SKRECC Board of Directors Agree to Re-Bid Monticello Warehouse Construction

On Thursday, August 13th, SKRECC directors agreed to a re-bid process for the Monticello warehouse facility after building plans were revised in order to lower costs.

Local builders were consulted and addressed the Board on ways to “value engineer” the plans to save money while keeping the original size and footprint of the warehouse.

Revised plans will be made available for bid to local builders. The directors will review the bids and make a decision on the warehouse construction during a future meeting.

Newton Updates Board on Headquarters Construction Progress

CEO Kevin Newton reported that construction remains on schedule to be completed on the first of November, and that the office furniture is scheduled to be installed by the contractor beginning November 2nd.

Newton added that the building contractor will begin pouring concrete around the new headquarters building on Friday, August 14th and will continue through the following week. Newton expects a large portion of the heating/air conditioning system will be completed by the first of September.

General Counsel Discusses Multiple Closings on Auctioned Property

Frank Phillips, General Counsel, reported that the first set of partial releases of the mortgages on the Pulaski farm property sold in June were signed and will be recorded at the Pulaski courthouse the following day.

The remaining three sets of releases will be signed and recorded in the weeks to come. Mr. Phillips estimated that the closing process on the property sale will take another three to four weeks to fully complete and reported the co-op has been granted an extension on the closing date.

Net Margins For June Show Loss

Mrs. Bessinger reported that June net margins without unbilled revenue were a loss of $517,000, higher than budget by $1.1 million and higher than prior year by $1.6 million. Net margins for the month including unbilled revenue were a loss of $857,000. June weather and sales were very comparable to the budget and higher than the prior year. Cost of power was lower than the budget because of decreased kWh purchases and a lower rate than expected, but higher than the prior year because of the EKPC rate increase.

While most operating expenses were below budget and equal to prior year, labor expenses were lower than the budget because of a 24% decrease in expected overtime hours for the month. June transportation expenses were higher than both the budget and prior year due to some transmission repairs, tire replacements, and increased fleet insurance costs.

Mrs. Bessinger discussed headquarters building costs and reimbursements noting that through June, the total spent is $23.7 million, $21.9 million of which has been reimbursed by Federated. The approximate $2 million difference includes invoices we are waiting for Federated to reimburse as well as small amounts for rent and labor which will not be covered by reimbursement.

Board Approves Changes to Capital Credits Policy

Mrs. Bessinger requested changing the policy so that retirement amounts of $500 or less would show as a credit on active accounts and instituting a $20 check minimum which would result in cost savings on office supplies and postage.

Mr. Phillips added that he and Mrs. Bessinger discussed capital credits at length this week, and he advised that amounts which cannot be paid to members who are unlocatable remain on the books. Mrs. Bessinger assured the directors that the co-op’s software tracks the amounts which are then easily referenced. Mr. Phillips reported that he will conduct a further review of the co-op’s forms used to apply for capital credits to make sure that they are up to date since they are referenced within the policy.