

PFC Board of Directors Meeting Minutes – April 16, 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

Guests: Henry Herskovitz, Charles Loucks, and Jeff McCabe – candidates for the Board

Call to order - at 6:35PM by Chris.

Agenda Review - The *Expansion Decisions & Costs* report was removed from the Consent Agenda and will be available for the May meeting. *G.3 Director's Code of Conduct* and *M.2 Accountability of the GM* Board self-monitoring reports by Dan were added to the regular agenda.

Member Comments - Henry Herskovitz asked why the candidate deadline for the election had been extended to March 13 and expressed concern at the long time lapse between the original deadline of February 28 and the actual beginning of voting. Various Directors responded, explaining their desire to offer Members more choice and their concerns that it could be difficult to achieve quorum in an uncontested election (two candidates for two open positions) jeopardizing not only the Board vote but also the bylaw proposals. Pete also noted that if quorum were not reached the election would have to be conducted again, an expensive and drawn out process.

Linda Diane apologized for not keeping the candidates better informed as things changed. She and Laura both said that the Board would be reviewing the election process this year. Missy pointed out that when the decision had to be made to extend the deadline the Board was not familiar with the two candidates who had responded by the original deadline (Charles Loucks and Henry) so the decision was not based on assessments of them personally.

In response to a question from Henry on the length of the actual voting process, Laura explained that it would begin as soon as ballots were available in the store on April 18 and run up to the start of the Annual Meeting on May 31, or about six weeks.

Announcements, Info-sharing, Future Scanning - Pete announced that he had just been made Volunteer Coordinator for the *Legacy Land Conservancy* (formerly *Washtenaw Land Trust*). Laura said that her job transition was over (though she's still getting acclimated) and she should have more time now for her Board duties.

Consent Agenda - *Minutes 3/19/09 board meeting, Member Linkage Minutes 4/7/09, Executive session minutes 3/19/09*, GM monitoring report *L.9 Gifts to PFC*. It was noted that the GM monitoring report contained Ken's proposal for revision of the policy and this portion was removed from the Consent Agenda vote for separate consideration. Laura moved approval of the Consent Agenda as revised, Linda Diane supported, passed 7-0.

Election & Annual Meeting: Timeline, Agenda, and any other detail - Laura handed out the election timeline and draft agenda for the Annual Meeting for review and discussion. Pete has been getting in touch with the candidates to advise them of the schedule and process for the election. Linda Diane observed that because of the election and Annual Meeting delays Directors elected this year may serve less than the three years specified in the Bylaws.

Pete will lead the Board's portion of the Ends Policy presentation at the Annual Meeting. Directors offered comments around the table on why Ends are important, and will send further ideas and materials to Pete directly.

President's Report (Board Annual Report to the Membership) - Anjanette and Chris are working on a draft that they will circulate to the Board in a few days. They took suggestions around the table on Board activities and accomplishments in 2008 to relate to the Members.

Ballot counting sessions - Laura announced four sessions: 5/19, 5/26, and 5/28 at 6:30PM, and one early on 5/31, the day of the Annual Meeting. These will take place at the PFC office. She will circulate this schedule for Directors to sign up. The May 19 session is considered the primary orientation and training session and all Directors are asked to attend. Participation required at later sessions may vary depending on when ballots are received, how many are received, and the efficiency of the counting process with this year's longer ballot. Members can cast ballots at the store through 4:00PM on Saturday, May 30, and at the Annual Meeting. Ballots turned in at the Meeting will be tallied there and final totals calculated for announcement of results to the assembled Membership.

G.3 Director's Code of Conduct and M.2 Accountability of the GM Board self-monitoring reports - Dan presented his syntheses of the two surveys on Board compliance with these policies. All Directors believed the Board was largely in compliance with G.3. Dan felt that G.3.2.d regarding Board membership and employment at PFC should be revised to clarify that a Staff member elected to the Board (as described in Bylaw 5.7) may later seek promotion or transfer within PFC. After discussion the Board agreed that current policy wording was sufficient, that a Staff member elected to the Board (within the guidelines of Bylaw 5.7) *can* seek promotion or transfer within PFC while retaining Board membership, and that the policy applies only to Directors who would seek first-time employment. Dan then moved acceptance of the report, Chris supported, approved 7-0.

Regarding M.2, Directors also indicated in the survey that they felt the Board was largely in compliance but did not do so with as much unanimity or high ratings. Directors felt that the Board should begin the GM monitoring sequence earlier in the Board year by meeting with the GM after the second or third meeting of the new Board to establish a free flow of communication. Chris noted that M.2 had undergone major revisions in 2007 to clarify ambiguities and misunderstandings, and also that it had recently been reviewed and revised again by the Board in response to recommendations from Ken. After further discussion Laura moved acceptance of the M.2 report, Anjanette supported, approved 7-0.

Report from the General Manager – Ken informed the Board that the dish sanitizer in the Café had to be replaced at a cost of approximately \$5000. The old sanitizer reached specified temperature over time but could not do so with repeated use and PFC had received two citations from the Health Department. PFC may donate the old machine if a recipient can be found. (Policy L.4.5 requires the GM to report to the Board a purchase or commitment over \$5000 but under \$15,000).

Ken also said that the Café would need a new Cappuccino maker soon at an expected cost of \$4500.

Expanding on his written report Ken said that while he's still being conservative on budgeting and spending, the sales trend has been positive. January was off pace but the last eight to ten weeks have been close to the original budget. He attributes this to a committed and supportive Membership and community.

L.9 Gifts to PFC revisions: the Board considered Ken's proposed modifications which were originally part of his L.9 monitoring report on the policy. Directors agreed that the three specific changes meant to clarify that PFC does not have non-profit status should be made. Laura so moved, Dan supported, approved 6-0-1 with Pete abstaining. Ken also suggested policy alterations to allow for anonymous gifts. The Finance Committee will develop a proposal on this for the May meeting.

Referring back briefly to the L.9 monitoring report itself, Anjanette disagreed with Ken's interpretation of L.9.3.c, feeling that the policy as currently written did not allow leeway for the GM to accept anonymous donations at his own discretion.

Proposed Rental Agreements - Directors reviewed and discussed the cost projections and recommendations presented by Ken for the lease on 214 N. Fourth (the grocery portion of the store) for either the final 5-year renewal option on the 1994 lease or a new 10-year contract. Over the next five years the 10-year lease would cost \$17,424 less than the 5-year extension option. Over its final five years the 10-year lease would save another \$31,675 over a projected extension for another five years of the current 5-

year option terms. Considering the cost savings over time, which could be put into infrastructure upgrades or other improvements, and the vote-of-confidence it would show that PFC intends to maintain its presence at the current downtown location, the Board agreed with Ken's recommendation for the new 10-year contract. Linda Diane moved that the Board authorize Ken to sign the new 10-year lease contract, Pete supported, passed 7-0.

Line of Credit with Chase Bank - The possibility exists of opening a line of credit with Chase for \$250,000 or more to provide both a security net for PFC and a possible source of funds for an expansion should it be needed. Most of PFC's banking business has now been moved to Chase due to lower fees and more convenient services. Chase requires Board approval for the initiation of the application process, and PFC bylaw and policy would require Board approval for any final credit agreement.

Several Directors felt that, considering PFC's commitment to support local businesses and the cooperative principle of concern for community, it would be good to approach Bank of Ann Arbor as well. There was general consensus that this should also be explored. Pete made a motion to that effect and Laura supported. Linda Diane also commented that Chase had in the past been heavily involved in financing coal-fired power plants, causing many customers to take their business elsewhere. After further discussion and reflection Ken withdrew his proposal and the motion was also withdrawn.

Discuss Dan's absence - Because of participation in an outdoor leadership training program, Dan will be out of town and unavailable for Board work from mid-August through mid-December, possibly able to attend the August meeting and likely to return in time for the December meeting. Dan expressed his desire to remain on the Board and to run for Board Treasurer again this year. Directors felt that Dan is a valuable member of the Board and, after further discussion and general agreement all around, approved the absence by consensus.

New Member Orientation update - Anjanette presented a draft outline for the orientation/training session. Chris noted that it was a fairly dense schedule and that providing lots of handouts to study beforehand and take home afterwards would be helpful. Linda Diane suggested that a longer history of the Co-op be included. Laura suggested that it be held on a weekday evening and include dinner. The Board agreed tentatively to a 6:00-8:30 program on either June 10 or June 11. Pete will check with the candidates on their availability.

GM Evaluation update - Chris announced that this year's process was complete and a new contract had been signed. He noted that it was a good process this year. Ken expressed his gratitude and appreciation to the Board for its work on this year's evaluation.

Expansion check-in and update - The Expansion Committee will rework and resubmit its *Expansion Decisions and Costs* report at the May meeting. It was suggested that the report could become the basis for a handout to Members at the Annual Meeting.

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

- G.4 self-monitoring survey - all Directors (summary & synthesis by Pete)
- M.3 self-monitoring survey - all Directors (summary & synthesis by Anjanette)

The *G.5 Committee Principles* Board self-monitoring report was postponed until the June meeting. Anjanette will prepare her *How to Write Proposals* presentation for possible use at the Board Orientation. The Board Administrator employee evaluation will be conducted at the May meeting, with an executive session component included.

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 – May 21, 2009, 6:30PM, at Menlo Innovations, 410 N. Fourth Avenue.

Attendance - There were no attendance issues regarding tonight's meeting.

Meeting Evaluation

- The group does spontaneous discussion/sharing well though it may seem confusing to outsiders
- Chaotic and scattered but we talked through it well
- A very full agenda though it looked light initially
- Good to have the election/annual meeting stuff settled
- Good to have the 2008 GM evaluation done
- Good to have values incorporated in the discussion of business matters
- Good meeting
- Late materials are again a problem

Henry commented that he was glad to be here and also appreciated Linda Diane's comments about coal-fired power plants.

Adjournment – by acclamation at 8:35PM.

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