



Finance Committee Meeting Minutes
May 27, 2015
Ten Pin Conference Room

Committee Members: Chris Copple, Dave Feral, Kate Lancaster, Fred Moore, Cheri Strong, and Steve Suttell
Excused: Jeremy Cotton and Jessica Unmack
Staff: Kelli Costa and Kelli Reese

Meeting started at 5:36pm by Kate Lancaster at the Ten Pin Conference Room

2014-2015 Fourth Quarter and Year-End Presentation. Kelli C provided an overview of the unaudited fourth quarter and year end summary. Discussion included:

- Unexpected expenses in G&A: repairs in EKA, ongoing Freon, attorney fees, repairs and maintenance. Major expense in fourth quarter was health care costs as noted in the benefits.
- KC explained how self-insurance works and we are working to build up a reserve to pay claims so they don't hit the bottom line. Going into this year we are looking ok for renewal in July. We expect to see about a 10% - increase. Stop Loss carrier paid out more than they collected from us last year, looking to have us continue with them to recoup some of the losses, it helps our position.
- Discussed other approaches to self-insurance including creating a health care co-op of CA co-ops. Steve noted with 3,000 people in the pool you wouldn't see the losses we see with only 190 employees. Cheri suggested looking at the Union insurance plan. Dave has seen it hit over and over again in fluctuations to the bottom line. Can we have a staff member explore it with other co-ops to see if there is interest or if it's even possible? Chris agrees there isn't a solution, he's taking it as opportunity to say the personnel costs we have aren't sustainable. The retained earnings dropped by half in one quarter. Fred would like more education for members on what balance sheet numbers mean so they don't assume the Co-op has money to give. Interest from Committee on researching possibility of health care co-op. KC will contact our Third Party Administrator, after which KR will contact other co-ops and look at interest in pooling together. Chris thinks it would be a huge effort. It seems out of reach in his opinion. KR, KC and Lisa can meet with the COOPS committee to go over the financials and get input on an approach to the issue.
- Balance sheet – cash dropped considerably due to health claims payout. Inventory went up slightly. Cash is currently back up to where it is normally.
- Ten Pin Income Statement for FY15 was reviewed. Committee in agreement that warehouse is working.
- Bank transition from UMPQUA to Redwood Capital going smoothly. Audit starts June 1 – 5. More prepared this year than we were last as it's the second year with the auditors.

New Business:

FY16 2nd Quarter C share dividend rate recommendation:

MOTION: Move to recommend to the Board for approval of the C share dividend rate (whole shares) to continue current interest rate of 2.00% APR for quarter ending September 26, 2015

Feral/Moore

MOTION PASSES 6/0/0/

continued...

Committee Charter Draft. Discussion included:

- Does the charter capture the purpose of the committee? Conversation on changes noted resulting in the updated Charter.
- KR recommends that the charter include that the staff liaison is non-voting member.
- Dave concerned with restricting the at-large member with the requirement of an understanding of financials, are we limiting who can be on the committee to who can attend? It was noted that any member can attend, but it could be important to have someone with financial understanding.

[Feral exits: 7:18pm]

MOTION: Move to recommend to the Board for approval of Finance Committee Charter.

Moore/Suttell

MOTION PASSES 5/0/0/

Chris is interested in continuing as at-large member. His last meeting would be the next one in August.

Member Input on Reports: no members present.

Next Meeting: August 19 at 5:30pm in the 10 Pin Conference Room.

Meeting Adjourned 7:28pm

Minutes submitted by Kelli Reese