

PFC Board of Directors Meeting Minutes – April 16, 2014

Location: /sh/aut at Braun Court

Attendance

Board Members: Gaia Kile (president), Rebecca Kanner (vice president), Keegan Rodgers (secretary), Matt Graff (treasurer), Leah Hagamen, Ann Sprunger

Lesley Perkins, General Manager

Rusty Brach, Finance Manager

Call to order – at 6:15 pm by Gaia Kile, president

Agenda Review – None.

Member Comments — None.

Announcements, Info-Sharing, Future Scanning – Leah said that the Meet the Candidates event went well. There was a question about the treatment of a troubled customer/member; the staff followed the set procedures." The Local Food Summit also went well. Lesley attended and was extremely impressed. Lesley made contact with Dan Vernia and asked him to serve as a consultant for the co-op kitchen.

Consent Agenda — The minutes from the March meeting and M.3 Delegation to the GM synthesis were on the Consent Agenda this month. Rebecca moved to accept the Consent Agenda, Keegan seconded and the motion carried 6-0.

GM Report -- Lesley discussed a more detailed financial report that Kristina Weber put together. It shows the additional financial detail that Board members requested. Lesley was seeking feedback from Board members to see if it meets their needs; she will send an electronic copy for Board members to peruse. There was discussion about new additions to the grab'n'go as well as changes in groceries to weed out products which are not selling as well.

Lesley explained in detail the breakdown of sales/labor (ringing up in grocery vs. ringing up in the café, for example). There was a discussion on how to become more efficient with labor as opposed to continuously cutting into it.

There was some discussion about local currencies as well as partnering with Tillian Farms. Lesley and Rusty are looking into both matters.

L.1 Treatment of Members – Lesley submitted her report, highlighting the age discrimination issue and how it was handled. Matt pointed out that the risk management area did not address the peanut allergy incident. It was an oversight that it was not included.

Ann suggested that we review this policy at some point, particularly L.1.4.

Gaia expressed concern about how welcoming the co-op is towards certain patrons, in particular regarding an issue when the police were called for an intoxicated member-

owner. He acknowledged that this is more of an operations issues but wanted his feelings to be known.

Keegan questioned L.1.10, which talks about payment structure. Is there a way to have membership deducted from payroll? Not at this time but it could be revisited.

There was also a typo in L.1.5 regarding the dates of the audit; Lesley will make the changes.

Additional changes are as follows:

L.1 Treatment of Members - I report **non-compliance**

L.1.2: A member's daughter with a peanut allergy ate a mislabeled muffin which caused her to be taken to the emergency room. This was reported to Bakery and Cafe who removed the mislabeled muffin. In order to prevent this from happening again we added labels to our pastry case alerting members to the fact that our baked goods are prepared in a kitchen that also handles nuts. The staff was re-educated on the importance of clear labelling, the seriousness of peanut allergies, and food intolerances in general. We also posted informational posters on all staff notice boards and in the kitchen. The member came to a Board meeting to voice his concerns. When presented with a bill from the member's medical insurance, the co-op paid it immediately. I sent a card to the daughter apologizing and communicated with the father on numerous occasions. As far as we know this issue has been dealt with to the member's satisfaction.

Ann moved to approve the report with the mentioned changes, Matt seconded. The motion carried 5-0-1 with Rebecca abstaining because she was not able to read the report in advance of the meeting.

L.6 & L.4.1-4.8 – Ann asked if L.6.3 was where the peanut allergy incident should be put. Matt said that it could be reported in both L.1 and here. Lesley will add the information to indicate what happened and how we responded and that we believe the matter has been resolved. Lesley will send Patti the proposed paragraph to add and the report can be approved on the Consent Agenda for next month's meeting.

Gaia asked about the conflict of interest issue with café remodel (L.6.4) and why another proposal was not sought. Lesley will submit a report to next month's meeting to explain the situation and it will be on the Consent Agenda.

Keegan pointed out that per L.6.6 the three main accounts are all Bank of Ann Arbor; is it possible to move to a credit union instead? Rusty said that for years we were at the credit union but a previous GM made the change due to poor service from the UM Credit Union. The bank really wanted our business and it is physically closer (safer for making deposits). The Board did hear about the issue at the time.

Matt moved to accept the report, Keegan seconded and the motion carried 5-0-1 with Rebecca abstaining because she was unable to read the reports prior to the meeting.

Gaia said that Joel suggested that plan of compliance should include a date by which compliance be reached as well as benchmarks along the way as well as setting dates to do follow up to compliance. We were not in compliance in 2012 when Kevin reported. Matt said that we should be reporting on this no more than quarterly. As Rusty has explained, there are certain procedures that we do where the numbers are not precise -- if you look at monthly figures, for example, you can't make judgments about the margin because we may not understand why costs are what they are that month. The reports should continue to come on a quarterly basis, not more often.

Does the 2.75 EDITBAR number need to be kept in report or does the policy need to be changed? Per Rusty there are probably better numbers. Matt suggested deferring this issue to management. Rusty can find out if co-ops are still using 2.75. We don't always make that number but Rusty thinks we make it "more often than not". We definitely did not reach that number in 2011 and 2012.

Finance Committee will look at the numbers and set reasonable benchmarks (do other co-ops use the 2.75 or do they use 2.8 or do they use no set amount?) to get us back on track. They will look at how things have been quarter after quarter/year after year and look for patterns.

Matt proposed that the Finance Committee examine past data and set benchmarks to get us back on track, Gaia seconded and the motion carried 6-0. Gaia and Rebecca are talking to Joel from CBLD tomorrow to discuss these plans and get his input.

There is a typo on 4.8; it should read "2014". Under 4.6, the old hot bar that was taken home with a staff member was not a donation. The possibility of changing the requirement to have the annual meeting within 120 days was briefly discussed but no decisions were made.

Keegan moved to accept the report with addition and Ann seconded. The motion carried 5-0-1 with Rebecca abstaining because she was unable to read the documents prior to the meeting.

GM Evaluation Committee – The committee met with Lesley about the evaluation process. Ann Evans submitted a proposal to conduct the survey at a total of \$945. There were some concerns about the cost of the survey as well as the process.

Matt explained a bit of the history of having an outside group do the survey (as opposed to doing it in-house). The committee told the Board that they weren't going to survey anyone as they didn't think a survey was needed. Matt suggested that there were at least three benefits to this method: a greater sense of objectivity, greater respect of confidentiality and greater opportunity for members of the management team to participate (instead of being the surveyors)

Keegan inquired what happens to these survey results and what happens next. Ann will submit the results to the GM Evaluation Committee and then there will be an executive session at the May meeting.

Lesley explained the importance of the survey and Rebecca reminded that a survey was not at all a negative thing and meant to help us know where support was needed. Gaia

explained how the survey would take place. Ann will pick staff members and then follow up on areas (positive and negative) that she finds important.

Rebecca moved to accept the GM Evaluation Committee's recommendation and contact with Ann Evans and Keegan seconded it. Discussion: The survey will happen by the end of next month. The motion passed 6-0.

The GM Evaluation Committee recognized that it has been a year since Lesley was hired and presented her with a gift.

Annual Meeting – Things are progressing well, Rebecca reported. Kevin sent a list of business items for the meeting. Matt will have numbers to talk about in the financial reports. Lesley and Gaia will email their reports to Rebecca and Matthew.

Elections Task Force/Election Info – There are about 150 paper ballots. The first counting is tomorrow. We are low for quota as we are only about halfway there.

Resolution: Account Signors – Lesley and Rusty would like to add Rusty as a signor on the NCB account. Matt moved that we resolve to add George Brach (Rusty) as a signor to this account and direct Keegan Rodgers and another officer to sign the form stating such. Rebecca seconded. Discussion: Rusty has been a signor before and putting him back on the account makes it easier for him to take care of business. The motion carried 6-0.

CCMA Conference -- This is the annual conference of co-ops from all over the country. It is in Madison, Wisconsin this year and will be held from June 12-14. Keegan went last year and found it extremely helpful. Over 400 co-ops were represented by board members, GMs and staff members. There was no decision about who would attend although Rebecca and Keegan expressed interest. Keegan will send emails reminding folks about this opportunity as well as the conference in Mt. Pleasant.

Looking Ahead -- At the next meeting we must: install new board members, elect officers, sign/submit conflict of interest forms, report on L.4.9 (Lesley), synthesize G.5, make committee assignments, make calendar changes (if needed) and plan the board retreat. Coffee with the Board is May 14. L.6.3 (with additional language) will be on the Consent Agenda. The GM Evaluation will report on the results of the survey. Gaia is working with Nick (director of ICC) and Jim Jones (Many Hands) on having a co-op gathering/potluck.

Task List Review – Finance Committee will meet to discuss resolution passed above, Lesley will email Patti the additional L.6.3 language, Lesley and Gaia will email their Annual Meeting reports to Matt and Rebecca, Keegan will send email reminders about the upcoming conferences, Rebecca will send out the link for voting along with a blurb asking people to vote, Leah will synthesize G.5, the GM evaluation committee will get in contact with Ann Evans and follow up on the survey. Patti will draft the calendar for the year.

Future Meetings – The next meeting is on May 21.

Attendance – No issues. Vanessa was excused.

Meeting Evaluation –

- Happy to get the packet in advance
- Feels like our “to do” list is getting longer
- We are still discussing Lesley’s reports at length so may need to extend the time on the agenda
- Great discussions on a lot of the topics
- We did a good job of staying within time limits but may need to extend the time on the agenda
- Would have been helpful to get the financial information sooner
- May need to have hard deadlines for when things need to get done
- Need to get Executive Session minutes from last time (Keegan said he will send them out)
- Topics were a bit tedious
- Would be interested in talking more about visioning as opposed to the month-to-month tasks all the time
- Worried about bombarding everyone with information and reports
- Appreciates the thoughtfulness people put into topics
- Also consider sending out an email with your thoughts instead of saving them for the meeting

Adjournment: Gaia adjourned the meeting at 8:33.

Respectfully submitted, Keegan Rodgers, Board Secretary