



## Finance Committee Meeting Minutes

August 24, 2023

Zoom

### Present at meeting

**Finance Committee:** Humnath Panta (Treasurer), Kirsten Lindquist (Vice President - Employee Director), Brenda Harper (President), Mike Connors (Director), James Kloor (Member at Large), Chris Copple (Member at Large)

**Staff:** Emily Walter, Sean Nolan, Barney Doyle

**Members:** George WinterSun

**Guests:**

### 1. Welcome

Meeting started at 6:03pm by Humnath.

### 2. Approve Finance Committee Minutes

Correction to the August 3 meeting. The meeting was started by Brenda.

**Motion:** Approve the July and August 3 Finance Committee minutes as amended.

Motion by James, 2<sup>nd</sup> from Chris, motion passes (6/0/0).

### 3. FY24 Q4 Finance Review – reported by Barney

The adjustments from the FY23 audit get placed into FY23 P12 of Q4. Therefore, P12 shows a gain of \$714k, which is an anomaly because the adjustments cover the entire year but are entered only into P12. Total assets and Total Liabilities have a drastic change between Q3 and Q4 on the balance sheet. This is due to restructuring of assets and liabilities.

- James – How do we budget for healthcare expenses?
  - o Sean – Advantek does modeling for us to budget for expenses.
  - o Barney – We review the difference between self-insured and regular PPO insurances every few years, and what we find is that statistically self-insured is less expensive.
- Humnath – how do you review control of expenses?
  - o Barney – we review product purchases on a weekly basis to make sure we're not buying too much or too little for expected sales.
- James – The Co-ops CCCU accounts hold our health care and C Share reserves. Where are we at with an ICS account? I suggest the board pass something that authorizes movement of funds between the ICS account and Redwood Capital account (exempt from the expenditure control policy) and designate two signers.

**Recommendation to the Board:** Accept the FY23 Q4 financials.

Motion by Kirsten, 2<sup>nd</sup> from James, motion passes (6/0/0).

**4. FY24 P1 Review** – reported by Barney

We had a good increase in cash. Net income was \$145k with good margins. It was a great start to the year with profits going back to where we wanted them.

**5. Update Members at Large**

Chris and James terms end in September. All the current Finance Committee Members are interested in continuing serving on the committee. This committee previously discussed adjusting terms this year and then going back to 3-year terms so that the terms are staggered moving forward.

**Motion:** Appoint James Kloor to a 1-year term, Diane Sharples to a 2-year term and Chris Copple to a 3-year term on the Finance Committee.

Approved by consensus.

**6. FY24 third Quarter C Share Dividend**

- Humnath – Have any members asked for an increase in dividend rates?
  - o Sean – No.
- Barney – We haven’t seen any trend or long-term movement of redemption.
- James – Can we get three comparable data points to look at to compare with?
- Chris – It seems people think of C Shares as 10-year capital and should be compared to something similar, like treasuries. Right now, our C Shares are gradually being redeemed, which is what we want.
  - o Mike – Why do we want C Shares gradually redeemed? Why aren’t we seeking funds from members before taking loans from a bank?
  - o Kirsten – My understanding as to why we didn’t ask for C Shares for the recent renovation is that there is a quicker return compared to a bank loan of 30 years.
  - o Sean – We don’t have the C Share structure set up for a capital campaign right now.
  - o Mike – Why don’t we use members for fundraising so we can give members the interest instead of a bank?
    - Kirsten – Typically a capital campaign takes more than a year and involves hiring someone to raise funds.
    - Sean – We aren’t ruling out utilizing a member campaign to raise money in the future, we just haven’t had that opportunity yet.
  - o Barney – we currently pay about \$40,000 annually to C Shareholders annually.
- Mike – I want to know if there are any C Shareholders on this committee or the board before I vote to make any changes to C Shares.

ACTION: Barney will look into C Share holders on the board and Finance Committee.

NO ACTION TAKEN

**7. Update Benchmarks** – reported by Barney

I reached out to the NCG coordinator to inquire if any substantial changes have been made to their benchmark recommendations. I have not yet received a response. I don’t believe there will be any changes, but perhaps to Cash on Hand. Days Cash on Hand will likely go up.

**8. Review Finance Language Concerning Labor & Personnel w/ Benefits**

- Sean – I believe this question might have arisen when we were talking about updating benchmarks. I think we should wait to discuss after we hear back from NCG on benchmarks.

ACTION: Barney will provide a summary of employee, senior and member discounts at the next Finance Committee meeting.

**9. Member Comments**

None

**10. Set Future FC Meeting Date and Agenda Items**

Next Finance Committee Meeting – Thursday, November 16 at 6pm

Future Agenda Items:

- Quarterly Financials
- Review Benchmarks

**11. Meeting Adjourns**

Consensus reached to adjourn the August 24, 2023, meeting at 7:33pm.

*Minutes submitted by Emily Walter*