

PFC Board of Directors Meeting Minutes - June 18, 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

Rebecca Kanner, Director elect

Jeff McCabe, Director elect

John Austin, Board administrative assistant, recording minutes

Call to order - at 6:33PM by Chris.

Agenda Review - No changes.

Member Comments - None.

Announcements, Info-sharing, Future Scanning - None.

Consent Agenda - *Minutes 5/21/09 board meeting; L.2 Treatment of Staff, L.5 Emergency GM Succession, and L.7 Compensation & Benefits* GM monitoring reports. Dan moved approval of the Consent Agenda, Laura supported, passed 7-0.

Report from the General Manager - Ken invited questions on the written report he supplied for the meeting, and said he was grateful that PFC is in the strong position it is, with sales up, considering the state of the overall economy. He reported that all 2004 patronage rebate checks had gone out to Members and that response to the coupon included with them had been very strong.

Expenditure approval request (policy L.4): Ken asked for Board approval for the purchase of a new frozen foods display freezer at an anticipated cost of \$25,000, including a new compressor and installation costs. He explained that the current freezer is old and breaks down regularly, and that repair parts are obsolete and hard to find. The new freezer will be more energy efficient and have more features, such as the capability of storing different types of foods at different temperatures.

Linda Diane moved approval of the \$25,000 purchase with a 20% overrun allowance, Dan supported, passed 7-0.

Bank of Ann Arbor line of credit - Bank of Ann Arbor has approved a \$250,000 line of credit for PFC subject to approval by the Board. Details were included in Ken's GM Report. He explained that it would be drawn upon for a possible future expansion, renovation, or large equipment purchase, and is *not* needed or intended for regular operating expenses or any anticipated revenue shortfall. Ken could draw minimal funds on the line of credit simply to keep it open, if not for other uses. Directors also considered signature requirements for accessing funds from the line of credit.

After further discussion, Linda Diane moved approval of this line of credit as described in the GM Report of June 2009, with signatures of both the Board President (or Vice President in the absence or incapacity of the President) and General Manager required to access funds. Dan supported, approved 7-0.

L.6 Asset Protection external monitoring report - The Board again reviewed and discussed the Draft 2008 Financial Report from Wegner LLP, PFC's accounting firm. Linda Diane then moved acceptance of the report as external monitoring of the policy, Anjanette supported, approved 7-0.

Ken commented that working with Wegner had been a very unsatisfying process. They repeatedly missed deadlines and otherwise failed to provide good service. He said that Rusty Brach, PFC's Finance Manager, was very frustrated. Dan said that the Board would require assurances of better performance before committing to Wegner for the 2009 review.

Review Annual Calendar - Anjanette asked Directors for comments and suggestions on the current calendar that could be used by the next President in revising it for the 2009/2010 Board year. Chris strongly

recommended reviewing the GM Evaluation sequence early in the year so as not to miss important dates as happened this year. Anjanette asked all Committees to review their activities and add important dates that are missing.

Anjanette also suggested that the Board, or perhaps the Member Linkage Committee specifically, develop and schedule an annual activity that would engage Members with the Ends policies. This idea drew general support and the Member Linkage Committee was assigned this task.

Board recognition - Directors reflected on the many contributions made by departing Board members Anjanette and Chris during their terms of service. Anjanette was praised for her energy, teaching ability, careful scrutiny of issues, willingness to ask hard questions, and for the long background and experience with cooperatives she brought to the Board. Chris was commended for his quiet leadership, ability to bring people together, and for marshalling the Co-op through a very difficult period that included the departure of long-time GM Carol Collins, the extensive search for her replacement, and the internal Board strife that led to the resignations of two Directors.

Anjanette and Chris developed the Co-President concept together and praised one another for the first-year success of that process and for the mutual support and synergy they experienced sharing the role.

Certify election - seat new Board - 815 valid ballots were cast in the election, exceeding the 645 quorum requirement by 170. The vote totals were 708 for Jeff McCabe, 696 for Rebecca Kanner, 101 for Charles Loucks, and 60 for Henry Herskovitz. Anjanette moved that the Board certify these results, allow Chris and Anjanette to step down, and install Jeff and Rebecca to serve the two three-year terms ending in 2012. Chris supported, approved 7-0. With this action the new Board immediately assumed governance responsibilities.

Receive Conflict of Interest Statement & Disclosure Forms (policy G.3.2.e) - Forms were received from Linda Diane, Jeff, Laura, Pete, and Missy by Linda Diane, Board Secretary. Rebecca and Dan will deliver their forms at the July meeting. Completed forms are kept in the Board file at the PFC office.

Board recruitment/nominations process - Laura and Linda Diane planned the agenda for this item and co-facilitated. In an initial brainstorming session they recorded suggestions from Directors and Ken in areas that needed attention and improvement. Among the issues identified were the need for better communications (with potential candidates, candidates, Membership, and Staff) and for establishing a clear election timeline that is carefully attended to and does not change substantially.

Linda Diane and Laura suggested next steps were that they facilitate the flow of the ideas recorded at the meeting and others they had themselves developed to the existing committees for development of recommendations that would come back to the Board for approval and "buy-in". Dan moved that the Board implement this plan, Rebecca supported, approved 7-0.

Elect officers - After discussion of the interests and skills of the various Directors a slate was proposed with Laura and Pete to serve as Co-Presidents, Missy as Vice President, Linda Diane continuing as Secretary, and Dan continuing as Treasurer. Linda Diane moved approval of this slate, Jeff supported, passed 7-0. The Co-President structure will follow the plan approved in June of 2008 for Anjanette and Chris. Laura and Pete will determine their role designations as called for in that document and present this to the Board for approval at the July meeting.

Board meeting schedule - Following discussion, the Board agreed that the third Tuesday of each month will be the regular night of Board meetings for the 2009/2010 Board year. Laura will check with Menlo Innovations to make sure they can accommodate this. As always, occasionally some individual meetings may be changed as needed.

Looking Ahead - Laura reviewed upcoming commitments for the Board, among them:

- All Committees should meet and review their charters for Board consideration and approval in July
- G.5 self-monitoring survey - all Directors (summary & synthesis by Pete)
- G.6 self-monitoring survey - all Directors (summary & synthesis by Dan)

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 - July 21, 2009, 6:30PM, at Menlo Innovations, 410 N. Fourth Avenue.

Attendance - There were no attendance issues.

Meeting Evaluation

Positives:

- excitement over prospects for the new Board
- great to have Rebecca & Jeff
- good Board transition, healthy discussion
- welcome questions that arose; "Why do you do it this way?" is beneficial
- "aliveness" of the brainstorming session on recruitment/elections
- Occasional "off-track" discussions were justified and appropriate to wholeness of the result

Concerns: none noted

Adjournment: by acclamation at 8:40PM.

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