

PFC Board of Directors Meeting Minutes – April 10, 2008

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

Attendance

Board Members: Linda Diane Feldt, President; Chris Good, Vice President; George Esler, Secretary; Pete Schermerhorn, Treasurer; Anjanette Bunce; Laura Trumbull; Katie Wimsatt.

Ken Charboneau, PFC General Manager
Rusty Brach, PFC Finance Manager
Kevin Sharp, PFC Manager of Marketing & Outreach
John Austin, Board administrative assistant, recording minutes

Guests: Cheri Rieman, PFC kitchen staff member
Kristen Gelino, PFC staff member
Rita Mitchell, PFC Member-Owner

Linda Diane served as facilitator for the first half of the meeting, Chris for the second half.

Call to order - at 6:30PM by Linda Diane.

Agenda Review - *G.7 Board Meetings* was removed from the Consent Agenda for consideration in May; *Executive Session Minutes 3-13-08* was added to the Consent Agenda. *Board time use/workload* was postponed until May and *Board training/orientation plan* was removed from the agenda for resolution in e-mail discussion. A report from the GM Evaluation Committee and a discussion of CCMA conference attendance were added to the agenda.

Announcements - George said that he had received no response from Board candidate Charles Loucks to his e-mail explaining the Board's position on extending the candidate application deadline. Linda Diane said that she will circulate a draft of the Board's Annual Report in e-mail and asked that Directors review it and respond over the weekend.

Member Comments - Cheri expressed appreciation that PFC is a place that listens to people's comments and accepts feedback. Cheri had spoken at the November, February, and March Board meetings regarding the need for a living wage for PFC Staff.

There were no *Future Scanning* items.

Consent Agenda - *Minutes 3/13/08 board meeting* and *Executive Session Minutes 3-13-08*. All Directors having reviewed and understood these materials, George moved approval of the Consent Agenda as revised, Chris supported, passed 6-0 with Anjanette abstaining.

Report from the General Manager - Expanding on the written report he supplied for the meeting, Ken said that representatives of the Liberty Lofts space at First and Liberty streets had again approached PFC to interest the Co-op in that site for a possible second location. They have also offered further inducements. After discussion, it was agreed that Ken will arrange for them to make a presentation to the Board sometime in May.

Ken also said that operations will likely not send any staff to the *Consumer Cooperative Management Association* conference this year, but reminded the Board to consider whether any Directors should attend.

2007 financial reports - Rusty made a presentation and answered questions from Directors based on the first draft financial statements from Wegner LLP, and additional internal reports provided at the meeting. Wegner is the accounting firm retained by the Board to conduct the 2007 financial review.

Pete asked about NOTE 3 on the Wegner statements regarding PFC deposits in some institutions that at times exceed federally insured levels and in some institutions that are uninsured. Ken assured the Board that these would be addressed.

In response to a question from George, Rusty said that Wegner was easy to work with – they accepted his numbers, asked no questions, and did not request any more information.

Living Wage - Anjanette opened discussion by suggesting that the Board might consider creating a broad Ends policy regarding PFC Staff. She asked for brief round-the-table initial comments.

- George - Researched the Ann Arbor Living Wage numbers but could find no source for what went into them. The Living Wage program in the cooperative community does have components that can be analyzed. He is comfortable with PFC's current approach.
- Linda Diane - Noted the early history of PFC, when cashiers and workers were unpaid volunteers. PFC has grown and matured - it's time to address a change in philosophy.
- Katie - The Ends policy approach is a good idea. The Board should get involved.
- Pete - A proponent of a living wages everywhere. There are a lot of complicated factors - willing to work on it.
- Chris - A former PFC employee, he noted wages as the main reason he left. He became a volunteer (Board member) hoping to address this. He has been a member of co-ops that do pay well. He also said that the board of Oryana Co-op in Traverse City had successfully addressed living wage concerns.
- Laura - This is an ethical and visceral necessity. Staff should be encouraged to become Member-Owners. It's impossible to live in Ann Arbor on less than \$10/hour.
- Ken - Believes in higher wages, is committed to them, and believes his actions so far demonstrate that. The Management Team is actively working on it. Expressed caution that PFC not get locked in to specifics that could imperil the organization.
- Anjanette - PFC has to commit to this somehow.
- Chris - Would like to see the Board commit itself to this.

After further discussion it was agreed that Anjanette would establish a committee to address the Staff situation through Ends policy. They will present a draft committee charter for Board consideration in May.

L.6 Asset Protection monitoring - Postponed until materials are available from Wegner.

Finance Committee Proposals (derived from the Committee's 2/28/08 meeting minutes) - It was determined that two of the proposals, B & C, were the action items. The Board agreed that 1) no policy is necessary to specify the frequency of full financial audits (rather than financial reviews) but research on this option each year will be added to the Treasurer's duties, and 2) that the specific budget categories in policy G.8.2 were superfluous and will be stricken. Linda Diane so moved, George supported, approved 7-0.

Annual Meeting plans – Chris confirmed that the meeting will be held at the Neutral Zone on April 27 from 4:00 to 7:00PM. Board members will arrive at 3:00 and stay afterwards for set-up and clean-up. Kevin noted that Staff will be loading up at the store before that if anyone wants to help. Letters have gone out to potential participants in the bazaar. There is some concern about getting enough participants to make this part of the program possible. Chris will schedule ballot counting in e-mail with the Board.

Board self-monitoring procedure – George presented a draft of a Board Self Assessment Form and suggested that an on-line survey tool such as Survey Monkey be used as each G and M policy came due for monitoring. Results would be compiled by the Director responsible for monitoring a particular policy. Policy G.1.5 would be revised to reflect the new procedure.

Anjanette suggested that certain data-driven policies could be excluded from the simple survey approach and that the administrative assistant could help with those by doing the research. Laura suggested the possibility of establishing a committee to do the monitoring all year rather than rotating responsibility through all the Directors.

Anjanette and George recommended trying the new procedure for a full year to assess it and work out problems. The Board agreed by consensus to try the new approach. Anjanette and George will draft a revised policy for Board consideration in May.

Ballot Counting Procedures - The Board agreed that no changes were needed in their written procedures.

Board officer candidates - Directors informally discussed their potential interest in the offices of President, Vice President, Secretary, and Treasurer for the next Board year, noting the possibility that newly elected Board members might have the necessary skills and experience for some of those leadership roles. The discussion will continue.

GM Evaluation Committee report - Linda Diane announced that the process was near completion and that a final Board executive session would be necessary some time before the May meeting. Some materials are still to come and will be distributed to Directors as available.

Consumer Cooperative Management Association (CCMA) conference attendance - Chris and Laura will research the conference offerings, costs, and budgeted funds available and circulate this information to the Board for decision. Katie recommended that attendees make a presentation to the Board on what was learned. It was noted that Pete's written summary of his experience at last year's conference was very informative.

L.3 monitoring report re-submission - The Board acknowledged that the re-submission, as requested at the December meeting, will probably not be done due to Ken's time constraints. Its absence will be considered as part of the overarching GM evaluation, with awareness of the first year of service and the Board's tardiness in scheduling monitoring training.

L.9 Monitoring schedule - The Board agreed by consensus that the new policy will be monitored annually in April by internal report from the General Manager.

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

Future Meetings - May 8, 6:30PM at Menlo Innovations, 410 N. Fourth Avenue, Kerrytown Shopping Center third floor.

Attendance - There were no attendance issues.

Meeting Evaluation - Positives: Allowing a big chunk of time for important discussions was beneficial – good not to rush; forward movement on Staff issues; new Board self-monitoring procedure; productive meeting – the group worked well together; trading off on facilitation responsibilities worked well. Changes for future: none noted.

Adjournment - The Board adjourned the meeting by acclamation at 8:50PM.

Materials considered by the Board at this meeting may be viewed on line at: <http://groups.google.com/group/pfcbod-archive>

Respectfully submitted by George Esler, Board Secretary