

PFC Board of Directors Meeting Minutes – September 11, 2008

Location: Rudolph Steiner High School Stone House, 2230 Pontiac Trail, Ann Arbor

Attendance

Board Members: Anjanette Bunce, Co-President; Chris Good, Co-President; Laura Trumbull, Vice President; Joan Bailey, Secretary; Daniel Soebbing, Treasurer; Linda Diane Feldt; Pete Schermerhorn.

Ken Charboneau, PFC General Manager

John Austin, Board administrative assistant, recording minutes

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

Agenda Review - The *G.9 Board-Membership Communication* self-monitoring summary was moved from the Consent Agenda to the regular Agenda for discussion. *Finance Committee Requests* was added to the agenda.

There were no *Member Comments*.

Announcements, Info-sharing, Future Scanning – Anjanette said that due to the extreme time demands of her job currently Chris, as Co-president, would take over agenda setting responsibilities for the next two months. Linda Diane cited *The Ann Arbor Chronicle* web site (annarborchronicle.com) as an excellent source for local news and feature articles. She also noted that residents of the Dexter-Miller neighborhood have formed a neighborhood services cooperative (dexmil.com) to share services and build a stronger social network, noting that her father is actively involved in the effort. Daniel is hosting a bike repair/pot luck meal session at his house on Saturday, 9/13, at 2:00.

Consent Agenda - *Minutes 8/21/08 Board meeting, Expansion Cmte. Minutes 8/5, Expansion Cmte. Minutes 8/13, Expansion Cmte. Minutes 8/25, and Expansion Cmte. Minutes 9/5.* All Directors having reviewed and understood these materials, Laura moved approval of the revised Consent Agenda, Joan supported, passed 7-0.

Report from the General Manager - Expanding on the regular written report he supplied for the meeting, Ken said that things are going very, very well, and that September is off to a good start. Even with Labor Day, a traditionally slow day for sales, the previous week missed the all-time weekly sales record by only \$110. He said PFC will be upgrading to a new credit card system being started by the *National Cooperative Grocers Association*. Among other things, this will enable PFC to participate in a national gift card program.

Daniel praised the internal promotions announced in the report, saying he knew those people to be very capable.

G.9 Board-Membership Communication monitoring summary - Expanding on his report, Pete noted consensus among Directors on the need for better Board compliance with this policy. Laura expressed a need for more specificity in G.9.2 which calls for periodic surveys of the Membership. Anjanette suggested the wording "Each year the Board must *actively* consider the need for a survey." Daniel suggested, "Each year each committee will determine if it will need information from a survey to do its work." Pete said that the Governance Committee will be meeting soon and will consider proposing revisions to the policy.

After further discussion, Daniel moved acceptance of the monitoring report, Joan supported, approved 7-0.

Board Retreat Agenda - Directors made final modifications to the proposed agenda for the Board's September 26/27 retreat. The concept of the Introductions segment for the Saturday, all-day session was clarified. It was decided to add a generic expansion game that Linda Diane had suggested at the August meeting. The Board asked Ken to invite Kevin Sharp, Marketing & Outreach Manager, and Julie Sverid, HR Manager, to attend the Saturday session. Chris will send the Board's latest agenda modifications to Marshall Kovitz of *Cooperative Development Services*, the trainer/facilitator for the retreat.

Board Retreat logistics - The Development Committee will make food arrangements for the Friday evening segment at Laura's house. Food for Saturday will be provided by the PFC kitchen. Linda Diane again suggested that Directors carpool to the Saturday session at her cottage near Chelsea and Chris will initiate an e-mail to make arrangements for this. Marshall will stay at Linda Diane's house Friday night and at her cottage Saturday night, thus saving lodging expenses for PFC.

Expansion check-in and update - Pete explained the pressing need for volunteer survey takers for the upcoming in-store marketing survey and will circulate available time slots through e-mail. Chris brought up the Member contact effort being made by Directors and asked that noteworthy responses and comments be sent to the Expansion Committee. The Committee will meet with the Ann Arbor Historic District Commission on September 24 to discuss the Liberty Lofts site that is currently under consideration.

Website Discussion/Brainstorm - Postponed until the October meeting. Anjanette asked that Directors give thought to the issue in preparation for that discussion.

Finance Committee Requests - Daniel reminded committee chairs that the Finance Committee will need their budget requests well in advance of the October meeting to give it time to prepare a proposed 2009 Board budget for review and approval at that meeting.

In addition, he asked for a decision on whether the usual financial review would be appropriate for 2008 or if a full financial audit would be necessary. (Full audits are more expensive than reviews and in addition take up more staff time). He noted that PFC was actively exploring expansion options and mentioned the commonly held opinion that banks and other financial institutions prefer to see a full audit of the previous year when considering loans.

Ken said that Rusty Brach, PFC's Finance Manager, is currently checking with banks to determine their preferences but believed that a full audit wouldn't be required. He also mentioned that Wegner, PFC's accounting firm, offers a hybrid audit/review that falls somewhere between the two in scope but is less costly than a full audit.

Anjanette had also spoken with Wegner and reported that they feel a full legal audit is seldom necessary for a co-op, and that a hybrid audit/review might provide the internal controls assessment the Board would want from an audit without the expense of a full audit.

Board judgment leaned heavily in favor of a financial review and a final decision will be made when more information is collected.

G.6 Annual Agenda Cycle & Board Calendar - Joan presented the Governance Committee's proposed revisions to the policy, requested at the July meeting. In discussion it was agreed that adjustments were still needed to the dates and timelines cited in the policy to bring them into alignment with current Board practice. It was also suggested that the language in G.6.1.c regarding Ends policy review will be more effective if its specifications were general rather than overly specific. Further revisions will be considered at the October meeting.

Looking Ahead & Housekeeping - Anjanette reviewed upcoming commitments and tasks, and noted: Proposed revisions to policies G.5 and G.9 are anticipated from the Governance Committee. A 2009 Board budget proposal is due for discussion in October.

The Board self-monitoring survey syntheses for policies *G.7 Board Meetings* and *M.4 Monitoring GM Performance*, due in October, were assigned to Laura and Daniel respectively.

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

Future Meetings - October 16 and November 20, 6:30PM, at Menlo Innovations, 410 N. Fourth Avenue.

Attendance - There were no attendance issues.

Meeting Evaluation - Positives: the conducive setting at Steiner school and the shared meal; good food; efficiency due to all the between-meeting work; never any attendance problems (as noted in the CGIN list serve at some other co-ops); everyone's work and energy; John's input. Changes for future: none noted.

Adjournment - Chris adjourned the meeting at 8:30.

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