
 - j. CT: I don't think it is a horrible idea, but for some houses and some times...

Announcements:

2. ZF: We are going to have a very calm, very legal party. Happy birthday Jess! The party is slated to kick off at ten, but I am thinking 5PM.
3. Orion: Board has to do flyering right? The schedule was in the last Board pack. After spring break is the next one.
4. At-Large: How can I get back on the listserv?
5. VB: What if Sunday nights are bad?
6. President: You can do them some other day.
7. VPM: The past three flyering sessions, only Kirk came. I am thinking it was about the cold... Now that it is getting warmer, no excuses. Finance, membership (3X), Board once.