

PFC Board of Directors Meeting Minutes – March 19, 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

Patti Smith, Board Administrator, taking minutes

Larry Horvath, Member-Owner

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

Agenda Review – Matt indicated that there were two attachments to go along with the board education component. Rebecca pulled the minutes from the Consent Agenda because there was not an end time.

Member Comments — Larry Horvath of the Elders Affinity Group and Linkage Committee attended.

Announcements, Info-Sharing, Future Scanning – The USDA has announced that food prices are likely to increase 2-2.5% over the next year. Lesley is going to talk to the buyers about this. Proponents of the ordinance to prohibit outdoor smoking have asked Lesley for a statement. The Level 5 Management Team decided to make the Wednesday and Sunday senior discount permanent. We will not be setting up a food booth at the Summer Festival this year.

Consent Agenda — The Finance Committee and Linkage Committee minutes were on the consent agenda this month. Matthew moved and Keegan seconded to accept the consent agenda. The motion carried 6-0.

February Minutes – Keegan reported that the end time of the February meeting was 9:55 pm. The minutes were updated to reflect this. Matthew moved to accept the minutes and Ann seconded. Rebecca made a friendly amendment (accepted by Matt) to add that Ann and Kevin were on the E-voting task force. The motion carried unanimously.

G.3 Code of Conduct— Per request, the Board discussed some issues with this policy:

- G.3.2.c. is confusing
- There is nothing about suppliers in the Conflict of Interest section

- Should the Conflict of Interest forms be online so that member-owners and Board members can view them?

Gaia made a motion to refer the policy to a committee to examine best practices and CBLD library and then report back. Keegan seconded. Rebecca volunteered to look at comments that have been made and report back. The motion carried 6-0. Gaia, Keegan and Rebecca will be on the committee.

GM Report – There is a typo regarding the basket size number. It was mentioned that while it is encouraging that meat sales are up, that is still a small dollar number because our meat section is not large. A desire for a richer financial report was expressed by some Board members. Lesley added the word “is” to the first sentence to clarify what it meant. Lesley also clarified that the insurance rates that went up do not include workers’ compensation but is liability and building insurance and the like.

Give a Buck Back Proposal – The basic idea is that cashiers will ask purchasers (the seniors will be targeted first) to “give back” a dollar to be deposited into the co-op’s Community Education Fund. For example, in a \$50 purchase, a senior would receive a 15% discount. Instead of paying \$43.50, the senior pays \$44.50 thus giving the “buck back”.

The Elders will introduce this program at the annual meeting. The Elders would like feedback and approval from the Board.

- Logistics with the new POS system (how much paper and labor would this program involve?). Could it be set up to come up as a line item as donation? Lesley will seek guidance from other co-ops
- Extra dollar could go into regular bank account and then be transferred to the education rather than setting up a new account

Larry said that the hope of the elders is to pilot such a program with perhaps expanding it eventually. Larry will report back to the elders to indicate that the matter is being investigated and was enthusiastically received.

Matt moved to express preliminary support for the proposal. Gaia seconded the motion. Discussion:

- Rebecca clarified that this proposal went through the Linkage Committee as an Elders proposal
- Operational matters must be worked out before final approval
- Linkage Committee would determine how to use the donated money but collecting the money is operational

- Linkage Committee will do research on what other co-ops are doing in similar situations to ensure that this is done properly both from a legal and a financial standpoint

The motion carried 5-1 with Ann opposing.

Board Education: Rusty gave a presentation on how we report our financial results.

Discussion on BALANCE SHEET:

- Matthew clarified that this report, like all balance sheets, is a “snapshot”—it’s one moment in time; could be totally different tomorrow
- The “member shares” is basically for if every member said “we want our money back”, we have the money to pay them back.

Discussion on STATEMENT OF OPERATIONS

- Administrative expenses were over \$10,000 in January but a bit under \$2000 in February because approximately \$8,000 was used for NCGA membership dues. Rusty clarified that we cannot spread that \$8000 out over the year
- Matthew explained that this section is the “movie” portion of the financial report. It shows what we buy, what we sell, etc. and the details of what happened between the months. Things happen every month—some are spread out over the year but others happen in one chunk in a given month (like NCGA dues)

Discussion on SALES COMPARISON

None

Discussion COST OF GOODS

None

Discussion GROSS PROFIT MARGIN COMPARISON

- Would like to see total number to be over 41%
- Different parts of the store have different kinds of performance. Grocery doesn’t have high margin but dollar value is so much higher that we make a lot of our money out of grocery. Group as a whole makes the 41% margin.

E-voting/Survey Monkey – Ann reviewed the report regarding Simply Voting. One small correction: the voting deadline is 10pm on April 28 (night before the annual meeting).

Essentially, a member-owner will go to the website and enter his/her name and member number and vote. We will know that they voted but not how they voted and they cannot vote again. There is not currently an option for “abstain” or “none of the above” but could be in the future.

We will add a request to include an email address for future e-voting. We will make it clear that whether or not you provide one has no bearing on your vote.

Rebecca moved to approve the proposal to contract with Simply Voting and Keegan seconded. The motion carried 5-1 with Gaia voting no.

Annual Meeting – During the financial report period, we have to explain that there will not be a rebate this year. The other financial results and treasurer’s information will be an insert in the annual meeting booklet.

Kevin discussed the entertainment and speakers who will be featured, including a surprise guest.

Elections Task Force/Election Info – Gaia and Vanessa are running for re-election. Our third candidate is Paris Morse, an employee at the university. Ann moved to approve Paris Morse as a candidate, Rebecca seconded and the motion carried 6-0.

Rebecca will email the Board with dates to sign up for ballot counting.

The Nominations Committee will set up at Meet and Greet for the board candidates, tentatively on April 6<sup>th</sup> at noon. Patti emailed the candidates.

New Director Orientation –If we have a new board member, then Keegan will set up the training with Patti and Matt’s help.

Looking Ahead – Reports on L.1, L.6 and L. 4.9. All of the other matters must wait until after the board election and will be handled in May.

Task List Review – Lesley will do the L.1 report for next month and we will have the L.6 and L.4.1-8 reports next month as well. Vanessa will synthesize G.4 and Matthew has M.3. Also, please think about being an officer...that will also be discussed at our meeting on 4/16.

Future Meetings – Next month’s meeting will be on April 16.

Attendance – No issues. Vanessa was excused.

Meeting Evaluation –

- Liked the financial educational component
- Nicely balanced agenda
- Felt prepared, had all documents well in advance
- Liked the elders' proposal but felt some tension regarding it
- Appreciated the financial stuff and the e-voting report
- Good discussions, straight forward
- May add “run over” time on future agendas; take away from something and give to something else
- Accomplished a lot
- Thanks for getting your reports into me in a timely manner

Executive Session – Gaia moved to go into Executive Session to discuss personnel issues and GM Evaluation, Keegan seconded and the motion carried 6-0.

Adjournment: Gaia adjourned the meeting at 9:17.

Respectfully submitted, Keegan Rodgers, Board Secretary