

PFC Board of Directors Meeting Minutes – June 10, 2008

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; Dan Soebbing, Treasurer; Linda Diane Feldt; Pete Schermerhorn.
Note: Anjanette and Joan were delayed and arrived at the points in the meeting noted below.

Ken Charboneau, PFC General Manager
Kevin Sharp, PFC Marketing Manager
John Austin, Board administrative assistant, recording minutes

Guest: Cheri Rieman, PFC kitchen staff member

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

Agenda Review - *Executive session minutes 5/8/08* was removed from the *Consent Agenda* and will be considered at the July meeting.

There were no *Member Comments* or *Future Scanning* items.

Announcements, Info-sharing - The article written by Linda Diane and Kevin Sharp about PFC's experience with the Israeli boycott campaign and referendum was published in the May-June issue of *The Cooperative Grocer* magazine. PFC was cited on a local radio program for discontinuing the sale of bottled water.

Consent Agenda - *Minutes 5/8/08 board meeting*. All Directors having reviewed and understood this material, Linda Diane moved approval of the Consent Agenda as revised, Laura supported, passed 5-0.

Receive Conflict of Interest Statement & Disclosure Forms - Joan, as Secretary, received forms from Chris, Dan, Pete, herself, and Anjanette (turned in upon her arrival). Laura's form was received at the May meeting. Linda Diane will deliver her form at the July meeting. These will be placed in the Board file at the PFC office.

Report from the General Manager - Directors reviewed the written report Ken supplied for the meeting, offering comments and questions. Noting the increase in May sales over last year, Pete asked if part of that could be higher prices. Ken confirmed that increased prices were a factor. He also explained that the number of transactions was the same as the Customer Count figures presented in the report. Dan noted that the new bulk bin fixtures allowed for an increase in the number of items offered.

(Joan arrived during the above discussion).

Chris explained that the following L.2, L.5 and L.7 monitoring reports had been placed on the regular agenda rather than the Consent Agenda as a training opportunity for new board members Joan and Dan. [Monitoring reports typically appear initially on the Consent Agenda and are moved to the regular agenda only if Directors, after their pre-meeting review, have questions or concerns that require open discussion].

L.2 Treatment of Staff - Chris offered an observation from Anjanette that in some cases the supporting material supplied didn't match Ken's interpretation of the policy. Ken commented that the policy was challenging and that for some sections it is difficult to prove compliance. Dan asked for some clarifications on the employee grievance process. After further discussion, Pete moved acceptance of the report, Linda Diane supported, approved 6-0.

L.5 GM Succession - Laura moved acceptance of the report, Dan supported, approved 6-0. Kevin Sharp, as Ken's designated first alternate to fulfill GM duties in an emergency, attended this meeting to fulfill requirements of the policy.

L.6 Asset Protection monitoring (external review by PFC accounting firm Wegner LLP) - Pete presented his monitoring report on the policy based on supporting materials from Wegner and from PFC management. Dan commented on Note 3 in Wegner's report which noted the concentration of inventory purchases from a single source, UNFI. Ken noted that PFC receives increasing price breaks with increasing volume of purchases from UNFI. Dan also asked about Note 4 regarding PFC's leases. Ken explained that PFC has separate leases, with different landlords, for the store space and the Café space. He also clarified the details of the lease payments cited. After further discussion, Laura moved acceptance of the report, Linda Diane supported, approved 6-0.

L.7 Compensation & Benefits - Laura moved acceptance of the report, Dan supported, approved 6-0.

Co-President Responsibilities - Directors reviewed the definition of duties and responsibilities drafted by Anjanette and Chris. They also determined that the quarterly stipend for each co-president will be one half of the total of the standard President's amount plus the standard Director's amount, or \$80 for each co-president. Linda Diane moved approval, Dan supported, passed 6-0. The *Co-president Structure* document, with the stipend formula included, will be placed in the Board's Policy Appendix.

Board Calendar - The Board reviewed and approved the proposed calendar for the 2008-2009 board year drafted by Anjanette, noting that it is a modifiable document and that details may be revised as the year progresses. All Directors will further review the calendar and e-mail observations, questions, and suggestions to Anjanette.

CCMA Conference - The Board reviewed the schedule of workshops that will be offered at the *Consumer Cooperative Management Association* conference this month in Portland, Oregon, and gave suggestions on which ones they would like Anjanette and Chris to attend if possible.

Chris said that the Oryana Co-op in Traverse City is trying to organize regular board get-togethers among Michigan co-ops for sharing ideas, approaches to common problems, education, and for mutual support. Ken noted that the Great Lakes co-ops are already working together regionally on operational issues. Linda Diane observed that the PFC board is a lot further along in governance and procedural areas than many co-ops in the state and offered the caution that such collaborations could be unbalanced, with PFC doing a lot of mentoring and bringing-along of the others.

Environmental Committee - The Board reviewed and discussed the draft charter proposed by Dan. He suggested that it could be set up as an *ad hoc* or temporary committee that would make recommendations to the Board and then be dissolved. Laura observed that some of the committee's proposed activities could impinge on areas and activities delegated to management. Linda Diane agreed and suggested that the committee could make recommendations to the Governance Committee. Chris expressed concern about the detail in the charter and possible encumbrances on management. Dan and Pete will make revisions to the charter for Board consideration at the July meeting.

Expansion Committee Charter - Linda Diane presented an outline for the expansion process and an initial charter for an *ad hoc* committee, saying it was still informal and would be revised by the committee. After discussion, Chris moved approval of four of the five proposal points for Board action at the end of the document:

1. Agree to this informal charter with revisions to follow.
 2. Charge the Committee to formalize the charter, incorporating this material.
 3. The Board President will investigate and begin to establish a process for risk management.
 4. Budget for brainstorming/group meeting this summer – approve concept, details to be worked out later.
- Laura supported the motion and it was passed 6-0.

The fifth proposed point, involving realtor liaison, was delegated to Ken.

Establish committees for this year – After discussion, Laura moved approval of the proposed charters for the Member Linkage, Board Development, Finance, and Governance committees, Dan supported, passed 6-0. Laura moved approval of the GM Evaluation Committee charter, Chris supported, passed 6-0.

Committee personnel will be:

Member Linkage - Laura (chair), Pete, Dan.

Governance - Joan (chair), Pete, Linda Diane, George Esler (former Board member).

Expansion - Laura & Pete (co-chairs), Linda Diane.

Development - Anjanette (chair), Chris, Laura (part time as needed).

GM Evaluation - Chris (chair), Anjanette, Joan.

Finance - Dan (chair), Pete.

(Anjanette arrived during the above discussion).

Board meeting schedule – Directors decided that the regular meeting day will be the third Thursday of each month. Anjanette will check the availability of Menlo Innovations for this day.

The Board asked Kevin Sharp to send the deadline date for the August Newsletter to Anjanette.

Goals for the Upcoming Year - The Board conducted an around-the-table brainstorming process to develop ideas and suggestions:

Anjanette – Board/GM relations; committees as vehicles for Member linkage.

Joan - More use of volunteers, perhaps interns, to reduce director workload; more local growers/producers.

Laura - Immersion in expansion training and work; more communication with the Membership; better candidate packet and description of running for the Board.

Chris - Integrate Member linkage into everything the Board does; Member linkage often slips through the cracks.

Dan - Environment policy and Staff Ends policies.

Linda Diane - Attend to the quality of the expansion process; Board leadership development. Member involvement was huge last year surrounding the boycott issue.

Pete - Concerns about higher prices in the store, especially in produce, and the possibility that some Members can't shop there anymore because of them.

Suggestions for top priorities:

- Working together as a Board – this was very good last year. (Chris)
- Target a few specific goals for this year and set others for following years. (Anjanette)
- Board/GM relations; Anjanette and Chris will seek ideas and suggestions at the CCMA conference and also get input from Ken on his needs.
- Committees & PFC Members – Five non-directors on committees this year. (Anjanette)
- Expansion – Board training; complete the charter.
- Member Linkage (emphasized by all). Pete suggested getting a schedule of PFC events at which one or two Directors could be present and available to Members.

Joan will summarize all the comments from this discussion for Board consideration at the July meeting.

Task List Review - The Board's new TASK LIST-CURRENT may be viewed on line at <http://groups.google.com/group/pfcbod-archive>. Anjanette asked everyone to advise her when they will be unable to meet task deadlines.

Future Meetings – July 17, August 21, 6:30PM at Menlo Innovations, 410 N. Fourth Avenue, Kerrytown Shopping Center third floor.

Attendance - There were no absences.

Meeting Evaluation - Positives: Good meeting, a lot was accomplished; full participation, including the two new members; very important that committees were set; the new-director orientation was a huge boon. Changes for future: some things got derailed; it was a bit too long.

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 Joan Bailey, Board Secretary