



## Finance Committee Meeting Minutes November 21, 2019

Eureka Chamber of Commerce Headquarters

### Present at meeting

**Finance Committee:** James Kloor (President & Treasurer), Leah Stamper (Secretary – via phone), Cheri Strong (Employee Director), Colin Fiske (Vice President), Kirsten Lindquist (Employee Director), Diane Sharples (Member at Large), David Dahler (Member at Large)

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

**Members:** Kathleen Pelley, Laura Jones, Lori Brannigan

### 1. Welcome

Meeting started at 6:03pm by James Kloor.

### 2. Approval of Minutes

**Motion:** Approve finance committee minutes from August 28, 2019 as amended.\*

\* Amend that the motion under agenda item #7 to approve the FY20 Business Plan failed.

Minutes approved by consensus.

### 3. FY20 Second Quarter Financials – reported by Barney Doyle

Barney reviewed the FY20 second quarter financials. The second quarter was not positive. Cash on hand went down as we continue to pay C share repurchases, but our cash float is looking good and we have not touched our line of credit. Gross margin is just below where we'd like it to be. We have an ongoing issue with high health claims. Sales are down 3% from budget but costs have been kept down, keeping us with an overall profit for the year.

**ACTION:** Barney will look into FEMA coverage for PG&E outages.

The committee discussed perpetual inventory and beta testing.

**Motion:** Accept FY20 second quarter financials.

Consensus to approve.

### 4. Hot Bar Financial Report

Reviewed initial analysis showing that the new hot bar is covering its own costs. The committee decided to review this topic quarterly as we get more data.

**ACTION:** Barney will investigate Costs of Goods Sold excluding labor and the process for Arcata deli transfers to Eureka.

## 5. Review Benchmarks for Possible Updates

Margin after labor after taxes and benefits (MML after T&B) is the one benchmark that isn't working. The committee discussed different options to remedy this.

**Recommend to the Board:** Set the MML after T&B benchmark target at 12% and direct staff to come back with suggestions for adjustments during the FY20 budget process.

Motion by Colin, 2<sup>nd</sup> from Diane, motion passed (6/0/1). Leah abstained.

## 6. Approve FY20 Fourth Quarter C Share Dividend

- The committee decided to leave the dividend rate at 2.65%.
- It was suggested to review similar benchmarks of interest rates on a quarterly basis.

## 7. Finance Committee

### a) Discuss frequency of Finance Committee meetings

The committee discussed reasons for and against holding monthly FC meetings. It was decided to continue quarterly meetings unless circumstances arise to require additional meetings.

### b) Discuss requirement for all board members to be on the committee

A proposal that not all board members need to attend the Finance Committee will be added to the December board meeting agenda.

### c) Discuss open Member-at-Large seat

**Motion:** Approve that Diane Sharples continue as a Finance Committee member and serve an additional 3-year term.

Motion approved by consensus.

## 8. Member Comment on Reports

- Seniors who can afford and want Co-op deli food don't purchase it because it's too spicy.
- Discussed how to get more members to attend Finance Committee meetings.
- Why has there been no Annual Report since FY17?
  - o Part of the reason was that the FY18 audit was very late.

ACTION: Emily will check in with Marketing to see what they have for a FY18 Annual Report.

## 9. Set Future FC Meeting Date and Agenda Items

Next Finance Committee Meeting - Thursday, February 27, 6pm

Agenda items:

- FY21 Draft budget review
- Approve FY21 first quarter C share dividend
- Review FY20 third quarter financials
- Eureka hot bar

## 10. Meeting Adjourns

Consensus reached to adjourn the November 21, 2019 meeting at 8:05pm.

*Minutes submitted by Emily Walter*