

UMKFCFA Business Meeting – October 10, 2017

TradeWinds Island Grand Resort – St. Pete Beach Florida

President Bryan Robinson welcomed everyone to the meeting and beautiful (but hot and humid) Florida. This is our annual business meeting, and our biennial election of officers and state directors, and to go through our business for the year. As we only have 3 meetings per year, it is important to discuss where we are at and bring everyone up to date.

On a motion by Bob Clawson and a second by Terry Robinson, the minutes from the convention meeting were approved unanimously.

Bob handed out the Treasurer's report and on a motion by Bob and a second by Pete Wasilevich, the Treasurer's report was unanimously approved. It was suggested that we come up with a mission statement for what we want to use our treasury for.

Kevin gave the Secretary's report- We have a full vendor show and 50 attendees from our region. Income higher than it would have been last year. The hotel has been wonderful to work with here. Full attendance very similar to recent years. Consolidation is continuing to hurt overall attendance, so it's important to help vendors understand that there are fewer people representing the same number of restaurants. Please take the time to talk to all the vendors who make these meetings possible.

Bryan gave the membership report. 97% of the restaurants and 90% of the franchisees are members of the region. We have always been a very active region, and nationally we have had great representation. It's critical to keep our members involved and our bench full.

Bob gave the nominations and the slate of officers. Jason talked about how it's not difficult and it will be rewarding. Bryan talked about how it is a great learning experience. We put a lot of emphasis on building our bench and getting people ready for what their responsibilities will be.

AKFCF report – Bryan - Convention preparations are coming along well. The Theme is KFC Prime Time, with a TV format. They have some great ideas to carry that through. Early registration ends December 31. They have 3 external speakers,

including Doug Lipp, Jabez Labret, and Scott Zimmer, who is going to talk about millennials in the workplace. One of the workshops will be a round-table of “Best of the Best” winners talking about what they do to get their high standards. The big night entertainment is going to be “the Band Perry.” The auction will benefit the KFC Foundation, to support the GED and REACH programs and the help for Team Members in need. Chip is here doing filming of people to use in the advertising of the convention. Greg Atwell has been working on getting the Canadians involved again in the AKFCF. The other initiative is to reach out to the 50+ store operators to see how the AKFCF can work better with them. There is going to be a large operator summit in Chicago on November 1-2 to try to understand how we can help them and work better with them. Another initiative which we have talked about before is with the lack of local co-ops meeting all the time. We are losing that sharing of best practices that we used to have on a regular basis. The Education committee has been tasked with coming up with ideas to share best practices. Bob, as he transitions to President again, has talked about working on this next year. We think this needs to happen in the regions first. There were also a lot of hot topics discussed, such as \$5 fill-ups and how we keep them feasible from a cost standpoint. The future of sandwiches. Changes to the GAC to focus more on the PAC and regional issues. The Partnership committee has made some tweaks to the survey and KFCC is partnering well with them. This will come out November 1st and there will be a two-week window to take the survey. Kevin Hochman is very engaged in this himself this time. Michelle is going through one of the toughest times ever for the Quarterly. They are going through the RFP process and haven’t made a final decision yet on who the new publisher will be. The IT committee talked about improvements in Merit and that the final chip software has been finished and is being rolled out through the rest of the year. They didn’t see any issue with SWS with the chip software. Brandon will be doing a presentation on IT on Tuesday afternoon during the NCAC report. Joan and the Leadership Development committee are doing workshops with the future leaders so that they are ready for speaking to large groups. Ron will also have a very interesting legal report.

Bryan went through the next few convention venues and dates. He also went through the next spring meeting at Mystic Lake outside of Minneapolis in April. Jason talked about the site visit he did and the fantastic facilities they have. Justin

suggested Justin Patton as a speaker next spring and Dale thought that the millennial speaker sounded like a good idea. Then in the fall we will be going back to Denver where we were two years ago. That next spring, we will be going back to the Isle in Bettendorf where they have a new casino, which Bob has seen and is a huge improvement. Then in the fall of 2019 we will be going back to Savannah for another try. The 2019 convention will be at the Rosen Shingle Creek in Orlando. The 2020 convention will be at the Opryland Hotel in Nashville, and the 2021 convention will be at the Gaylord National in Washington D.C.

Matt Lathrop from the YUM Government Affairs came to talk about regional issues. Crady DeGolian is our regular state and local affairs person but he was not able to attend. YUM's strategy from a state and local standpoint has been to try and stop those governments from passing laws that treat those local franchisees differently. They are working on local tax credits for Harvest, for building, etc. These are things that will help as well as fighting off new restrictions. For example, in Iowa they passed pre-emption of local minimum wage this year. In Minnesota, there are huge challenges. Their pre-emption bill was passed by the legislature but vetoed by the governor. They are talking about a high minimum wage in Minneapolis and they also have limited our packaging choices. It is a very tough area from a restriction and wage standpoint. You will hear from Crady, asking for your help when this comes up.

In Illinois, the governor has been fighting with the legislature and vetoed a \$15 minimum wage. Chicago has been a real problem with both the soda tax and minimum wage. There may be support to do away with the soda tax. If it is overturned, that will be a huge win for us. (Since the meeting it was overturned) Governor Rauner's office has also had a lot of turnover and that has hurt his ability to get more done.

Leslie said that in New York it was recently passed that you can't change a person's schedule once it is posted, and you must post your schedule's at least 2 weeks to a month in advance. If you change their schedule you still must pay them for what had been scheduled. In San Francisco, if you bought a business, you had to keep all their employees for at least 6 months, and you couldn't hire a new person unless you offered the new hours to the existing employees in writing.

Bryan talked about how dedicated the members of the GAC are, and the great work they have been doing.

Nominations – these are for a two year term November 1 – 2017 thru October 31, 2019.

Bob Clawson for President

Jason Zakaras for First VP

Vijay Patel for 2nd VP

Noah Hommerding for Immediate Past President (since Bryan will be AKFCF President)

Sharon Clawson for Treasurer

Kevin Schlutz for Secretary

Julie Harrigan – Director for Illinois

Gene Duenow – Director for Minnesota

Jerry Zakaras – Director for Nebraska

Mike Kohlman – Director for Wisconsin

Peg Duenow – Director for Iowa

Ron Coulter – Director for the Dakotas

Terry Robinson – Director for Indiana

Other Directors are elected representatives on other election cycles

Bryan asked for nominations from the floor.

On a motion by Pete Wasilevich and a second by Scott King, the nominations were closed.

On a second motion by Pete Wasilevich and a second by Scott King, the slate was elected unanimously.

Bob – the lack of co-op meetings has really left a gap in sharing best practices, so at our spring RGM meeting in Minnesota, since it will be too cold to golf that first

morning, we are proposing to have an Operator's Forum for the first half day in an attempt to share best practices. We will try this and see where it goes from there.

Bryan went through the rest of the agenda for this week.

Dale asked about field training. We all do the Learning Zone, but what about more local training for our management teams and ARLs?

Bryan said that they are taking Keystone and Capstone on the road to local areas to get better participation. Instead of having to send people all the way to Louisville. Recently, they split the regions in an odd way and Jason is concerned that they won't be able to do the same amount of training. Jason would like to work with other franchisees and work on training our future management people. Bryan said that they are working on a new Shift Supervisor module for Learning Zone, but it isn't ready yet.

Gene said that getting your people through Keystone is money well spent. He knows that Justin and Jason both send all their people through that program, and they convinced him to do that as well. It helps them to deal better with people.

Noah was talking yesterday about the Pot Pie promotion and really ramping up your pulled chicken storage for that promotion. If you don't start now, you won't have enough. The other thing is making sure the restage is stored correctly, so that it cools down quickly, and you don't get hit with a critical for storing incorrectly.

The Pot Pie procedures are changing. In mid-November, we will be switching to a dry mix with added hot water and then frozen vegetables and pulled chicken. Then that mix will be good in the tins for 2 days. Then you don't have to worry about how long it takes to thaw.

Noah – you might start hearing about a new bulk pre-made cole slaw. No more mixing, but it's probably at least 6 months out.

Pre-packaged cookies – they are working on pre-packaged cookies that are frozen and you put them out to thaw and no baking or bagging.

Fryer safety checks – if you haven't started that, you need to get started now because it must be done by the end of the year as a Brand Standard.

There is the safety check and the preventative maintenance. They are very worried about people waiting to the end and then not being able to get parts to finish. KFCC has made this a brand standard and they are not going to mess around on it. Ron will talk about this more on Thursday morning. The Henny Penny fryers are much more difficult. You go through an online training to get your credentials to do the app which is where you report that you have done the checks. You could also use a third party. Then next year they must be done by the same date you certified them this year.

By Friday, you need to order sauce bottle holders for your lines. The best one goes in that section where the Star grill was slated for. Then there is a cookie holder that goes with it. Together, they are around \$120. There is another option that goes on the line but it takes away from the space you use to pack the order.

Terry asked about how much pulled chicken was needed before the promotion starts. Bryan has estimated 150-200 pounds or more is necessary. The last time we did this some stores sold 100 a day. Two pounds makes 11-12 Pot Pies.

Question about Lendlease – they will be here tomorrow, in the Chart room from 9-5 for individual discussions.

A motion to adjourn was made by Pete and seconded by Rodger.

K