



Finance Committee Meeting Minutes November 18, 2021

Zoom

Present at meeting

Finance Committee: Kirsten Lindquist (Treasurer - Employee Director), Sharples (Member at Large), Pamela Lee (Vice President), Thomas Wehland (Employee Director), Chris Copple (Member at Large), Laura Jones (Board Member), James Kloor (Member at Large), Roger

Staff: Emily Walter, Jason Davenport

Members: Kathleen Pelly

1. Welcome

Meeting started at 6:10pm by Kirsten Lindquist. Introductions were made.

2. Welcome New Finance Committee Members

Welcome Laura, a new board member who has previously been a Member-at-Large on the Finance Committee.

3. Overview of Financial Documents

Kirsten reviewed financial terms put together by Barney.

4. FY22 Second Quarter Financials

Q2 shows a Net Income of negative \$45,356, which is \$145,466 unfavorable to budget. Year-to-date figures are still very positive: Total revenue is \$18,023,186, +5.6% over budget (+\$961,071), and \$167,500 in net income, which is \$43,252, +38.4% over budget.

Discussion ensued about costs of goods going up and how to keep margins in line with increased costs.

- Jason - inventory has been done in house twice now and we're still feeling out how accurate it is. Once we have another inventory complete, we'll have more of a story to see in consistency.
 - o Kirsten – I highly believes the in-house inventory is more accurate than what we were seeing previously.

(Roger left the meeting)

Recommendation to the Board: Accept the FY22 Q2 financials.
Motion by Diane, 2nd from James, motion passes (7/0/0).

5. Approve FY22 Q4 C Share Dividends

The current C share dividend rate is 2.50%.

- James – we have a lot of cash on hand and can easily afford to purchase C shares if requested. We could afford to lower dividend rates to disincentivize c shares and lower that liability.
 - o Chris – interest rates are about to go up. Leaving the interest rate as is will disincentivize C shares without taking action.

- Jason – if we disincentive C shares it will likely be the largest investors that pull out. I'd like to not rock the boat and keep the C share cash during our upcoming renovation.

Recommendation to the Board: Keep the C Share dividend rate at 2.5%.
Motion by Diane, 2nd from James, motion passes (7/0/0).

6. Update on Renovation Loan – reported by Jason

The loan has been approved. We anticipate having access to funds by the end of the month.

7. FY23 Budget Preparation

The committee reviewed the previous two fiscal year budgets. The agreed that the current format is adequate. Roger commented prior to leaving the meeting that he would like actual numbers compared to the budget for FY22.

- James – Costs of Goods is going to be hard to budget for. I'm also curious with the current labor atmosphere (high turnover), what will happen to labor costs when the Co-op goes into negotiations with the Union.

8. Finance Committee Member-At-Large Terms – reported by Kirsten

Diane's term is up, and she has agreed to serve another two-year term.

Motion: Appoint Diane Sharples to a two-year term starting December 2021.
Motion by Pamela, 2nd from Thomas, motion passes (6/0/0).

9. Member Comment on Reports

- Thomas – appreciates James pointing out that costs of goods is going to be crazy.
- Diane – appreciates Jason being on top of everything while Sean is away.

10. Set Future FC Meeting Date and Agenda Items

Next Quarterly Finance Committee Mtg. – Thursday, February 24

Agenda items:

- FY22 third quarter financials
- Approve FY23 First Quarter C Share Dividend
- Approve FY23 Budget

11. Meeting Adjourns

Consensus reached to adjourn the November 18, 2021, meeting at 7:22pm.

Minutes submitted by Emily Walter