

PFC Board of Directors Meeting Minutes – March 18, 2015

Location: St. Andrew's Church, Division Street

Attendance

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

Lesley Perkins, General Manager  
Lori Crall, Customer Service Manager  
Rusty Brach, Finance Manager  
Kristina Weber, Payroll  
David Hall, Outreach Coordinator

Ann Rodgers, Member-Owner  
Bruce Curtis, Member-Owner  
Shawn Slivinski, Member-Owner  
Larry Wentzel

Call to order – Gaia called the meeting to order at 6:17.

Agenda Review – The report about Eden Foods will be delivered by the ad hoc committee, and given by Vanessa Marr. Gaia passed out hard copies of his comments on M.2. Rebecca pulled G.3 because it calls for next steps and action items.

Member Comments — Ann Rodgers spoke about trust surrounding the Eden Foods boycott issue. She stated that the board has broken the trust with the membership by removing the matter from the ballot. She stated that the board's role is to supervise the referendum process and make sure that questions are fairly presented; the role of the Board is not to promote or suppress the issued based on individual or collective positions. She requested that the Board communicate with the membership why the change was made at the 11<sup>th</sup> hour as a first step towards ensuring that trust is not broken again.

Announcements, Info-Sharing, Future Scanning – Matthew announced that the Ann Arbor Film Fest begins next Tuesday. Lesley introduced David Hall, our new Outreach Coordinator. Keegan announced the meeting regarding rCredits is at the library tomorrow evening. Gaia met with some folks from the Ecology Center, the city's energy task force to discuss community solar projects. Member-owner Shawn informed the board that Lucky's was rated the #1 grocery in Columbus after its first year there.

Consent Agenda — The Consent Agenda contained the February minutes, M.2 and the Linkage Committee minutes. Matt moved to approve, Keegan seconded, and the motion passed 7-0.

G.3 Code of Conduct – Vanessa reported that there were requests for revisions of this policy including tweaking the schedule, refining the language and looking at the connection between what directors are tasked to do and how we navigate sensitive issues (e.g. confidentiality). Rebecca asked who will make these changes. There was then a discussion about who would be responsible for the changes—the Devo Committee (because they organize and schedule the reboot retreats), or should one person (or a couple of people) take on the revision process. Gaia proposed to accept the report, advising that the Board needs to determine who will take the next steps and how they will be implemented. Ann seconded. The motion carried 6-0-1 with Rebecca abstaining.

GM Report – Lesley read over her report. There will be some tweaking made to the proposed advertising budget. Ann clarified the projected numbers in the proposed advertising budget, and asked how it compares to last year. Lesley explained that she did the proposed budget this year differently than last year and so last year’s would be much lower. Ann also inquired as to Lesley’s goals for this marketing plan—percentage of sales, more new members, and so on. Lesley said that she is hoping for more people, and more baskets of goods being purchased. Ann asked how much the baskets would have to increase in order to get the co-op to the bottom line that we want. Lesley said that she would take that language and come back with a reply at the next meeting.

Matthew asked for a clarification of one sentence in the report regarding the Michigan Grad Consultants. Lesley explained the group a little bit further; there will be no cost for their services.

Matthew asked if the proposed \$39,000 for advertising is listed in the budget—he’s looking for the context of that amount. Rusty said that it might not be the exact number, but it would be close; he was not certain what the line item is in the budget.

Matthew asked about the staff turnover chart, as some of the lines do not add up. Lesley will ask Susan for clarification. Rebecca asked what co-ops normally spend on advertising. Lesley said that it varies, but between 3-5% is average for businesses of our size. Matt asked about the budget and history part of the report and clarified that the senior discount is not included in this chart. It is called “Senior Discount” and has its own line item in the budget.

Gaia asked Matt if the Finance Committee could talk to the Board about what the committee would like to see in Lesley’s reports and in what form. He will do this.

Newsletter content is going to Kate Peterson, and she is putting the content together. She is a contract employee, not a staff member. The newsletter should be out on Monday, and the website should be up tomorrow.

L.4 Financial Conditions and Activities – Rebecca thanked Lesley for the report about the parts of non-compliance. She asked Lesley how confident she felt about the plan for compliance; Lesley confirmed she is confident about the plan as it is set forth in the report. Rebecca moved to accept the report, and Matthew seconded. The motion passed 7-0.

L.6 Asset Protection -- Lesley explained that we were not compliant in L.6.4. because the bidding process for the HVAC system was not competitive. She explained the reasoning and process behind this, including how this figured into her rent negotiations with the landlord. Rebecca moved to accept the report, Ann seconded, and the motion carried 7-0.

Policy Reboot Next Steps – Gaia expressed a desire to wrap up the work that was begun before the elections take place and a new board is in place. There was some confusion about the language in M.1. Keegan contacted Joel for support, and plans to confer with him. We plan to have proposed language for the policy reboot at the next meeting.

Eden Foods Follow Up – The Eden Foods ad-hoc committee met this past Sunday. Minutes will be emailed to the Board forthwith. There was a discussion about having a special election to address this issue. The policy is silent as to special elections.

Rebecca moved that, contingent on getting the 10% required signatures, the Board approve a special election to take place within two months of receipt of valid signatures. Matthew seconded.

Discussion: Rebecca clarified that the signatures be collected within 45 days. The question on the ballot (if there is one) will read: “Should PFC boycott Eden Foods products?” Vanessa asked about the funding for this special election. There was no clear idea on how much it would cost, because of the electronic voting option. It is \$1700 for the electronic voting system, about \$3000 for mailing postcards, plus additional hours for IT staff. Ann suggested using the special election to get additional information from voting members (e.g. email addresses). Leah said the Linkage Committee wanted to ensure that there were educational meetings for members of the public to be educated on the matter. Rebecca confirmed that the ad-hoc committee considers this part of their charge.

The motion passed 6-1 with Gaia opposing because of concerns about the cost.

Rebecca reported that two committee members are working on drafting the language of the proposal, two others are working on drafting signage for the store, and other members of the committee will draft the language for the newsletter and educational materials. Lesley suggested that there be on the website a way for member-owners to contact board members about the issue (such as an [elections@peoplesfood.coop](mailto:elections@peoplesfood.coop) email address).

There was a discussion about how to and whether to use social media to alert people about our decisions. There was concern that by putting the matter on Facebook, for example, would lead to a long discussion and debate on the social media. Ann suggested making announcements and directing people to contact someone with questions. The discussion revolved around the immediacy of social media (instead of making people wait a month to read about reports or announcements), the accessibility of social media, whether we would be promoting a small special interest. Keegan suggested creating a special Facebook page just regarding the Eden Foods issue.

Rebecca proposed that signage be available in the store regarding this issue. Matthew indicated that this is a staff issue and language is ultimately up to the GM and how she directs her staff. There was a discussion about signage and its placement in the store. The motion was not seconded.

External Financial Reviews – The latest information that Rusty has is that the accountants have the information that they need, the preliminary draft of the report will be at the end of this month. He does not have any of the adjustments or final numbers, but we will have it by the April meeting. Rebecca pointed out that the timing between this report and the annual meeting is very tight, so perhaps the co-op should consider moving the annual meeting to the fall. This would require a by-law change, so it would take some time, but it is something that the board should look into (e.g. see what other co-ops are doing). Next year, we will have an audit, which tend to get done more quickly.

Matthew thanked Kristina and Rusty for their help in getting the financial review moving so that the report will be received by the end of March. This means that the Finance Committee will have the data for the annual meeting.

Rusty and Lesley indicated that there is not a possibility of a positive bottom line this fiscal year. Gaia moved that there will not be a member-owner rebate for 2014 and Keegan seconded. The motion passed 6-0-1 with Rebecca abstaining.

Election Update/Annual Meeting/Meet the Candidates/Date for New Director Training/Orientation – The Meet the Candidates forum will be in Café Verde on April 12<sup>th</sup> from 1:00-3:00. This event will be put on by the Linkage Committee.

Vanessa passed around a sign-up sheet for counting paper ballots.

The meeting agenda for the Annual Meeting is on the website and will appear in the next newsletter.

The Devo Committee will get in touch with the new board members to determine a date for the orientation/training. It will take place between April 28 and May 20.

Lesley recommended that an operations manual be put together to explain how the elections happen—what needs to be covered when, what GM should do, what Board should do. Patti can help with this during the summer. Rebecca will put together her notes from last year.

Visioning -- How can we develop a robust core of volunteers as a way of getting member-owners involved in the life of the co-op? Currently, the biggest group of volunteers are the Elders, who help with outreach and special events. Ann suggested getting volunteers involved in technology projects, writing articles for the newsletter or the website, multimedia projects, teaching classes, personal shoppers (for someone who is homebound or otherwise unable to get to the store). Keegan said that other co-ops have “buddies” for new member-owners, so that they are shown around the store, given information, and so on. Gaia said that this is very much an operations issue, but the board can also think about how it could use volunteers—such as being on committees. Rebecca said that in a previous job, they used “block coordinators” who sent out information to their neighbors. Another idea is to work with one specific neighborhood, such as Water Hill, and target neighbors to come to the co-op. This could also be a question that we put to the members, asking them how they would like to help. There could also be a link on the website that lets people sign up to volunteer at specific events. More affinity groups could also be formed. There was also a discussion about how to bring younger folks in to volunteer.

Calendar Check-In – Meet the Candidates will be held on April 12. Speaker series at ZTrain is March 25.

Looking Ahead – The board will be synthesizing G.4 (Officers’ Roles, Ann). Lesley will submit her L.1 Treatment of Members report. There will also be a report on the financial review. The minutes from the Finance Committee will be approved.

Task List – Lesley will investigate the basket size increase question as well as provide clarification on the numbers on employee turnover. The Finance Committee will provide the board with a sample report format that will be turned over to Lesley. New policy language will be brought to the next meeting by the Devo Committee (Keegan). The Eden Foods ad-hoc committee will meet again and bring new proposals. The external financial review will be sent out to board members. Finance Committee minutes need to be sent to the Board. Vanessa to summarize the Elders minutes she received from Larry.

(During the Meeting Evaluation, it was brought up that the winner of the Ken King award is generally a secret, but the information is in the minutes and those will be posted publicly. Matt moved to remove the name of the winner from the previous month’s minutes, Gaia seconded, and the motion was approved 6-1, with Rebecca abstaining and objecting to the lack of discussion on the matter).

### Meeting Evaluation:

- Documentation was confusing
- Happy to see that there is movement with the Eden Foods ad-hoc committee
- Happy that we are talking visioning
- The name of the recipient of the Ken King award was in the minutes
- We need to determine how we will handle the publicizing of the minutes and reports
- Meeting feels edgy
- Gaia did a good job of keeping on track
- Concerned that we didn't address the issue of trust as brought up by Ann Rodgers
- Sorry about documentation confusion
- Appreciated that thought went into the visioning discussion
- Very inappropriate to stop meeting evaluation to move and vote on things. The minutes reflect what we do, people aren't reading minutes to spoil the surprise, and I think it would be helpful to have firmer facilitation.
- Productive meeting, but felt irritable.
- I think it's fine to make decisions at any point in the meeting
- We covered a lot of different things and started a lot of discussions, and sometimes it feels like discussions are not properly wrapped up. Would be helpful to figure out a way to finish a discussion, perhaps at a different time, so that the matter doesn't get dropped or lost.

Executive Session -- Gaia moved to go into executive session to discuss personnel issues and follow up with the GM Evaluation process, Vanessa seconded, and the motion carried 7-0.

Adjournment – Gaia adjourned the meeting at 9:30pm.

Respectfully submitted,

Rebecca Kanner, Board Secretary