

PFC Board of Directors Meeting Minutes – January 15, 2009

Location: Menlo Innovations, 410 N. Fourth Avenue, Kerrytown Shopping Center third floor

Attendance

Board Members: Anjanette Bunce, Co-President; Chris Good, Co-President; Laura Trumbull, Vice President; Joan Bailey, Secretary; Daniel Soebbing, Treasurer; Linda Diane Feldt; Pete Schermerhorn.

Ken Charboneau, PFC General Manager

Missy Orge, PFC Member-Owner

John Austin, Board administrative assistant, recording minutes

Call to order - at 6:30PM by Anjanette.

Agenda Review - Accepted as written.

Member Comments - Anjanette said that she'd received a communication from Ellen Rusten, a PFC Member-Owner, who would like to address the Board. Ms. Rusten was unable to attend tonight's meeting but will send information about her topic to Anjanette for the Board to review and she will attempt to attend another meeting.

Announcements, Info-sharing, Future Scanning - Joan introduced Missy Orge as a candidate for appointment to replace her when she leaves the Board in February. Missy is the Director of Outreach & Training at *Food Gatherers*. She distributed a statement outlining her relevant experience and interests and encouraged Directors to contact her with questions.

Anjanette said that she would like to step back from her involvement in the Staff Ends Policy Committee due to the time demands of her other Board duties. This would potentially leave Dan as the only Board member on the Committee.

Chris thanked Board members for their support and understanding during the difficult days since the loss of his aunt and uncle, with whom he was very close, in an automobile accident on December 26. Chris said he will be able to attend to the GM Evaluation schedule and other Board commitments in the coming weeks.

Pete noted possible conflict between Board policies and the Bylaws regarding when newly elected Directors take office.

Consent Agenda - *Minutes 12/17/08 board meeting, L.8 Communication & Support* GM monitoring report, and *Staff Ends Comm. Minutes 08dec11*. Directors having reviewed and understood these materials, Linda Diane moved approval of the Consent Agenda, Laura supported, passed 6-0-1 with Chris abstaining.

At this point, all present introduced themselves around the table for Missy's benefit.

Report from the General Manager - Expanding on the regular written report he supplied for the meeting, Ken said he should have preliminary 2008 year-end financial figures by the end of January, and that a lot is riding on the fourth quarter physical inventory results. The gross margin will likely not be where it should due to the onslaught of price increases from suppliers that he has been describing to the Board over the past several months.

Ken said that another single-week sales record was set last week.

In response to a question, Ken said that the planned floor tile replacement in the store, once scheduled, will take place during off hours and that regular store hours will be maintained. He also noted an uptick in theft problems at the store. The Management Team is developing proposals for new procedures to address this.

Regarding the *Staebler Farm Brainstorming Session* report he provided, Ken said that next steps and PFC's level of involvement have not been determined. Kevin Sharp is in charge of this.

Anjanette commented that she appreciates the monthly Marketing/Outreach report Kevin Sharp provides for the Board. Other Directors agreed.

Member Linkage [Committee] Charter update - Directors reviewed the amendment proposed by the Committee stating that after yearly elections Member-Owners whose ballots had been spoiled/rejected would be informed of the problem to ensure their voting rights in the future. Dan moved approval of the change, Joan supported, passed 7-0. Linda Diane suggested that descriptions of common ballot problems and proper voting procedure be published in the PFC Newsletter after each election. Dan suggested that this be done prior to the election as well. Pete will draft such wording for the Member Linkage charter for Board review in February.

Staff Ends [Policy Committee] Charter revisions - The Board reviewed proposed revisions presented by the Committee. Laura moved approval, Joan supported, passed 7-0. It was noted that Anjanette's withdrawal left Dan as the only serving Director on the Committee, a violation of the charter. Pete reiterated his interest in that work and volunteered to join.

Election timeline - Laura presented and Directors reviewed the draft timeline of important dates and deadlines prepared by Kevin Sharp, PFC's Manager of Marketing & Outreach.

Annual Membership Meeting - Laura gave an update on preparations. She is working with Kevin Sharp and Laura Meisler on securing a meeting location. The Neutral Zone on Washington Street has been reserved as a back-up while other possibilities are pursued. Big George's store on West Stadium has an eco-friendly green roof available for events, accommodating up to 80 people, with kitchen facilities. The New Center on North Main charges \$110 for four hours and also has kitchen facilities. The Board has held various meetings and training sessions there in the past. Joan mentioned Downtown Home & Garden on Ashley Street as another possibility and Ken suggested the Ecology Center's new building for consideration.

Candidate recruitment & vacancies - Several Board members have received expressions of interest but no firm commitments so far. Individual outreach by Directors will continue. Concerning the upcoming Board vacancy when Joan leaves, Linda Diane pointed out that it would be appropriate to schedule a specific meeting agenda item for consideration of making an appointment and the Board will take this up at its February meeting.

PFC Bylaw revision proposals - Linda Diane gave an overview and history of PFC's incorporation and applicable State of Michigan law. The Board then reviewed suggested bylaw revisions prepared by the Governance Committee for possible presentation to PFC Membership for approval. The Committee's research included consultation with PFC's attorney Doug Coskey for legal review and suggestions.

Board decisions on proposals to recommend for Membership approval follow:

Bylaw 3.6 TERMINATION OF MEMBERSHIP. Directors voted 7-0 *against* recommending changing "to the Secretary" to "to PFC Management". The Governance Committee will draft policy wording directing the GM to forward termination requests to the Board.

Bylaw 4.2 NOTICE. Change first sentence only to: "The Co-op shall give each member written notice of Annual or Special Meetings of members, *either personally, by mail, or by personal electronic communication to their last known address* at least ten (10) and no more than sixty (60) days before the meeting." Dan so moved, Laura supported, approved 7-0.

Bylaw 4.3 QUORUM. Change to: "Quorum at any Annual or Special Meeting shall be *ten percent (10%)* of the membership or *one hundred (100) members*, whichever is smaller. Business may be discussed, but no official action may be taken without a quorum." Laura so moved, Dan supported, approved 7-0.

Bylaw 4.4 SPECIAL MEETINGS. Change first sentence only to: "Special Meetings may be called by a petition signed by *ten percent (10%)* of the membership, or by the Board." Anjanette so moved, Dan supported, approved 7-0.

Bylaw 4.6 AGENDA ITEMS AT ANNUAL MEETINGS. Change last sentence only to: "... Lacking such consent, questions may be raised for discussion *but not for voting* by agreement of two-thirds (2/3) of those present and voting." Linda Diane so moved, Laura supported, approved 7-0.

- Bylaw 4.7 REFERENDA. Change first sentence to: "Questions of policy or operations may be referred to a membership referendum by the Board of Directors, or by a petition signed by *ten percent (10%)* of the membership." Linda Diane so moved, Joan supported, approved 7-0.
Change third and fifth sentences to: "Referenda balloting must be carried on for at least twenty-one (21) days. [*Sentence 4 unchanged: A simple majority may be sufficient to decide questions presented in referenda, provided that at least ten percent (10%) of the members cast ballots.*] If the minimum number of votes is not obtained within three (3) weeks, the time for casting the ballots will be extended by twenty-one (21) days." Dan so moved, Laura supported, approved 7-0.
(The second, fourth, and sixth sentences of this bylaw would not be changed).
- Bylaw 5.10 RECALL. Change title to: "REMOVE". Change wording to: "Directors may be *removed* by a two-thirds (2/3) vote of the membership, provided that at least ten percent (10%) of the members cast ballots. Voting shall be by a ballot delivered to all members. *An election to remove any board member* may be initiated by a two-thirds (2/3) vote of the Board of Directors or by a petition signed by *ten percent (10%)* of the membership." Linda Diane so moved, Dan supported, approved 7-0.
- Bylaw 5.12 QUORUM. Change to: "The Board of Directors shall conduct no business unless a majority of the directors then in office *participates in person or electronically. A member of the board or committee designated by the board may participate in a meeting by means of conference telephone or other means of remote communication by which all persons participating in the meeting can communicate with each other.*" Dan so moved, Joan supported, approved 6-0-1 with Anjanette abstaining.
- Bylaw 7.2 MEMBERSHIP. After discussion, Dan moved that the proposal to change this bylaw be tabled and the matter referred back to the Governance Committee. Anjanette supported, passed 5-1-1 with Linda Diane voting against and Chris abstaining.
- Bylaw 8.7 POWER OF DELEGATION. Proposal to move this bylaw to ARTICLE VI POWERS AND RESPONSIBILITIES OF THE BOARD and renumber it as 6.7 was considered to have merit but deemed unnecessary at this time.
- Bylaw 9.1 RESPONSIBILITIES. After discussion of the proposed changes, it was agreed that ARTICLE IX in its entirety is outdated and incompatible with current governance and operations practices and should be removed completely. Dan so moved, Laura supported, approved 7-0. It was also decided that should this removal be presented to the Members and subsequently approved by them, an "artifact" ARTICLE IX title would remain in the bylaws noting its elimination.
- Bylaw 11.4 SAVINGS. Add word "net": "Any *net* savings on operations may be rebated to members based on patronage or held as retained earnings for reserves or investment." Laura so moved, Dan supported, approved 7-0.
- Bylaw 13.1 INITIATION OF AMENDMENTS. Change to: "Amendments to these by-laws or to the Articles of Incorporation may be proposed by the Board of Directors or by petition of *ten percent (10%)* of the membership." Laura so moved, Joan supported, approved 7-0.

The Governance Committee was assigned to review the above list, recommend which items should be presented for Membership approval in this election, and to draft ballot wording for their presentation. Due to ballot/newsletter deadlines, Board discussion and decision may have to take place electronically, following the guidelines in Policy G.7.10. Laura moved to approve that procedure for this situation, Pete supported, passed 7-0.

Expansion check-in and update - No discussion.

Looking Ahead - Anjanette reviewed upcoming commitments on the Board Calendar:

- G.1 self-monitoring summary & synthesis by Anjanette.
- G.10 self-monitoring survey - all Directors; summary & synthesis by Chris.
- M.2 self-monitoring survey - all Directors; summary & synthesis by Dan.
- L.1, L.4 1-9, and L.6 monitoring reports from Ken.

Task List Review - The Board's new TASK LIST-CURRENT may be viewed on line at <http://groups.google.com/group/pfcbod-archive> under "Files".

Draft version only - not yet approved

Future Meetings - February 19, 2009, 6:30PM, at Menlo Innovations, 410 N. Fourth Avenue.

Attendance - There were no attendance issues.

Meeting Evaluation - Positives: Governance Committee's thorough research and hard work on the bylaw revisions; election timeline very helpful; very productive meeting; Ken's GM reports and Kevin Sharp's Marketing/Outreach lists each month; Board as a creative force working very well together...the more minds involved the better; Missy's attendance and interest in Board service.

Concerns: there were perhaps too many bylaw proposals for optimal preparation and discussion at one meeting.

All agreed that Joan's departure will be a loss for the Board and for PFC.

Adjournment - 8:40PM by Anjanette.

The agenda and the materials considered by the Board at this meeting may be viewed on line at: <http://groups.google.com/group/pfcbod-archive> under "Discussions".

Respectfully submitted by Joan Bailey, Board Secretary