

Board of Directors Special Meeting

March 25, 2016

12:00 pm

Attendance: Paulette Richards, Julia Garretson, Alex Lanham, Alan Pointer, Eli Mazet, Maria Moule, Willy Gibboney  
Excused: Maggie Quinlan, Kelly Durian  
Recorder: Diane McWhorter

Guests: Tom Borenor, Lynn Brown, Monica Kranzler, Tym Mazet, Paula Gourley, Colleen Bauman, Spirit Leatherwood, Craig Butler, Cecile Haworth  
Staff: Kimberly Cullen, Kim Still

Introductions and Announcements: Intros around the room. No announcements.

Agenda Review and Approval: Discussion over reversing the order of the agenda. [There were two items on the agenda: 1. Presentation of results from Budget/Personnel work session from March 10th. 2. Discussion: Consider votes made at the Board meeting on March 2nd and discuss information received since the March 2nd meeting, specifically the motion which stated: Raise the Market Managers to new Federal Exempt status on April 1<sup>st</sup>. It was passed 4-2 on March 2, 2016.]

A letter from a member was read expressing concerns about the decision to comply with the overtime reform before the implementation date, increasing the administrative assistant pay before seeing a draft budget, and cutting the advertising budget, plus raising fees without adequate notice. Staff explained the timeline and work done so far and suggested that the budget facts should be discussed before the motion consideration was discussed.

\*\*\*Motion: Rescind the Board vote of raising salaries to avoid overtime that was made at the last meeting (Julia/Maria) Withdrawn

Point of Order: The agenda has not been approved yet. No other motions can precede it.

\*\*\*Motion: Reverse the agenda items. (Julia/Maria) 5-1 (Alex) -0 Motion passed

\*\*\*Motion: Approve the amended agenda (Julia/Willy) All in favor 6-0-0 Motion passed

Discussion: Discussing the budget doesn't make sense without making the decision to begin the compliance with the overtime reform law over, to consider new information and fix faulty process. The continuing resolution was made so that the budget could be discussed at the next Board meeting, but the intention of calling this meeting was to address the process, not to do the budget work, in the minds of several members present.

\*\*\*Motion: Rescind the vote made at the last Board meeting about the raising to avoid overtime.  
Amended Motion: To change the wording to not go into effect April 1<sup>st</sup> but when the Department of Labor policy goes into effect. (Julia/Eli) 5-0-1 (Maria) Motion passed.

Discussion: Many felt strongly that it was not in the organization's best interest to budget on something that hasn't happened yet. The advertising budget should be restored. Businesses don't like to pay overtime, except in emergency situations. There are lots of reasons for 40-hour weeks including that overtime can result in decreased efficiency and is hard on workers. Prioritizing work and finding other

solutions to manage the workload is better. Salaried workers don't earn overtime, but sometimes they are given a workload that does not fit into forty hours. Many spoke in favor of the OT ruling and raising the salaries, just not until the required compliance date. Staff reported that overtime hours (if paid) in the calendar year 2015 would have totaled 445.25 hours, for the GM alone. Based on 2015 the estimate of overtime costs (if paid) would be \$13,553.41 for the GM alone. Raising salaries to the exempt level of \$50,440 is more affordable for the organization. Even with the rise in salary the hours worked should be made to be more manageable. Increasing the hours of the Administrative Assistant was a step to that end; there was not an Admin. Asst. for several months in the fall and winter of 2015-16. Opinions differed as to whether that job could have been filled by a person at minimum wage, a retired person or an AmeriCorps worker, or a person just beginning a career.

Point of Order: Discussion should be about the motion on the floor.

Overtime could be not allowed. The Managers are currently exempt. The Overtime Reform could pass, not pass, or be implemented at an unknown date. The Budgeting has always been conservative, and the organization cannot afford to pay the amounts until required by the reform law.

\*\*\*Motion: Call the question (Julia/Alex) 5-1 (Maria)-0

Vote on the motion: 5-0-1 (Maria). Maria wished to state that her abstention was in objection to the repeating of the process from the last meeting of voting on the motion before people were at ease with it, and she was very unhappy with the process.

Lynn advised the Board that there were managers' raises in process, through Personnel, that is currently in the Budget process. That will need to be voted on by the Board (in a closed session) at a later meeting when the Budget committee makes a new recommendation. Regularly scheduled raises are always a Saturday Market practice.

There was discussion of the purpose of tracking overtime in a salaried position. As a management practice it can illustrate areas where duties should be delegated, reduced or prioritized. The Fair Labor Act is meant to protect workers from being taken advantage of. The ruling will help the organization know what to pay in the future to keep pace with similar organizations.

The Budget was then addressed. Proposals to raise the tier fee to \$12 (and \$7), or to \$15 were discussed. Other items were considered by the Budget Committee to craft the whole budget, not just the overtime reform piece. There are several expense increases, including the increase in minimum wage, services, and other costs. The package proposed included four income increases:

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|--|-------------|
| 1. Raise the tier fee to \$12 for 8x8s, \$7 for 4x4s, and \$5 for strolling vendors. Total | \$12,103    |
| 2. Make a sq. footage adjustment for food booths at HM                                     | 462         |
| 3. Charge gas users at HM for the installation (\$91 each for 11 booths)                   | 1001        |
| 4. Increase HM fees \$3/day at 97% occupancy (proportional to space)                       | <u>9370</u> |

22,936

In addition, the Budget Committee recommended cutting advertising \$5000 along with some other minor changes.

Discussion: Although there are several reasons to think that less could be spent this season on advertising (more social media, more promotion by LCFM, and some grant writing that is being looked into, plus the demise of Lane Monthly and less spent on Unique Eugene,) many present thought cuts should not be made there. Sponsorship opportunities seem to be developing and will be explored. Guidelines can be made to decide which sponsors would work for the organization.

The Street Team is very active but some funding would be helpful. Cutting advertising does not seem wise, when rebranding is desired by many and promoting more will result in increased income for members with corresponding increases in the percentage fees paid. Examining the percentage fee should be the next step, as the honor system may not be working as well as it used to, and it is not regressive as the tier fee increase is. Increasing profitability of individual members can be done with workshops and sharing talent and expertise among members.

The Budget Committee felt that although a \$15 tier fee would be necessary in a few years, rolling it out in increments would be less painful to the lower-end vendors. Keeping Saturday Market an entry-level market is an important part of our ethos, and going up too far too fast could force people to quit. The objective is to keep the budget as bare-bones as possible. Raising more funds than needed is not something the committee members generally supported in their own discussions, although restoring savings from several years of loss would be desirable.

The current bottom line is in the red in this budget draft. Adding back the \$2000 or so from not increasing the salary level until July will help, but several thousand is still needed to provide a cushion, and reinstate advertising. There may be another adjustment needed in June if there is not enough funding.

One more way to increase income could be to require reserve vendors to come two times per month. The Task Force will discuss that again soon. Voluntary donations to an advertising fund could be established by those who could afford it. It could make sense to restore the SM Park Blocks part of the advertising budget, and wait on the HM part to see if more income materializes.

Savings have been eroded over the last decade, and the total reserves are only a fraction of the yearly budget. Often unexpected expense has occurred, such as moving the office, and weather-related decreases in income. No one remembers passing a budget with a negative bottom line.

\*\*\*Motion: Pass this budget with a raised tier fee of \$3 for 8x8, and 4x4, plus \$2.50 for strolling vendors, and reinstatement of the budget for advertising (Alex/Julia) (Friendly amendment kept strolling vendors capped at a \$2.50 increase) Withdrawn

The numbers were worked out: The total needing to be raised to prepare for OT reform \$21,580

Add advertising back in

5000

Total needed	26,580
Total deficit	<u>-22,936</u>
Still needed	3644

Assume no implementation of OT reform before July 1 2250

Then still in the red for 1394

Doesn't include the recommended raise in Budget process actual loss about 3000.

Restore half of advertising only add \$2500. Bottom line is then about \$500 in the black.

\*\*\*Motion: Set tier fees at \$13, \$8, and \$5. Reinstate Park Blocks advertising of \$2500. Pass the recommendations on the summary sheet as presented and amended by the Budget/Personnel committees. (Friendly amendments to add PB advertising back in and pass the rest of the recommendations) (Alex/Julia) 5-1 (Eli)-0 Motion passed.

Homework: Take a last look at the budget before the next meeting.

Discussion: A member who was sanctioned has appealed to a Board member who does not have the information to respond. He can be filled in by the GM. The Code of Conduct Task Force is working to clarify the process and policies for this type of incident. There will likely eventually be a grievance process for members, and in the meantime, since the situation is sensitive, it is best to keep it out of the public meetings unless all of the principals are invited to attend. However, there is no "gag order" on any Board member who wishes to bring issues to the Board. It is asked that all of the principals have the opportunity to speak for themselves and that the situations not be discussed in their absence, and that confidentiality be respected.

Adjourn 2:45 pm