

Minutes
New Deal Café Board of Directors
Regular Meeting
Coop Grocery Store Upstairs Meeting Room
August 9, 2010

Present

Board: Terri Rutledge, Bill Wilkerson, Don Comis, Ed James, Michael Hartman.

Audit Committee: None

Terri called the meeting to order at 6:10 pm.

1. Air Conditioning - The board reviewed the status of the A/C Improvement Program as follows:
 - a. Leasing Air Conditioning Units - Michael reported on the leasing option. The Trane Company would install and lease the system. Leasing is an alternative if the cooperative can't afford to purchase a system. Michael suggested that Terri and Bill meet with Trane to explain our system needs.
 - b. Cost Estimates for A/C Improvements - Terri reported that:
 - i. She met with Mike Menard (suggested by Rodney) last week who will prepare an estimate. He initially recommended that the back room needs the support of the front room to keep the temperatures down, that the back room should be cooled down earlier in the day, that the thermostats should be set at 78 degrees at night, and that an additional front room return in the bathroom hallway would help (Cost = \$400).
 - ii. Jerry Mason of Beltsville Heating and A/C gave an estimate for the staged installation of a supplemental system with an initial cost of between \$10,295 (2.5 ton outdoor unit with *three* indoor blower capacity) - \$11,120 (3 ton outdoor unit with *four* indoor blower capacity), with prices including hook-up of one indoor blower (additional indoor blower hook-ups cost \$4,220 each).
 - c. Other Options
 - i. Ed mentioned that a thru the wall (or window) would be cheaper and is quiet. Terri and Bill were asked to set up an appointment with Waring. Michael reported that ceiling fans will cost \$3,000 without installation, and will get some additional estimates.
 - ii. Terri suggested downgrading the priority of the following options: painting of roof, eliminate L-turns in supply ducts.

iii. Still pending: Curtains (at doors) Michael, Film on Windows (Michael), New Front Room Programmable Thermostat - \$150 (Terri/Joey), Temperature Monitoring (Don).

d. Temperature Settings - Terri reviewed the thermostat settings that the manager was instructed to maintain:

9:30 am 76 degrees

5:30 pm 72 degrees

9:30 pm 80 degrees (Note: On weekends, the thermostat should be manually set to 72 degrees until 11 pm)

e. Cost to KMK - Karim has complained about the higher monthly electric bills that resulted from setting the thermostat lower. There are several other considerations in the cost to KMK including: 1) Karim is only comparing this year's cost with 2009; 2) Karim should look at the average monthly electric costs throughout the year; 3) Paying to keep the café cool is a cost of doing business so Karim can make money; 4) NDC INC is paying for the repairs and improvements; 5) KMK's equipment is the cause of part of the higher temperatures; 6) Without a full financial disclosure from KMK, the higher electric bills are meaningless.

f. New Approach - Karim has not been setting the thermostats as directed. The board discussed taking the keys to the thermostats if Karim does not follow the specified settings within a specific time frame. Michael stated that the board's temperature goals in directions to Karim have been inconsistent, that the board has been micro-managing Karim's oversight of the air conditioning, that the board's approach makes Karim feel disrespected, and that the board's thermometer checking implies to Karim that the board does not trust him. Michael proposed that the board give Karim a directive to maintain an actual temperature goal instead of giving him directions on how to set the thermostats, since he is required to maintain the café in a "first class manner." The board expressed doubt that Karim can be trusted based on past experience, but is willing to give Michael's idea a chance.

MOTION: Direct the manager to maintain an actual temperature of 78 degrees at all times the restaurant is open. He will be given one week to show if he can do it. Inform the manager that in order to meet this goal he should keep the thermostats turned down at night and pre-cool the café prior to the evening dinner/music rush. The new programmable thermostat will not be installed in the front room until the test is over. If the manager can't meet this goal, the NDC INC will take over the thermostats and try to meet the goal.

Moved: Bill

Second: Don

Passed 5-0

g. Timing of Improvements/Financial Ability - Terri asked if the timing of the

improvements can wait until next season or not. The board decided that Bill will present a financial report to the board at the next meeting in order to ascertain the coop's financial ability to improve the cooling system.

2. Promissory Note - Bill reported that he gave Karim the promissory note cancellation and the new promissory note (for what KMK owes NDC INC) with a cover letter on July 31, 2010. So far, KMK has not returned the signed copies of the two documents.
3. Marketing Program/Proposed Budget - Don reviewed his proposed marketing budget with three increasingly more extensive scenarios.

During discussion the following points were made:

- a. Karim should pay at least part of the costs.
- b. NDC already has free "community news" information in the GNR, and does not want advertising to affect music programs.
- c. Music without people is not good; all music programs should have an advertising component.

The board voted to direct Don to move forward with scenario #3 (maximum request) as it represents a wish list that the board will present to FONDCA for funding, with the option for the board to cut back its expenditures based on outside funding from FONDCA and Karim. The board also approved the expenditure of \$150 in FONDCA money and \$25 in NDC INC money for the blues festival ads.

4. Neutral Third Party - Deferred.
5. Clean Currents Wind Power - Michael presented a brief overview of this wind power alternative. No minimum usage is required. There are two rates (for small and large companies). Contacts are for 1, 2, or 3 years, with 2 years being the most efficient. Rates will increase over time. Michael distributed a handout showing projected cost savings of \$900 per year based on Karim's past year's usage.

Bill reminded the board of the problems we had with PEPCO's billing for Liberty Power, a group energy purchasing company. The board voted to have Michael to do more research on the billing aspects of this proposal.

6. Display Case Lights - Ed will try to figure out how to set the light timer for the display case.
7. Door Safety - Michael will talk to Karim reminding him to keep the back room doors unlocked during evening hours.

The meeting was adjourned at 8:35 p.m.

Respectfully submitted,
Bill Wilkerson, Acting Secretary

These minutes were approved by the board of directors on June 13, 2011.