

PFC Board of Directors Meeting Minutes – March 19, 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; Linda Diane Feldt, Secretary; Daniel Soebbing, Treasurer; Missy Orge; Pete Schermerhorn.

Ken Charboneau, PFC General Manager

John Austin, Board administrative assistant, recording minutes

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

Member Comments - None.

Agenda Review - *G.3 Director's Code of Conduct, M.2 Accountability of the GM, and Staff Ends Comm. Minutes 2-12-09* were unavailable for review and were removed from the Consent Agenda. The *PFC 2008 Financial Report* had not been received from Wegner, PFC's accounting firm, and this item was removed from the regular agenda. It was determined that there was no new information to share for *Expansion check-in and update* and this item was also removed from the agenda.

Announcements, Info-sharing, Future Scanning - Linda Diane shared three items: PFC now has a *Facebook* group with 100 or more members to which Kevin Sharp uploads recipes, updates, and other items every day; former Board member Joan Bailey is now blogging from Japan and includes pictures of plants she's growing; and news reports say that the Obamas are putting in a vegetable garden on the South Lawn of the White House. Ken reported that Friday, Saturday, and Sunday will be *Staff Appreciation Days* at PFC. Laura explained that because of limited Internet access and fluctuating schedules at work she had been having difficulty staying in touch with her Board work recently, but that she would be making extra effort to keep up.

Consent Agenda - *Minutes 2/19/09 board meeting, G.1 Governing Style, G.10 Rules of Order, Candidate deadline extension to 3/13* (confirming the between-meeting Board decision), and *Expansion Comm. Minutes 1-10-09*. All Directors having reviewed and understood these materials, Linda Diane moved approval of the Consent Agenda as revised, Anjanette supported, passed 7-0.

Note: In between-meeting e-mail interchange the Board first discussed and approved an extension of the candidate deadline to March 6. As that decision was superseded by the extension to March 13, no confirming approval was required and the item was not presented.

Report from the General Manager - Ken expanded on the regular written report he supplied for the meeting and answered questions from Directors. He has investigated the experiences of other Michigan food co-ops in obtaining beer/wine licenses and found they varied widely. Most found the process fairly straightforward however. He will begin the application process for PFC soon and will report on his progress. The Board supported this course of action.

Ken also reported he had been unable to negotiate any adjustment to the lease agreement for the north side of PFC (the grocery side) with the building's owner. A new ten-year agreement has been offered that would provide some near-term benefit but significant long-term increases. Ken will provide information and a proposal for Board consideration at the April meeting. Under the current lease agreement the final five-year option must be signed by April 30.

Regarding the recent cooler breakdown, Pete reported comments from some Members expressing frustration and annoyance at the doors being blocked. Ken explained that this had been an attempt to keep the temperature as low as possible and save product. He said that the compressor for that cooler is on the roof, exposed to the elements, and that a valve had failed releasing all the refrigerant. Despite Staff efforts, product losses amounted to approximately \$3000 with \$2000 recoverable from insurance after the deductible. Lost sales and the increased Staff time required are unrecoverable.

Revision to Board treatment of the L.4 Financial Conditions and Activities monitoring report - Dan noted that the most recent internal PFC financial report (supplied for the meeting) showed earnings before interest, taxes, depreciation, amortization, and patronage rebates of 3.23%, well above the 2.75% minimum called for in policy L.4.8. The monitoring report received in February showed a preliminary *EBITDAP* determination of 2.74% causing the Board to accept the report with exception because of that shortfall. Dan moved that the Board adjust its records to remove the exception and show compliance with L.4.8, Laura supported, approved 7-0.

Proposal on Rebates - The Board reviewed the Finance Committee's proposal for revisions to policy L.1.8 regarding patronage rebates. After minor changes were made to the wording Laura moved approval of the policy change, Chris supported, passed 7-0.

Patronage Rebate for 2008 - The Board considered PFC's financial situation, widespread grocery industry predictions for little or no growth in sales for the next twelve months, and the need to conserve cash to weather this expected downturn. After extended discussion, Linda Diane moved that the retained portion of the 2004 rebate be returned to Members this year as scheduled and that no rebate be declared for the 2008 fiscal year. Anjanette offered a friendly amendment, accepted by Linda Diane, that the Board keep open the option of revisiting this decision should new information come to light. Pete supported, and the motion passed 7-0.

Beer/wine license - [Directors agreed that this topic had been adequately covered during discussion of the General Manager's report.]

Candidates for election - Four candidates have submitted statements and applications to run for the two available seats. Chris has notified the first two to apply of the reasons for the deadline extension. Linda Diane has three potential candidates lined up for the 2010 election.

Annual Membership Meeting & Election - After careful consideration of holidays and other potential conflicts, and the time frame necessary to deliver ballots to Members, the Board decided on three possible dates for the meeting: Saturday, May 9; Tuesday, May 12; and Sunday, May 31. Staff members Kevin Sharp and Laura Meisler, who have done and will continue do the lion's share of the arranging and logistical planning, will make the final decision based on availability of locations and on their knowledge of and experience with the election/meeting process. Laura will notify Board members when a determination is made, and the date will be posted in the store and published in the Election Newsletter.

Ballot counting sessions - Scheduling was postponed until the meeting date has been determined.

GM Evaluation Revisions and Update - The Board reviewed and discussed the proposed revisions to policy M.2.1 regarding General Manager evaluation and compensation prepared by the GM Evaluation committee (updated from the proposal considered at the February 19 meeting). Chris moved approval of the policy changes as presented, Dan supported, passed 7-0.

Board Transition - Directors discussed their interests in officers' roles and committee make-up for the next Board year. Anjanette encouraged everyone to continue reflection on their own interests and capacities as well as leadership needs and other responsibilities after the Board changeover.

New Director Orientation - The Development Committee will present a prospective program for new-director orientation/board training at the April meeting. Anjanette and Chris have already met with Missy to familiarize her with Board governance process and procedures.

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

- G.3 self-monitoring survey - all Directors; summary & synthesis by Dan
- G.4 self-monitoring survey - all Directors; summary & synthesis by Pete
- M.2 self-monitoring survey - all Directors; summary & synthesis by Dan

- M.3 self-monitoring survey - all Directors; summary & synthesis by Anjanette
- Board Annual Report to Members for the Annual Meeting - Anjanette & Chris

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

Future Meetings - April 16, 2009, 6:30PM, at Menlo Innovations, 410 N. Fourth Avenue.

Attendance - There were no attendance issues.

Meeting Evaluation - Positives: collegial discussion - fluid, moved quickly; good facilitation by Chris - finished ahead of schedule; did our homework and were prepared; clarification of & improvements to policy M.2.1 - worth waiting a month to get it right; feels good to have M.2.1 work completed; good balance of committee work & work at the meeting.

Concerns: *need meeting materials by the deadline in future*; a little off topic at times.

Missy said she's still settling in, likes it here, and will be able to jump in to discussions more and more as time passes.

Executive session - The Board went into executive session (Directors only) at 8:15 to discuss personnel and real estate matters.

Adjournment - The Board ended the executive session and adjourned the meeting at 8:43PM.

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

Respectfully submitted by Linda Diane Feldt, Board Secretary