

PINCO EXECUTIVE COMMITTEE MEETING

MAY 9, 2019

10:00AM

PINCO ADMINISTRATIVE OFFICES

44809 BEECH AVENUE

LANCASTER, CA 93534



AGENDA

1. SIGN-IN:

2. ADOPTION OF AGENDA

Adoption of May 9, 2019 Executive Committee Meeting Agenda as presented.

MOTION: _____ **SECONDED:** _____ **VOTE: YES** ___ **NO** _____

3. ADOPTION: EXECUTIVE COMMITTEE MEETING MINUTES OF APRIL 4, 2019

MOTION: _____ **SECONDED:** _____ **VOTE: YES** ___ **NO** _____

4. PUBLIC COMMENTS FROM THE FLOOR:

Public Business from the Floor – Agendized Items and Non-Agendized Items: The public is invited to address items on the PINCO Agenda or any item that is within PINCO’s jurisdiction as constituted. Without taking action or entering into a dialog with the public, PINCO Board members may briefly respond to statements made or ask clarifying questions about topics not on the PINCO agenda. Individual speakers are limited to three (3) minutes each with the total time for public input on each item limited to fifteen (15) minutes. All persons requesting to make comments are asked to complete a public speaking form prior to the meeting. You will be asked to provide your full name, who or what you are representing and the topic as an item identified on the agenda or as a non-Agendized item.

5. REVIEW/FORWARD: PINCO EXTENSION OF AGREEMENT WITH SYSCO FOODS OF VENTURA FOR 2019-2020

Background: Sysco Foods of Ventura has submitted its response to extend its agreement with PINCO for 2019-2020, including pricing on new items requested by Member Districts. This extension would represent the final option year under this agreement. There has been no change to the fifteen case/no-dollar minimum or lead times; off-line pricing terms also remain unchanged. Sysco Foods of Ventura has been responsive in addressing any service/product issues for Member Districts.

It is recommended PINCO’s Executive Committee review and forward the response of Sysco Foods of Ventura to PINCO’s Advisory Committee for consideration.

MOTION: _____ **SECONDED:** _____ **VOTE: YES** ___ **NO** _____

6. REVIEW/FORWARD PINCO EXTENSION OF AGREEMENT WITH P&R PAPER SUPPLY FOR 2019-2020

Background: P&R Paper Supply has submitted its response in extending the terms of current agreement into final rollover option year following the language in agreement. P&R Paper Supply has been transparent in providing documentation and information related to price increases as a result of ongoing trade disputes that have impacted the packaging supply industry. Vendor has made a commitment to PINCO to hold pricing throughout the 2019-2020 contract year and will reduce pricing if conditions in the market change during year.

It is recommended PINCO’s Executive Committee review and forward the response of P&R Paper Supply to PINCO’s Advisory Committee for approval.

MOTION: _____ **SECONDED:** _____ **VOTE: YES** ___ **NO** _____

7. REVIEW/FORWARD: PINCO EXTENSION OF AGREEMENT WITH FOOD SOURCE TRANSPORTATION FOR 2019-2020

Background: Food Source Transportation has responded to PINCO’s request to extend the current agreement into its final year per contract language. Vendor has requested of five percent increase per agreement language due to increased fuel, vehicle maintenance, insurances and support costs; increase would raise daily rate from \$741.00 to \$778.00 for each of the vehicles. In addition to providing outstanding customer service, FoodSource Transportation performs valued-added support assistance in warehousing services to reduce PINCO’s staffing expenses.

It is recommended PINCO’s Executive Committee review and forward FoodSource Transportation’s response to PINCO’s Advisory Committee for consideration.

MOTION: _____ **SECONDED:** _____ **VOTE: YES** ____ **NO** ____

8. REVIEW/FORWARD: 2019-2020 PINCO OPERATING BUDGET

Background: The proposed 2019-2020 PINCO Operating Budget takes into account current and projected revenues (food purchases/deposits) and adjustments made to expenses. Lead Agency will review budget at scheduled interims with PINCO Executive and Advisory Committees and make any revisions as required.

It is recommended PINCO’s Executive Committee review the proposed 2019-2020 PINCO Operating Budget and forward to PINCO’s Advisory Committee for approval.

MOTION: _____ **SECONDED:** _____ **VOTE: YES** ____ **NO** ____

9. REVIEW/FORWARD: PROPOSED 2019-2020 PINCO MEETING CALENDAR

Background: The following are proposed dates for PINCO’s Executive and Advisory Committee meetings in 2019-2020. Several Member Districts have requested combining the Executive and Advisory Committee meetings into one day to reduce out-of-office time. Meetings would be held at the Service Center in Bakersfield; Executive Committee with a 9:00 AM start time with Advisory Committee meetings beginning at 11:00 AM. Below are dates listed by month and follow Thursday scheduling that seemed to work best for Member Districts.

If the “single” meeting date option is selected, Membership would need to determine between the first/third weeks of each month.

September 5, 2019	September 19, 2019
October 3, 2019	October 17, 2019
December 4, 2019 Food Show Meeting – Lancaster	
December 5, 2019 PINCO Food Show – Antelope Valley Fairgrounds	
December 12, 2019 (Advisory Committee Only)	
January 16, 2020	January 30, 2020
February 6, 2020	February 20, 2020
March 5, 2020	March 19, 2020
April 2, 2020	April 16, 2020
May 7, 2020	May 21, 2020
June 4, 2020	June 18, 2020

It is recommended PINCO’s Executive Committee consider the following option/dates for the 2019-2020 PINCO meeting calendar and forward to PINCO’s Advisory Committee for approval.

MOTION: _____ **SECONDED:** _____ **VOTE: YES** ____ **NO** ____

10. UPDATE/AUTHORIZATION: LEGAL REVIEW OF PINCO EXECUTIVE COMMITTEE MEMBER SUCCESSION PROCEDURES

Background: PINCO's J.P.A./Policy Sub-committee met on April 29, 2019 to review Executive Committee succession procedures; from the discussion, Lead Agency voting responsibilities/rights prompted questions requiring legal counsel. The Sub-committee has requested Lead Agency to contact Borton Petrini to review proposed succession procedures and address voting responsibilities/rights questions with a "not to exceed" to be determined by the Executive Committee.

MOTION: _____ **SECONDED:** _____ **VOTE: YES** ____ **NO** ____

11. LEAD AGENCY SELF-EVALUATION

Background: Lead Agency to present annual self-evaluation.

INFORMATION ONLY

12. SUB-COMMITTEE REPORTS:

Commodity	Futures	Sunshine
J.P.A/Policy	Food Show	

13. REPORTS FROM EXECUTIVE COMMITTEE MEMBERS/LEAD AGENCY

14. UPCOMING MEETING DATES:

**2018-2019
PINCO Executive Committee**

June 6, 2019	PINCO Administrative Offices, Lancaster	Year in Review/Goals
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**2018-2019
PINCO Advisory Committee**

May 16, 2019	PINCO Service Center, Bakersfield	Budget/Calendar
June 13, 2019	PINCO Service Center, Bakersfield	Year-End General Session

15. ADJOURN:

MOTION: _____ **SECONDED:** _____

2019 - 2020 PINCO Proposed Operating Budget

Description	Object	Current Totals 18/19	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr*	May*	June*	Total **	18/19 Projected Budget	19/20 Projected Budget
Deposits	8677	14,148,638.40	1,449,778.00	977,785.00	618,522.40	1,722,070.00	1,338,984.00	1,427,266.00	2,245,875.00	1,234,492.00	1,496,656.00	1,390,138.71	1,390,138.71	1,390,138.71	\$16,681,844.53	21,525,500.00	21,414,195.00
Deposits F/S	8799	54,400.00														55,000.00	55,000.00
Interest	8660	66,443.37														50,000.00	70,000.00
Cash in Bank	9120																
Mgmt-Salary	2200	63,278.80	7,926.98	6,606.71	6,606.71	6,670.28	8,596.36	6,670.28	6,860.99	6,670.28	6,670.28	7,030.90	7,030.90	7,030.90	\$84,371.57	80,000.00	85,000.00
Director	2300	28,873.29	3,514.61	3,000.40	3,000.40	3,025.15	3,775.32	3,025.15	3,149.44	3,075.16	3,307.66	3,208.10	3,208.10	3,208.10	\$38,497.59	38,500.00	42,000.00
Staff	2400	275,555.67	25,040.87	25,654.15	25,707.14	35,594.98	39,796.32	30,570.56	31,349.36	30,775.62	31,066.67	30,617.30	30,617.30	30,617.30	\$367,407.57	400,000.00	410,000.00
PERS	3202	57,815.66	5,681.79	5,681.79	5,681.79	7,508.04	6,570.18	6,570.18	6,767.18	6,588.62	6,766.09	6,423.90	6,423.90	6,423.90	\$77,087.36	71,000.00	110,000.00
OASDI	3312	22,355.35	2,261.92	2,150.07	2,153.34	2,743.72	3,173.21	2,435.32	2,503.09	2,451.12	2,483.56	2,483.90	2,483.90	2,483.90	\$29,807.05	34,000.00	36,000.00
MEDI	3332	5,228.26	528.99	502.84	503.60	641.69	742.11	569.56	585.40	573.24	580.83	580.90	580.90	580.90	\$6,970.96	8,000.00	8,000.00
H&W	3412	106,489.26	0.00	11,893.21	11,893.21	15,063.39	13,527.89	13,527.89	13,527.89	13,527.89	13,527.89	13,311.10	13,311.10	0.00	\$133,111.46	142,800.00	157,000.00
SUI	3512	180.31	18.23	17.34	17.36	22.12	25.59	19.64	20.21	19.77	20.05	20.00	20.00	20.00	\$240.31	275.00	300.00
W/C	3612	10,517.20	1,043.38	1,009.18	1,009.98	1,295.31	1,492.01	1,151.62	1,182.92	1,158.91	1,173.89	1,168.50	1,168.50	1,168.50	\$14,022.70	18,500.00	16,000.00
Supplies	4300	13,014.68	1,260.33	1,925.45	1,207.08	1,452.85	1,141.08	444.00	2,168.92	1,658.27	1,756.70	1,446.08	1,446.08	1,446.08	\$17,352.92	40,000.00	30,000.00
Food	4710	10,706,118.72	137,927.62	1,699,730.39	894,020.32	2,157,340.22	1,332,486.57	715,800.91	1,332,763.92	1,468,651.06	967,397.71	1,189,568.75	1,189,568.75	1,189,568.75	14,274,824.97	16,902,000.00	16,000,000.00
Commodities	4720	100,508.10	10,814.40	21,175.80	0.00	13,085.10	17,208.90	0.00	32,908.50	5,315.40	0.00	11,167.57	11,167.57	11,167.57	134,010.81	150,000.00	150,000.00
Trav/Mileage	5220	3,896.67	0.00	0.00	0.00	1,334.17	281.40	0.00	398.35	0.00	1,882.75	432.96	432.96	432.96	\$5,195.55	5,000.00	5,000.00
Membership	5310	310.00	0.00	0.00	0.00	0.00	0.00	175.00	135.00	0.00	0.00	34.44	34.44	34.44	\$413.32	350.00	1,000.00
Insurance	5450	15,069.50	4,081.50	1,373.50	1,373.50	1,373.50	1,373.50	1,373.50	1,373.50	1,373.50	1,373.50	1,373.50	0.00	0.00	\$16,443.00	16,500.00	17,000.00
Gas	5510	333.86	7.92	8.19	8.74	9.14	8.74	30.28	69.62	93.63	97.60	37.10	37.10	37.10	\$445.16	600.00	600.00
Electric	5520	105,559.65	12,365.58	13,252.90	14,455.27	14,326.17	14,242.79	10,069.90	9,175.68	9,075.67	8,595.69	11,738.85	11,728.85	11,728.85	\$140,756.20	150,000.00	150,000.00
Water	5530	2,084.52	260.67	242.18	242.18	275.45	224.61	275.61	247.43	264.68	51.71	231.61	231.61	231.61	\$2,779.65	3,200.00	3,200.00
Disposal	5560	2,876.69	240.37	400.94	319.34	319.34	319.34	319.34	319.34	319.34	319.34	319.34	319.34	319.34	\$3,834.71	3,600.00	4,000.00
Pest	5570	2,650.50	294.50	294.50	294.50	294.50	294.50	294.50	294.50	294.50	294.50	294.50	294.50	294.50	\$3,534.00	3,500.00	3,700.00
Leases	5600	277,833.82	30,479.75	30,835.18	30,479.75	30,760.70	30,479.75	30,479.75	30,763.12	30,544.07	33,011.75	30,870.42	30,870.42	30,870.42	\$370,445.08	367,000.00	390,000.00
Whse-Lease	5610	293,967.00	32,663.00	32,663.00	32,663.00	32,663.00	32,663.00	32,663.00	32,663.00	32,663.00	32,663.00	32,663.00	32,663.00	32,663.00	\$391,956.00	391,956.00	436,956.00
Maintenance	5630	32,262.37	76.63	3,964.10	4,680.78	5,010.13	2,431.82	1,011.63	8,378.56	4,942.09	1,766.63	3,854.71	3,584.71	3,584.71	\$43,286.50	100,000.00	100,000.00
Contracts	5800	3,799.54	3,799.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	422.17	422.17	422.17	5,066.05	1,500.00	1,500.00
Legal	5810	120.00	0.00	120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	40.00	40.00	\$240.00	7,500.00	5,000.00
Audit	5820	5,646.89	0.00	0.00	0.00	0.00	0.00	0.00	5,646.89	0.00	0.00	0.00	300.00	0.00	\$5,946.89	6,500.00	6,500.00
Adv.	5830	7,603.31	0.00	195.00	857.10	2,358.00	0.00	0.00	0.00	2,700.00	1,493.21	844.81	844.81	844.81	\$10,137.74	3,000.00	11,000.00
Transp.	5880	696,570.00	74,130.00	77,805.00	77,805.00	77,805.00	77,805.00	77,805.00	77,805.00	77,805.00	77,805.00	77,805.00	77,805.00	77,805.00	\$929,985.00	933,660.00	976,295.00
LACOE	5890	2,051.50	0.00	0.00	0.00	1,025.75	0.00	0.00	1,025.75	0.00	0.00	1,025.75	0.00	0.00	\$3,077.25	2,125.00	4,000.00
Commun.	5900	4,506.53	1,828.65	333.36	334.83	342.27	335.94	115.83	550.70	331.90	333.50	500.78	500.78	500.78	\$6,009.32	10,000.00	12,000.00
Equipment	6400		0.00	0.00	0.00	41,311.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$41,311.00	41,311.00	41,311.00
Expenditures			356,247.23	1,940,835.18	1,115,314.92	2,453,650.97	1,588,995.93	935,398.45	1,602,634.26	1,700,872.72	1,194,439.51	1,429,515.94	1,427,136.99	1,413,525.59	17,158,567.69	19,932,377.00	19,213,362.00
Revenue			1,449,778.00	977,785.00	618,522.40	1,722,070.00	1,338,984.00	1,427,266.00	2,245,875.00	1,234,492.00	1,496,656.00	1,390,138.71	1,390,138.71	1,390,138.71	16,681,844.53	21,630,500.00	21,539,195.00

* Monthly average based on nine-month totals

** Total(s) include Interest & PINCO Food Show Deposit(s)

Changes in budget amount

\$45,000.00 Increase represents proposed restroom renovation

**Pinco Lead Agency Self-Evaluation
2018-2019**

	Meets	Below	Comment Section
	Standards	Standards	
Accounting			
Budget Approval	X		Membership approved budgets are processed and managed through LACOE.
Overage Approval 10%	X		No issues identified.
Marketing Fund Maintenance	X		Funds managed and expensed according to Co-Operative's need and Membership approval.
Independent Audit Distribution	X		Available upon request.
Twice Yearly Fiscal & Inventory Report	X		All protocols followed in regard to inventory reporting and expense adjustment(s)
General Fund Maintenance	X		Budgets monitored throughout year with any adjustments performed at 1st/2nd Interim(s).
Establish Fund Balances per District	X		Member District required fund balance(s) maintained according to J.P.A. requirements.
Limit Purchases Per Fund Balance	X		Expenses within J.P.A. guidance w/ notification & approval procedures adopted this year.
Maintain 30 day Invoice Payment	X		Following schedule.
Purchase Orders	X		Following all approval timelines at/ahead of required payment date(s). No Late Bills!
Vendor Discounts	X		2018-2019 Early Payment Discount total \$34,867.00 through May 3, 2019.
Document Maintenance	X		Documentation archived/available as required-needed for CDE-Agency-Audit review.
Bids/Contractors			
Write Specs	X		High level of Sub-committee participation in developing 2019-2020 RFP's.
Prepare Bids	X		Solicitations met/exceeded CDE-PRU requirements.
Provide Accurate Usage Figures	X		All usage figures and data provided in PINCO RFP's accurate and verifiable.
Award Bids	X		Revised Best Value Scoring matrix used in PINCO's 2019-2020 RFP's.
Spec Sheets	X		All products solicited by PINCO follow USDA/CDE NSLP-CACFP regulations.
Nutritional Review by RD	X		Allergen listing and additional data available on website for Member District's use.
Pinco Food Show	X		A well-received/orchestrated 2018 PINCO Food Show netted \$30,919.27.
Comply with Federal & State Regulations	X		No issues. PINCO working directly with PRU; previewing/vetting RFP's and agreement language prior to solicitation.
Commodities			
Executed Assignments of Fair Shares	X		Member Districts received full entitlement/allocations based on J.P.A. fair-share allocation.
Eligible to Receive	X		Service Center meeting all requirements of USDA Receiving Agency status.
Ordering, Receiving, Storage & Distribution	X		PINCO provided all services required by Member Districts to maximize USDA entitlement.
Credits and Adjustments	X		Members did not experience loss of inventory value as a result of annual internal adjustment

**Pinco Lead Agency Self-Evaluation
2018-2019**

	District Assignment Termination		N/A
	Commodity Monitoring	X	Service Center providing on-going commodity tracking for Member Districts.
	Manage Member Districts Usage	X	PINCO & Commodity Sub-committee currently reviewing/updating Sweep Policy.
	Inventory Maintenance	X	Service Center increasing notification with new nine-month/best-by storage timelines.
	Comply with Federal & State Regulations	X	In full compliance in facility and document regulations.
Communication/Meetings			
	Schedule Meetings	X	All scheduled meetings held in 2018-2019 per approved calendar.
	Minute Distribution	X	Minutes distributed with upcoming Meeting Agenda(s) for review prior to approval.
	Minute Format	X	No issues identified.
	Training	X	LA and Service Center Staff provided Member Districts with training as needed.
	Roberts Rules of Order	X	Progress made at each meeting to complete adherence to Roberts Rules of Order.
	Quorum	X	Quorum met at all PINCO Executive and Advisory Committee meetings in 2018-2019.
	Agenda Items	X	Member Districts have opportunity to request items/topics for Meeting Agenda(s).
	Vote Approvals	X	All action items carried out as Executive and Advisory vote(s) dictate.
	Timely Notifications	X	Calendar posted on PINCO website; Members notified of special-schedules as required.
	Liaison w/CDE	X	LA communicates/updates Member Districts in all aspects of USDA Foods guidance in its on-going activity with CDE.
District Management			
	Annual Accounting of PINCO Fund	X	PINCO's revolving fund maintaining a balance above J.P.A. required levels.
	Voting/Alternative Representation	X	Member District Representative and Alternate voting rosters current and up-to-date.
	Monitor District Adherence to JPA	X	LA working with Executive Committee and Member Districts as needed to address any issues.
	Mediation of Disputes w/Bidders	X	No formal challenge to PINCO award or vetting process(es).
	Manage Withdrawal Process	X	No issues.
	Time Management (PINCO vs AVHSD)	X	Chairman honors all PINCO responsibilities/obligations within work schedules.
	New Member Orientation	X	PINCO Staff provides support to all new Member District Representative/Staff as requested.
	District Accountability	X	PINCO received a positive certification with no findings in its 2017-2018 audit and assisted Member Districts as needed in their Administrative and Procurement Reviews.

**Pinco Lead Agency Self-Evaluation
2018-2019**

Warehouse Management			
	Supervision	X	PINCO Management and Staff receive on-going support from LA and Governing District.
	Hiring	X	LA adheres to all Governing District Policy re: Personnel recruitment.
	Overtime/Extra Time	X	No overtime experienced in 2018-2019.
	Salary Transparency	X	No issues.
	Training	X	PINCO Management and Staff met all training requirements.
	Evaluate Employees	X	LA follows all Governing District procedures/timelines in presenting evaluations.
	Commodity Management	X	Service Center continues to be a model for CDE and other RA's in commodity management.
	Inventory	X	Member Districts have up-to-date information with inventory/pounds at all times.
	Record Keeping/Internal Controls	X	All SOP's followed per USDA & California Department of Public Health requirements.
	EPDS- End Product Data Sheet		RA- Receiving Agency
	JPA- Joint Powers Agreement		RD- Registered Dietician
	LA- Lead Agency		SOP- Standard Operating Procedure
	LACOE- LA County Office of Education		TLS- Total Lunches Served
	PD- Professional Development (per USDA)		BVS- Best Value Scoring
	*Dollars saved determined by vendors giving early payment discount		

PARTNERS IN NUTRITION CO-OPERATIVE
2018-2019
YEAR IN REVIEW

PINCO Member Districts have continued to maximize its use of USDA Foods through active entitlement use throughout 2018-2019. In addition to meeting its fiscal and contractual obligations, PINCO provided support for thirteen Member Districts scheduled for Administrative &/or Procurement Review(s) in 2018-2019. PINCO provided Member Districts all documentation and any information needed in compliance of USDA Foods management, storage and procurement of said products. In addition to furnishing paper reporting as part of the Review process, PINCO also facilitated inspections of the Service Center and outside storage facilities with no issues reported.

Over the past year, PINCO and its Sub-committees worked closely with the Lead Agency in a variety of operational studies and activities. This increased engagement has raised awareness and appreciation for the behind-the-scenes work performed by PINCO and its Staff. Below are a few highlights for PINCO and its Member Districts over the past year:

Facility Agreement- In advance of the term-end of PINCO's warehouse lease agreement with its Landlord, R&R General, the Lead Agency worked with PINCO's Futures Sub-committee to review facility and storage options. The Sub-committee worked with the Lead Agency reviewing detailed analysis of current facility expenses in comparison to proposed alternatives. In the end, PINCO negotiated a ten year lease extension with an additional ten year option beginning July, 2019 at the current base rent and "cap" terms. Additional extension language provides facilitation through R&R General for any Member-Approved tenant improvements avoiding responsibility under public work contract guidance. In 2018-2019, R&R General facilitated the repair and expansion of PINCO's driveways and loading docks in this fashion saving Member Districts over \$40,000.00 and ensuring the work met the expectations of the Landlord.

Department of Defense Produce Program (DOD) - In 2018-2019, Member Districts approved the use of USDA entitlement in the DOD Produce Program. DOD allows qualifying agencies to use USDA entitlement dollars to purchase domestically grown fresh produce at the same fair market value rates PINCO works with other USDA commodities (most DOD items come directly from California).

PINCO opened DOD accounts for Member Districts in April with fair-share diversion of its remaining 2018-2019 entitlement balance (\$348,000.00). Early reports from Member Districts have been very positive with the quality of produce and level of customer service/support received from the Vendor.

PINCO Notables in 2018-2019 - Member Districts developed/adopted Policies and procedures in 2018-2019 in the following areas to improve efficiencies and controls involved in the decision making process(es):

- Notification timeline in adherence to J.P.A. financial responsibilities
- Acquisition and use of USDA entitlement
- Approval process for facility projects and repairs
- Sunshine Committee activities

As PINCO Chairman, I could not be more proud of Staff's performance in meeting the needs/expectations of its Member Districts. PINCO's commitment to customer service is, and continues to be a model in K12 USDA Food management and distribution. Everyone at PINCO appreciates Member District's acknowledgement for the work we do in helping them to "their work" in nourishing our youth the right way with USDA.