

ITEM D1

PFC Board of Directors Meeting Minutes – June 21, 2011

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

Attendance

Board Members: Rebecca Kanner, President; Linda Diane Feldt, Vice Pres.; Matthew Graff, Treasurer;
Present at 6:23: Jeff Tenza, Secretary and Gaia Kile

Ken Charboneau, PFC General Manager

Patti Smith, Board administrative assistant - recording minutes

Not present: Jeff McCabe

Present via Google documents: Cynthia Shih

Call to order - at 6:16 by Rebecca Kanner

Agenda Review - Ken asked for more time for GM report (5 minutes were added); Linda Diane asked for more time for the Board Retreat discussion (5 minutes were added). Rebecca added 3 minutes to task list review & meeting evaluation. Because some members were not yet in attendance, the introduction of the new board administrator was pushed back until after announcements & consent agenda.

Member Comments - None.

Announcements, Info-sharing, Future Scanning – Green Fair was successful; Rod Hunt who worked at PFC, recently passed away; suggestion that conflict of interest forms should be on line in the future.

Consent Agenda – Linda Diane moved to accept the Consent Agenda, with friendly amendment to remove from it the Governance Committee minutes as a few items (see below) needed to be added. Matt seconded. The Directors, having reviewed and understood these materials, approved acceptance with friendly amendment, 5-0.

Governance Committee Minutes - Rebecca stated that the minutes, as written, should be more complete. Linda Diane confirmed that she, as vice-president, will draft the election timeline and that this needs to be accomplished by September. Given these changes and updates, Matt moved to accept the amended Governance Committee meeting minutes. Gaia seconded. Approved 5-0.

At this point, Rebecca suggested taking a five minute break to call Cynthia to inform her that we could not use a speaker phone because of the loud background noise. Linda Diane called to inform her of this. Jeff T. suggested using Google Documents so that Cynthia could follow along with the minutes in real time; the document was created and Cynthia logged in to follow along.

New Board Administrator- Board members introduced themselves and welcomed the new Board Administrator.

Go-around for Linda Diane – All expressed their thanks and appreciation for Linda Diane's many contributions to the Board and to PFC during her tenure as Board president.

Report from the General Manager - Ken expanded on the written report he provided for the meeting and responded to questions from Directors.

Ken passed out specs for proposed upgrades to hot bar equipment, which would allow for a separate hot and cold bar. The cold bar would go where the “grab and go” food is currently located. Ken reported that the hot and cold bar has experienced declining sales for almost two years.

He estimated that the project would cost about \$50,000 for equipment and installation. Directors questioned if it was possible that the investment would pay for itself within a year? Ken indicated that he anticipated 50-65% margin of return.

Board had a discussion regarding the length of time there has been a hot bar in PFC, (~12 years) and that the new Babo market will have more extensive grab and go. Ken requested a straw vote on spending \$50-60,000 on this endeavor. Rebecca called for straw vote on whether the Board supports spending ~\$50-60,000 on this endeavor. 5-0 in favor of giving support for spending this amount of money.

Outreach report (given by Rebecca): Huron River Day is July 17th if anyone wants to volunteer. Contact Kevin Sharp directly.

Director Stipend In his GM report, Ken submitted a proposal to increase the Director’s stipend from \$60 per quarter to \$120 per quarter and from \$100 per quarter to \$200 per quarter for the Board President.

Discussion: some Directors were unaware of the gift card and pleasantly surprised by it yet would be here with or without it. Linda noted that if store needs money or new policy creates hardship for store, then Directors could waive the stipend for the benefit of the co-op. It was suggested that the Board could remove G.8.5 and let Ken do whatever he wants with the stipend. It was also suggested that the Board might wait until after board retreat to implement the increase.

In regards to removing G.8.5, it was pointed out and that this policy should be in writing in case of one day having a new GM who might not follow the policy (intentionally or unintentionally).

Also discussed that there would be tax implications for President of Board. While one can make a gift to someone under \$10,000 and not trigger tax issues, one can only give a stipend of up to \$600. If one receives “compensation” in excess of \$600 per calendar year, a 1099 form must be filed

Gaia moved that the Board vote in favor of amending G8.5 as stated in attachment to Ken’s GM Report. Matt made friendly amendment that the Board reduce the president’s amount to below \$600 for 1099 compliance purposes.

Ken pointed out that the President serves from April through April and this will remove the issues of \$600 being paid in a calendar year. Given that, Matt withdrew his friendly amendment. Ken offered a friendly amendment to give the president the option of taking a reduced amount or deferring the amount so as to not trigger the 1099 issue. Linda Diane seconded. Linda Diane, Rebecca & Gaia voted yes, Matt abstained and Jeff voted no. (Cynthia gave an advisory vote of yes via Google Documents).

Board Committee Charters-- Rebecca thanked everyone for getting their charters in. Matt noted that only grammatical changes were in **Finance** (for example, the need to change date to 2011 and to add to the charter the responsibility of financial training of Board). Jeff moved to approve the Financial Committee Charter with these minor changes. Linda Diane seconded the motion to approve. No further comments. Vote to approve was 5-0 (with Cynthia giving an advisory vote of yes via Google Docs).

Matt indicated that the **Nominations Committee** needed a few changes, such as making the date on the top of the document 2011 and changing the date to December 31, 2011 in last line. There was a discussion regarding adding the responsibility of finding viable candidates to the “purpose” line but the

Directors decided that this language was not needed. Rebecca observed that another person is needed on this committee (doesn't have to be Board member). Jeff moved to accept and Gaia seconded. Vote was 5-0.

Jeff said no significant changes to **Development Committee**. Matt moved to accept. Gaia seconded. Rebecca offered a friendly amendment to add language as follows "including annual planning session" to the responsibilities section. Passed with friendly amendment, 5-0.

Rebecca reported that the **GM Evaluation Committee** charter should remain as is. Discussion as to whether or not there should be timeline for when committee asks for proposal from GM. Matt reported that he would apply a timeline to the draft and re-present at next meeting. Rebecca also noted that there needs to be 3 Directors on this committee and we only have 2. There are 4 on member linkage committee, so Rebecca asked if someone would join the GM Eval committee. Please consider and let us know at next meeting. NO VOTE taken, as Matt will re-present at July meeting.

Rebecca reviewed the changes to the **Ken King Award Committee** charter; the committee's recommendation will be voted on by its February meeting. Also need to add Cathy King's name to list of members in committee. Linda Diane moved to accept, Matt seconded. Passed 5-0. Cynthia voted an advisory yes via Google Docs.

Via Google Docs, Cynthia indicated that people can direct questions regarding **Environmental Impact Committee** to her. Cynthia indicated that she added some issue areas to the Purposes section and also will be meeting with Ken to discuss sustainability measuring. If PFC is found to not be sustainable, the Board will then take action to correct. Gaia moved to accept, Rebecca seconded and the motion carried 5-0, with Cynthia adding an advisory yes vote.

Gaia reported that a change was made in language under the Membership portion of the **Governance Committee** charter. It will now read "president OR vice president". Linda Diane moved to accept charter, Jeff seconded and motion carried 5-0, with an advisory yes from Cynthia.

Linda Diane said that not much changed in the **Member Linkage** charter. Rebecca made a friendly amendment that the language regarding the Coffee with the Board program be added in this charter. Matt moved to accept with the friendly amendment, Rebecca seconded and the motion carried 5-0.

Board Retreat Jeff T expressed the need to confirm dates, as August 20-21 are the ones that have been proposed. However, August 20th presented a conflict for some because of the Tillian Project, which is also on that date. Jeff proposed to keep August 21 for the formal retreat and have an informal meeting, perhaps over dinner, on August 20.

Discussion: Linda Diane suggested having a "Finance 101" training at the retreat. The general consensus was that an hour of such training would be ideal. Some directors expressed interest in having the Board offer suggestions for areas of training, rather than just having Joel (the co-op consultant) come in and do general training. Via Google Docs, Cynthia suggested talking about member linkage at the retreat, specifically how other co-ops have successfully engaged members.

The Committee will meet between now and the next Board meeting and Jeff will solicit input from other members.

A location also needs to be selected. Some ideas were the Leslie Science Center or Hathaway's Hideaway. **The date of August 21 was confirmed, leaving August 20 as a possible informal dinner at the Tillian Farm event on August 20.**

Board Calendar: The calendar was presented. Patti will remove the "due by" column and will add a

vice president election time line. Patti will also add language regarding the calendar being a “living document” (same language as on the previous calendar). Linda Diane moved to accept calendar with these changes, Rebecca seconded and the motion carried 5-0.

Ken reminded the Board that he cannot make July or September meetings on the regularly scheduled date. **After some discussion, the Board decided to move the July meeting to July 26.** The September meeting will remain on the 20th for the time being.

40th Anniversary Celebration Linda Diane said that she would like to ask our mayor and/or governor to issue a formal proclamation regarding the co-op’s 40th anniversary. There were no objections, so Linda Diane said that she will work with staff to make it happen.

PFC Historians proposal Linda Diane will ask John Austin to do this position because of his history with the Board. She will ask that John put in an appendix in the BOD book. Others can assist with this endeavor. Linda Diane moved to accept her proposal, Matt seconded, and the vote carried 5-0.

M.1 Unity of Control Matt synthesized and read report, responding to questions from the Directors. It was suggested that there be a word change from “material” to “inordinate”. There was also concern about drilling into information when anyone has a concern as this could be cumbersome and distracting. Directors suggested that if it is proven that a report is false, then they of course can ask for more information. It was questioned as to whether requiring the support of the whole Board (vs. just one person) was out of order with Carver. It was pointed out that M.1.3 spells out the policy, which is to come to the Board. Rebecca is going to charge the Governance Committee to decide on what to do and then bring it back to the Board as a whole with a recommendation.

M.2 Accountability of the GM. This policy needs to be completely revised by the GM Evaluation Committee and the Governance Committee. Linda Diane moved that the committee do so, Rebecca seconded. No discussion and the motion passed 5-0.

Task List Review. G.6 Self monitoring is due for next meeting. Matt will synthesize. Patti will send out a survey within the next week. Patti reviewed the task list, which will be sent under separate cover.

Future Meetings Discussed above.

Attendance No discussion.

Meeting Evaluation Via Google Docs, Cynthia sent apologies that she didn’t get some kind of audio/video going this time and offered huge thanks to Patti and Linda for helping her participate, and to all of the Directors for their patience.

Other Directors thanked Ken for printing out all of the materials, Linda Diane said that she felt good about new beginning and that Rebecca did great. Ken thanked everyone in hearing him out on hot bar issue. Folks felt that they were better able to understand the calendar this year and that the meeting was a bit choppy in the facilitation. Jeff said he was hoping for more input on the retreat as it sets the tone for the rest of the year. Rebecca said that she feels she needs to figure out how much time to give to items on the agenda and has a greater appreciation for past presidents.

Adjournment: Rebecca adjourned the meeting at 8:57 p.m.

Respectfully submitted, Jeff Tenza, Board Secretary