

**Item Title**

Agenda Review  
Member Comments  
Announcements/Info Share/Future Scanning/President's Remarks  
Consent Agenda: Minutes from October 2016  
GM Report  
L.3 Financial Planning and Budget  
L.4.1-.9 and L.4.10 Financial Policies

**BREAK 5 minutes**

M. Policy Reboot  
Google drive  
Board Budget  
Looking Ahead for Next Month  
Task List Review/Future Meeting Date  
Meeting Evaluation

PFC Board of Directors Meeting Minutes – November 16, 2016

Location: St. Andrew's Church, Division Street

Attendance

Board Members: Gaia Kile (board member), Ann Sprunger (president), Leah Hagamen (vice president), Jaime Magiera (board member), Persephone Hernandez-Vogt (board member), Keegan Rodgers (secretary), Bruce Curtis (treasurer)

Christine Laing, Finance Manager  
Lesley Perkins, General Manager

Ashley Secord, worker  
Jason Williams, worker/owner  
Katherine Conklin, worker/owner  
Justin Godfrey, worker/owner  
Brian Wilson, worker/owner  
Phil Bianco, worker/owner  
Scott, member/owner  
Phil Carroll, owner of People's Produce Co-op  
Jesse Holloway, member/owner  
Vic, resident of Ann Arbor  
Dawn Chalker, member/owner  
Achilles Ansdovouas, member/owner  
Claire Rinker, worker

Johnny Turnage, guest from union  
DJ Tottie, guest from union  
Lewis Daher, member/owner

Call to order – Ann called the meeting to order at 6:30.

Agenda Review – Keegan moved to extend the member comment time period to five minutes. Bruce recognized that not everyone present would get a chance to speak, and explained that we could set aside time at a future meeting for comments.

Member Comments – Justin Godfrey read a prepared statement. He is an employee of three years, and a member/owner for 1.5 years. He represented that he feels there is a failing workplace dynamic at the co-op, despite overall enjoyment the company of the shoppers and member/owners. Despite finding some legal help and other advocates, Justin expressed that the necessary changes were not made. Justin said that he was standing before the board as part of a unit that is seeking for formal representation and recognition of that representation; specifically he is standing for the UFCW 876, asking for formal representation for communicating and negotiating with management. He introduced Johnny and DJ from UFCW.

Jason Williams read a formal statement, asking for democracy during process of unionization, expressing disappointment with top down management styles which he believes hinder growth as employees. Because the unit feels they deserve to have a voice in the business, they are filing for representation under the UFCW. He then read a list of rules that must be followed by management when unionization is filed for.

Phil Caro, who has been a worker at the co-op for about a year and a half, spoke about what the co-op means to him. On behalf of the workers, he asked for a pledge to work with the union, to not interfere with rights and not to squander resources on fighting unionization. He asked for recognition or at least to work with them in good faith. He delivered to Lesley a letter that shows that the employees filed with the UFCW and was filed with the National Labor Relations Board. They requested a response within 24 hours, which Lesley indicated was not possible. An extension until Monday was agreed upon.

Ann questioned why a union and not a workers' co-op. It was explained that they need legal protections of the union, and the legal assistance that comes with it as well as the ability to negotiate the terms of employment and workplace environment.

Bruce explained the governance model of the board, and that they do not direct employees of the co-op but only direct Lesley. He reiterated that the board speaks with one voice, so that their role in this would be to work with Lesley on the issue. He requested a point of contact for the workers.

Gaia indicated that the board would have to determine legal responsibilities and Jaime indicated that the board can't respond to anyone right now, but can only acknowledge that the petition was brought to the board.

Announcements, Info-Sharing, Future Scanning, President's Remarks – Ann contacted the Kalamazoo co-op and suggested that the board meet with them in mid-January or February; she is awaiting a response. The board still needs a replacement for Patti, board administrator. Lesley passed around a job description. She is going to send it out via email to members to see if there is interest in the job.

Committee Updates -- This past month, the GM Eval committee, the Finance Committee, and the Nominations committee met.

Consent Agenda – The October minutes were the only thing on the agenda. Leah moved to accept, Keegan seconded, and the minutes were approved 7-0 with a small change of the word “lay out” to “layout”.

GM Report– Lesley explained the ATM activity report; co-op gets a quarter for each usage, will take a couple of months to get report and then will come every month.

Ann inquired as to Lesley's overall feeling about the past month's financials. Lesley indicated that there are changes in produce, has had some positive comments about the changes in produce. More signage has been put up in the department as well. The department is up about 3% overall. Bulk department has been reset, including having lower selling items going into packages. The hierarchy of the department has also shifted. Cheese sales are dropping because it is selling so fast that we can't keep it stocked. An overnight employee has had cheese cutting added to duties. Grab'n'Go has also been selling so quickly that it has been difficult to keep it stocked. Lesley and Keegan explained the need for a new oven in the kitchen and the process of buying a new one (disposal of old appliances, proper electric hookups, etc.). Lesley officially gave notice of the purchase of a new oven that is expected to be under \$15,000.

L. 3 Financial Planning and Budget – Lesley handed out hard copies. She read over the reports, explaining in particular the issues with the frozen food department. Marketing/advertising is being refocused. The money in miscellaneous covers the newsletter that has to go out prior to the election, and had to include the ballots. Lesley is looking to move the board budget into its own line item. Legal expenses were also explained. Discussion about continuing the CDS membership ensued. Lesley indicated the services that we get including a monthly phone call, access to some resources, retreat, support if something happens to our GM. Jaime asked for a written report about the pros/cons of continuing the membership, and Leah suggested looking at what other co-ops use.

Lesley read over her financial narrative. She highlighted medical care costs that have been increasing. After much analyzing, now have a high deductible but are saving 15%. Lesley and Christine have analyzed paid vacation time for full-time employees, and will be adding vacation pay to next year's budget.

Lesley reviewed the financial statements. She is not projecting a deficit; the budget shows a \$75,000 profit for the year. Based on knowledge of the departments, budget projections were made such that a 1.5% profit was predicted. Thus ensued a discussion about the profitability of grocery stores in general and the volatility of market forces and other things that could go wrong.

Ann moved to accept the L.3 report, Persephone seconded. Discussion: L.3.2. reads "no expenditures are planned for 2017", and clarification of this was requested. Lesley took this to mean anything that would put the co-op in jeopardy, such as something frivolous and not to mean things that are necessary to the running of the co-op. The language was changed to say "expenditures will be within the proposed budget for 2017." The motion to accept the report with this additional language carried 7-0.

L.4 Policy—There were some questions about what reports should have been submitted. Ann would like to see a report on how we did third quarter vs. how we projected as well as a projection on where we are going. Postponed to December. Leah moved to postpone until December, Gaia seconded.

Discussion: We don't have L.4.10, quarterly balance statement etc. along with explanatory notes and that is what is desired. There was also no narrative with the 2017 budget documents as specifically requested.

A discussion regarding the exact documents that are required for L.4.10. The list states that the required documents are the quarterly balance statement, income statement, statement of cash flow, and statement of member equity along with explanatory notes. The question was whether the explanatory notes were required for all four statements or just the statement of member equity. Lesley and some other board members interpreted as just needing a narrative statement for the member equity statement.

It was determined that the finance committee will find previous quarterly reports, compare to what we have now, and determine what is needed going forward. Having a Google calendar was suggested. Christine will send everyone a copy of the report template that she uses.

Called question to address the motion, which is to postpone L.4 until December, friendly amendment is that finance committee will take up the issue of clarity on what documents are to be received when as per L.4.10. The motion passed 7-0.

M. Policy Reboot --Keegan suggested that we maintain the language from the previous reboot work on M.1., 2 and 3. Ann proposed this as the formal motion, Persephone seconded, and the motion carried 7-0.

M. 4 discussion: Gaia commented this is an opportunity to include some language around principals of cooperative governance. The inclusion of such language may take more than what we have established as our current system of rebooting the policies and is willing to hold off on this till a later date. Specifically, he proposed adding the words in bracket.

“The Board will systematically and rigorously monitor and evaluate the GM’s job performance compared to expectations set forth in Board policies[and motions].”

Gaia said there are times when the board wants something to happen for the annual meeting, for example. This is time when we direct our employee to take on a task that is not part of a policy. Discussion to use “directive” instead of “motion”, Gaia is okay with this.

Next comment from Gaia, with the proposed change in brackets. “In every case [involving ends, and limitations] the Board’s standard for compliance will be any reasonable GM interpretation”

Gaia opined that those policies that are about how the board relates to Lesley or itself, the board should come up with the interpretation if any interpretation is needed if it has to do with Lesley’s job, then it is up to her to interpret.

Discussion:

- Keegan: We monitor her on the GM policies, nothing else. Policies relating to the board are not used to evaluate her so seems superfluous
- Ann: We will accept any reasonable interpretation, so the board will be the deciding factor in what the interpretation is
- Gaia: interpretation should rest with the board and not with the GM. He hears this policy as saying that the GM can interpret however she wants and as long as her interpretation was reasonable, even though board might disagree, we would have to abide by it

Keegan made a motion to accept M.4 with the changes, Ann seconded, and the motion carried 7-0

Persephone will organize the next round of reboots (for the Ends policies).

Google Drive – Jaime can show people how to use it, perhaps at an informal coffee meeting. The new board administrator should upload the packets to the drive instead of emailing them out.

Keegan moved to have an ad-hoc committee for information technology consisting of Persephone, Gaia, Jaime (Chair), Bruce. Persephone seconded the motion and it carried 7-0.

Board Budget—This time was tabled for Christine to get the data to Ann. All committees should decide how much money they need in the coming year.

Looking Ahead – L.4. policy, board budget approval, Ends policies will be worked on and information will be sent out over email, board calendar check in, board initiated referenda deadline is December, ballot draft due by next meeting

Task List – Board candidates are needed, so please send information to the Nomination Committee, Christine will get Ann the board budget, committees should decide if they need money, third quarter reports are needed (finance committee will figure this out), Persephone will organize the Ends policy meeting, Patti send the calendar info to Ann, Patti report on which committees have met and when, Devo needs to meet to plan staff party, send any Board Matters suggestions to Ann.

Future Meetings— The next meeting is December 19—**note date change**. Persephone expressed concern about the agenda not accurately reflecting the amount of time that we actually take for our meetings. Gaia suggested that we make conscious decisions to extend time if time expires for a given agenda item.

Meeting Recap—

- Appreciated the time checks and timing
- Felt like a dog chasing my tail
- Got a lot of work done, refining the processes
- Getting stuff done
- Handled a difficult situation very well
- Making nice progress with policy reboots
- The budget stuff is perplexing, concerned about bottom line and responsibility to our members. Need to have good reporting and good information on the direction we are heading in
- Appreciates the work on the budget by Lesley and Christine
- Pleased with how the board is handling finances
- Board is gelling together nicely
- Good meeting, noticed myself interrupting and I apologize

Executive Session – Lesley requested an executive session to discuss personnel issues. The board unanimously approved

Adjournment – Ann adjourned the board meeting at 9:04.

Respectfully submitted,

Keegan Rodgers, Board Secretary