



Finance Committee Meeting Minutes

December 3, 2020

Zoom

Present at meeting

Finance Committee: Kirsten Lindquist (Treasurer - Employee Director), Diane Sharples (Member at Large), David Dahler (Member at Large), Laura Wright (Director), Roger (President), Leah Stamper (Vice President), Ahmed Foggie (Secretary), Pamela Lee (Director), Thomas Wehland (Employee Director), Chris Copple (Member at Large)

Missing Committee Members:

Staff: Emily Walter, Barney Doyle, Sean Nolan

Members: Kathleen Pelley, Laura Jones

1. Welcome

Meeting started at 6:03pm by Kirsten Lindquist.

2. Welcome new board members

Introductions were made.

3. Overview of financial documents – reported by Kirsten

Kirsten reviewed financial documents and specific items that are important to understand and pay attention to and conducted a general overview of how the Finance Committee functions.

ACTION: Barney will include visual reporting methods to include in the quarterly finance reports.

4. FY21 second quarter financials – reported by Barney Doyle

Barney reviewed the financials and answered questions from the committee. The cash flow remains good. It was a profitable quarter even with P6 not being profitable.

We are looking to revise the FY21 budget in January to adjust for things such as prepared foods sales that are very different than budget due to COVID. When the numbers are so different than what was planned for, the budget is no longer a useful tool for staff to use.

- David wants to see long-term planning for keeping the Eureka store profitable.

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| <p>Recommendation to the Board: Approve the FY21 second quarter financial report.</p> |
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| <p>Motion by Diane, 2nd from David, motion passes (10/0/0).</p> |
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5. Patronage Refunds

There was no profit from member sales and thus there is no patronage refund for FY20.

6. Approve FY21 Fourth Quarter C Share Dividend

The committee discussed reducing the dividend rate based on CD rates having recently plummeted.

Motion: Leave dividend rate at 2.50%.

Motion by Diane, 2nd from Leah, motion passed (8/1/0), David opposes (Roger did not vote)

7. Future of C Shares – reported by Sean

A proposal was reviewed for how to manage C shares in the future. How can we mitigate the risk from current C shares? How can we strategize future C share sales to avoid having a large liability?

- Build a reserve account, up to \$200k, to support large C share redemption requests coming in at once.
- Temporarily discontinue the sale of C share until redemption rights are redefined. In the future set minimum retention periods with variable interest rates.
- Only allow C share purchases during an active capital campaign for a specific purpose, encouraging member engagement with tangible goals.

Recommendation to the Board: Approve Sean's Future of C Shares proposal.

Motion by David, 2nd from Thomas, motion fails (1/0/8). David voted aye (Roger did not vote)

ACTION: Sean will work on details for the future C share plan, including current C share structure, a timeline plan for the proposal and a communication plan.

8. Member Comment on Reports

- Thomas – worth to note that those who currently have C shares helped support the Co-op during trying times.
- Laura – thanks Kirsten for her role as Treasurer.

9. Set Future FC Meeting Date and Agenda Items

Next Finance Committee Mtg. - Thursday, February 25, 6pm

Agenda items:

- Approve FY22 first quarter C share dividend
- FY21 Q3 Review
- Review long-term plan for the Eureka Store/lease renewal
- Future of C Share Plan

10. Meeting Adjourns

Consensus reached to adjourn the December 3, 2020 meeting at 8:27pm.

Minutes submitted by Emily Walter