

## **September Board Meeting**

**9/30/13**

**All board in attendance**

**William, Joy, Mikhy, Thalia, Kate, Belinda here for portion of meeting**

\*Meeting called to order at 7:08pm

\*Lynn led centering

\***Agenda Review:** Dave apologized for lateness in posting it  
-mistake in GM report area since we should be voting on B5: Asset Protection

### **\*August Minutes Approval:**

-Dawn and Lois gave comments about changes

-Lauren made the changes

-Dave thanked Lauren for taking minutes

-William said job posting will be in the newsletter and they will talk to Virginia College about a transcription intern

-Lauren said if it will cost money, she doesn't mind taking minutes

-Dave said you can see through the comments that come up that board is often off-topic

-Lauren will add a "Parking Lot" heading to minutes for ideas/topics that come up that need to be addressed in another meeting

-Motion to accept: Lois

-2<sup>nd</sup>: Lynn

-Vote: Passed (unanimous)

### **\*Parking Discussion:**

-William interjected that as of tonight- the bank parking lot is closed to Ever'man shoppers- Bank will be starting their expansion

-More signs will be put up- including in the bank parking lot

-Discussion of how to thank the bank for loaning us the parking space:

---Kate has already delivered food to them

---William said it would be nice for the board to sign a thank you

---Dawn said maybe make it a huge card and make it a photo-op (shaking hands)

---Lauren brought up reporting in newsletter that bank is co-op as well and thanking them

### **\*Board self-monitoring:**

-C2: GM Job Product

-JJ voiced concern over how GM performance will be evaluated is unclear

---Lauren said she and JJ spoke to Thane about this hole on how we are evaluating, measuring GM

---JJ: feels it's too vague

---Frankie discussed how the whole policy register shows how

-Executive committee to be tasked with creating GM Evaluation Tool and possibly evaluating C2 after consulting Thane to see if that is best place to add a line about evaluation

-Lois brought up comment about the words "Job Product"- what is that exactly?

-Lauren said there can be some language added to define "job product"

-William brought up that Elizabeth at Landrum would also be a good resource

-Lauren and JJ will speak with Thane about this during phone call on Oct. 1<sup>st</sup>- Lauren emailed Thane the question

**\*Nominating Committee Report:**

- Lauren reported that application process is open until Oct. 15<sup>th</sup>
- Lauren reported names of those who have expressed interest: Stephen Moody, Kelly Oden, Richard Weirick.
- Lauren emailed Rachel DeToro and Debbie Ioakim to see if they might be interested at this time
- Concern about any conflict of interests with owner of Pensacola Signs and Ballinger employee- board did not see these as issues
- Dawn asked about seating chart- one seat is open to be filled
- Lauren answered that all 3 seats start at same time period

**\*Executive Committee Report:**

- has not met

**\*Reorganization Committee Report:**

- Frankie said Dawn had report since she has talked to lawyer, Charles Liberis
- Liberis wants to meet with accountant, Tringas, again to review options
- Dawn said they would take us back to square one
- Discussion of how to move forward with engagement letter
- Dawn will email the letter to Liberis for review as our legal counsel- once she gets an answer she will email the board and William
- William has the letter and will send to board
- Frankie stressed that we need to take the step to get the research on this topic to see what best suits us
- Joy brought up consideration of added costs of employees and accounting
- Discussion of financial affect of reorganization- this will be looked into further once we get going on this

**\*Treasurer Report:**

- Dawn reported that taxes per year are \$183,000
- 401K
- Dawn said 401K transition needs to happen at calendar year-end
- William said need about 6 weeks to make the transition
- Discussion of if a committee needs to be formed: JJ and Dawn will look at the options with William and Joy
- Johnny asked if the money is at a bank: Dawn explained the different pieces that make the 401K work (administration and investment)
- Johnny brought up 2 things:
  - 1. asked if any funds are still with B of A- voiced that we should be some money in accounts with credit unions, since they are co-ops as well
- William explained why we can't work with credit unions
- Dawn said that bank that is giving us the loan makes us have our accounts with them
- 2. Investing 401K money with more green types of funds
- Lauren explained that this is a factor in wanting to switch 401K providers
- Dawn will work on 401K RFP for new companies
- Savings of about \$50,000 in sales tax exemption found - work between Tringas and Joy and William- Tringas told Dawn about it
- William clarified that it's on manufactured goods- like deli
- Dawn reported on her findings about volunteer discounts from her talks with our accounting firm
- sounds like possible confusion

---Joy said the email Dawn has sounds different than what she has- sent from same accountant  
---issues with gift cards being the only payment method that should be 1099'd  
---discussion of subcontractors and what that means based on IRS definitions  
---as long as we are under 38% discount amount  
---Kate said if a change  
---Joy, William and Dawn will email each other the documents they have  
---William, Joy and Thalia explained that keeping up with volunteer hours and their discounts on 2-week basis is very hard  
---Lois said if there is any way to go back to the way things were before, it would be great- since a wedge as been driven between members  
---Lauren said board wants to support volunteer program  
---Joy said she has read several places that any type of volunteer work cannot be compensated, so she has been going from that  
-Dawn asked if a construction account was opened  
---William said we did not, but everything is marked  
---cash is up? Joy said no it's fluctuated  
---is it because of cash draw?- Explanation given that yes  
---JJ brought up that we were down to \$50,000 because of waiting on loan draw  
---Dawn requested additional showing of expenses and amounts paid  
---JJ asked if anyone is looking at invoices line by line  
---William explained how this is done: several experts look at them  
---Dawn said we really need to look at overages  
-Dawn brought up that board is in agreement that we want financial information a week in advance (4 ratios plus debt-coverage ratio and EBITDA, balance sheet, etc.)  
-Next month: year end 3/31/13 compared to last year and some to 5-year and also September financials for review  
---Joy said that would be a crunch  
---Dawn said what about the Friday before the board meeting- agreed on  
-Audit: Dawn discussed this topic  
---gave Thane's recommendations  
---has been at least 15 years since last one  
---normal cycle has been review in 2012- so for fiscal year ending March 2015, we have an audit- Dawn will put together at RFP for this for estimates  
---for March 2014 year end she would like a targeted review of all funds that came in and out during expansion in addition to the scheduled compilation  
-Motion to have a targeted review of expansion funds and expenses in addition to already scheduled compilation for this March year-end and also consider an audit at end of the the 2015 fiscal year: Dawn  
-2<sup>nd</sup>: Lynn  
(Thalia asked if wording should be "included in compilation" or "in addition")  
-Vote: unanimous

**\*GM Report:**

-B5 (from August meeting): Voting in this month since we have had a month  
---Dawn made comment that we still have uninsured funds  
-Motion: JJ  
-2<sup>nd</sup>: Lauren  
-Vote: Unanimous

\*Discussion of how conversations should be taking place: email versus in meeting

---Frankie feels all things should be emailed

---Lauren discussed is how some things are worthy of talk in board meeting and that at this time in an atypical time since we are in expansion, rebranding, reorganization, etc.

-Lauren asked about discrepancies in August and September general comments showing different amounts

---mistake made this month, should have said September not August

---seen a ½ percent loss in July and then 3% loss in August and now to about 10% loss for part of September

---William explained that the July comparisons to last year are so different because in last July there was a major storm with store closure

-discussion of customer service, need to do a soft opening before the Nov. 23<sup>rd</sup> logo reveal meeting,

-board concerns over shopper satisfaction

-William said they will do anything to increase sales: comment made that

\*B3:

-discussion of issues with ratios-

-Lauren pointed out that on our monitoring chart from last September we were discussing these same ratio issues

---William will email the DC: the board has requested most current revisions of pro-forma and what board should adopt for ratios (i.e. expansion ratios and also what to go to after expansion)

-will discuss via email and vote at next meeting

\*General Comments:

-William gave update on expansion: moving right along- sheetrock and soon flooring

-Lois asked about the walkway, as Lauren and Johnny have- William said stepping stones  
---bricks with names

-Johnny asked about bookshelves in deli- William said somewhere near deli- the lending library---William said book sales are really down- Lois brought up that there aren't new books- for further discussion

\*Adjournment:

-Motion: Frankie

-2<sup>nd</sup>: Lynn

-Vote: unanimous

For October Agenda:

-B3: Ratios to be discussed in emails

-Committee compensation