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6 **FA Board of Directors Meeting Agenda**
7 **April 15, 2008**

8 **Board Members present:** Chris Bentley, Steve Albright, Dave Hockman-Wert, Toni Hoyman, Mark Reed, Liz Kelly,
9 and Fred Heil
10 **Board Members absent:** None
11 **Staff present:** Michele Adams, Donna Kaiser
12 **Board Advisor:** Marcia Shaw
13 **Owners present:** None
14 **Consultants present:** None
15 **Scribe:** Kevin Oder
16 **Handouts:** None

17 Board President, Chris Bentley, opened the Board meeting at 6:30pm.

18 **I Owner Comment:**

- 19 • None

20
21 **II Approval of Consent Agenda:**

- 22 • Removed the March minutes in order to review the patronage dividend motions.
23 • The purpose of the topic originally on the agenda as an executive session (Director's Code of Conduct) doesn't
24 seem to meet the criteria set out in the G policy for a closed session. Agreed, will discuss in open session.
25 • Removed the GM report on the revised Grievance Policy from consent.

26
27 **Motion 4-2008 (#1) Motion to adopt the consent agenda items as written including: approval of April Board**
28 **agenda without the executive session, approval of committee meeting minutes, approval of the Finance committee**
29 **motion on Funding of External Monitoring Reports, calendar and timeline, and approval of GM report except for**
30 **the portion on grievance procedure. Toni / Steve 7-0-0 Motion Passes**

31
32 **III Approval of Minutes:**

- 33 • Attorney Laddie Lushin has indicated that the wording of the motions on patronage were not as precise as he
34 felt they should be and that it would be better to redo the motion. There has also been a change in that the board
35 now intends to return 100% of the dividend without retaining any portion as the amount is less than originally
36 anticipated. As the March minutes accurately reflect what happened at that meeting they will not be changed.
37 A new motion to replace the March motions will be made at this April meeting in its stead.

38
39 **Motion 4-2008 (#2) Move to direct the General Manager to issue patronage dividend distributions of \$26,783,**
40 **which represents the entire amount of distributable net savings derived from owner purchases in 2007 with no**
41 **retention. Dave/Toni 7-0-0**

42
43 **Motion 4-2008 (#3) Move to approve the March board minutes as written. Dave / Fred 6-0-0**

44
45 **IV Announcements and Affirmations:**

- 46 • Mark thanks to Toni for writing the board report for the April Thymes
47 • Mark's boat is kept very close to where the CCMA conference is being held in June and he is offering a scenic
48 cruise to those board members who'll be attending.
49 • Mark Reed's plans have changed so he will not be resigning early and will finish the last year of his board term.
50 • Chris won't be able to attend the CBLD conference this weekend.

51
52
53 **V Board Calendar and Timeline:**

- 54 • No comments

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56
57 **VI Committee/Meeting Reports**

58 *Questions or Comments*

59 **Executive Committee:** no comments
60 **Owner Relations Committee:** no comments
61 **Board Development Committee:** no comments
62 **Finance Committee:** no comments
63 **Policy Governance Committee:** no April meeting
64

65 **VII ORC Ideas for Increasing Voter Participation**

66 ORC has submitted their suggestions for improving voter turnout in the upcoming board election. These suggestions
67 were also sent to BDC to get their input. ORC has agreed with BDC's input except they would still like to have some
68 vote count monitor, like a thermometer. Judy Forgey has advised Donna Kaiser that BDC can provide a rough count of
69 ballots when the boxes are emptied by the teams on Fridays. The May 3rd Board chat at both stores that will focus on
70 what the Board does and encourage voting. Donna is looking for two volunteers from the Board for May. Steve
71 Albright volunteered for the North store and Toni volunteered for the South store. (ORC will not be hosting a chat in
72 June.) The board supports the ideas as decided on by ORC and BDC.
73

74 **VIII Owner Meeting**

75 The owner meeting will be Sunday, May 18 at the Chintimini Senior Center. Don Kahle will be emceeing the meeting.
76 He emcees the Eugene City Club and the KSR race. The ORC felt it would be good to have a neutral facilitator to help
77 the owner meeting run smoothly. He will meet with managers prior to the meeting to become familiar with issues that
78 might arise. Section 400 of the board manual has a lot of concrete guidelines that should be reviewed at the beginning of
79 the meeting. The plan is to have some table discussions first before the floor is open to general comment. He will
80 moderate the length of comments so that everyone has an equal opportunity to participate. A list of possible table
81 topics will be available to choose from. Suggestion to have note-cards available for owners to write questions and
82 comments on that the moderator would group together by topic and read so that owners who are uncomfortable speaking
83 in a group can still give their input. Any additional suggestions can be emailed to Mark Reed.
84

85 **IX Report on Chocolate Purchasing Policies**

86 Retail Operations Manager, Jim Dobis, made a presentation following up on the labor issues that have been raised about
87 pooled chocolate products. Jim reviewed the Product Selection Guidelines, the history of their development, and how
88 staff applies these guidelines in the store. Jim also went over the checklist of factors that buyer's use when they evaluate
89 whether or not to carry or product. All of the factors are considered and weighed against each other in the final analysis.
90

91 Jim's article in the April Thymes lays out details for switching the products carried by the Coop away from pooled
92 sources. The plan is to have all products that contain chocolate to be source verified by October 2008 (World Fair Trade
93 Month). Chocolate and candy products were labeled with their probable sources in March and they are almost ready
94 now. Jim is now going through the list of all of the products that the Coop carries that contain chocolate or cocoa
95 powder and a letter will be sent out to each of these producers to find out what the chocolate source is that they're using.
96 These letters will go out in July and to have their responses back by the deadline which has been set so that their will
97 then be time to switch over to source verified by October.
98

99 Local producers, Burst and La Mancha, have been using pooled chocolate in their products but they have told Jim that
100 they will produce source verified products for the Coop to carry in the store.
101

102 Owner William Hormann was advised of this presentation, but was unable to be present. This information is also in the
103 April Thymes. A letter will be sent to him thanking him for bringing the issue to the Board's attention and letting him
104 know that management is following up with reference to the Thymes article information.
105

106 The Board appreciates management's follow-up on owner product concerns. Thanks to Jim for this presentation and
107 helping the board make the connection between the product guidelines and how they're applied in the store.
108

109 **X Travel Arrangements for NCGA Seminar**

110 Toni sent an email out to everyone who's attending with all of the travel details to ride in the van to the training in
111 Portland. Toni will be driving the van. The plan is to meet at the Coop at Saturday morning at 6am. There will five
112 candidates coming to the training along with the Board.
113

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115

116 **XI Consumer Cooperative Management Assoc. (CCMA) Conference**

117 The CCMA conference is being held in Portland June 12-14. This is a really great conference and a good opportunity to
118 network with other coop boards. There is an entire tract devoted to coop board issues. Suggest those going to CCMA
119 stay in Portland near the conference site to take advantage of all of the extra curricular activities and opportunities to
120 network with other board members from around the country. Provender is also a good conference, but more trade
121 oriented. Provender is scheduled for October in Hood River. Let Michele know if you are interested in attending. There
122 is an early bird discount and a group discount. The election is after the early bird discount, but newly elected board
123 members will be asked if they would like to attend at the time they're advised of their election to the Board so they can
124 be registered in time. Fred will advise Michele after the election which new board members to register.

125
126 **BREAK (8:45-8:55)**

127
128 **XII L4 Policy-Financial Planning**

- 129 • Question about the report example on page 59 – why are the figures in the two columns the same?
 - 130 ○ YTD at the end of January only includes the month of January, so they're the same for that one month.
 - 131 Starting in February they'll be different.
- 132 • Your report indicates an owner wants to loan us money.
 - 133 ○ Yes, the Coop will probably need to borrow money for capital in 2008 and I would rather borrow from
 - 134 an owner rather than a bank. This owner already qualifies under the SEC.
- 135 • What's the procedure?
 - 136 ○ We just fill out a form with the information and submit it.
- 137 • Is there any conflict of interest with an owner who loans us a large amount of money?
 - 138 ○ No as it's still one owner / one vote. How much they loan doesn't give them any additional influence
 - 139 on operating decisions.
- 140 • What about opening it to all owners?
 - 141 ○ If we were to do an expansion we would do that, but we only need a small amount of money at this
 - 142 time and this person already meets the qualifications whereas a full owner offering would require
 - 143 going through the entire SEC process again.
- 144 • What do you intend for interest rates?
 - 145 ○ We'll offer them a standard bank rate at the time of the loan.
- 146 • #8 – Didn't find data on pricing policies.
 - 147 ○ Margin guidelines are the pricing guidelines. The current margin guideline is based on the median
 - 148 margin for stores of our size from the Cooperative Grocers survey.
- 149 • #9 – You used the word “acquisition” instead of rents?
 - 150 ○ Should have been “lease”
 - 151 ○ This request for the Board approval seems to be buried in the middle of a report and should be a
 - 152 separate agenda item and motion. It shouldn't be approved as part of the board's acceptance of the
 - 153 policy report.
 - 154 ○ A lease that is within the guidelines and doesn't need board approval could be compliance date.
 - 155 ○ As information it's fine, but a request for approval or guidance should be a separate agenda item. A
 - 156 limitation report is to show past compliance not ask for future approval.
- 157 • #12 – Didn't see a statement of what the performance standard is.
 - 158 ○ The performance standard is the budget.
- 159 • #5 – When would the president's signature suffice instead of the full board's approval?
 - 160 ○ In the case of an emergency when a decision must be made and the full board cannot be convened..

161
162 **Motion 4-2008 (#4) Motion to accept the L-4 Policy as submitted. Dave / Steve 7-0-0 Motion passes.**

163
164 **XIII L4 Policy Review**

165 *Revision date 11/20/2007*

166 The policies are getting put back on the website in the governance section. Policy maintenance will be added to the old
167 business section at the beginning of each board meeting so that manual updates are handled consistently. This policy
168 was just revised in November and there were no changes suggested.

169
170 **XIV New Board Transition**

171 Five new board members will be coming on in June. Would like to brainstorm ways to keep moving forward and
172 incorporate the new board members into the current workflow. Chris discussed this with Mark Goehring to get his
173 suggestions. He suggested the CBLD training which many of the candidates are taking advantage of. The Board can
174 help by modeling good practices right away, such as sticking to the times on the agenda and good meeting procedure.

175 Agendas could be re-prioritized to take some of the long agenda items off of the agenda for awhile and give more time to
176 go over standard business items more in detail. If someone's bringing an agenda item, they should be prepared to give
177 more background on the topic to bring the new members up to speed. Another idea is to provide a semi-social activity to
178 get to know folks better, possibly offsite. Give more time to the first dinner together in June, before the first meeting, to
179 and some questions to get familiar with how each person views their role on the board, problem solving skills etc. Have
180 a professional trainer come and provide a communication training for board members so that board work can move
181 forward and not get bogged down in unfruitful communication traps.

- 182 • Judy is doing a new board member training on June 9th.
- 183 • After the first training, maybe at a social gathering, get feedback from them about what else they feel they
184 need..
- 185 • Model well what we've learned over the last few years. People will tend to follow what they see done.
- 186 • Using the Policy Governance Review form to emphasize this policy review procedure..
- 187 • Returning board members could be here promptly for dinner so that there can be a semi-structured get to know
188 you session. A longer dinner time – from 6-7 for the June & July meetings.

189
190 **XV G7-Directors Code of Conduct; G3-Board Job Description**

191 These reports weren't ready in time for the meeting. While some members are aware of the assignment and just haven't
192 had time to write the report, others were unaware of the assignment. Chris will update the assignment tracker and work
193 with the new scribe to keep this tool updated and sent out to board members so they know what upcoming assignments
194 they are responsible for.

195
196 **XVI GM Report on Grievance Policy**

197 As a follow up to the HR audit that was reported on in January, the GM has included a copy of the updated Grievance
198 Policy in her April board report along with the auditor, Carolee Colter's review of the revised policy. The old policy was
199 given a rating of 3 by Carolee and this new policy has been given a rating of 4. Originally Carolee had suggested an
200 arbitration option be offered, but as Oregon law does not allow the employer to have the employee share in the costs of
201 paying for the arbiter, the GM has decided not to include that option in the policy. There were some who were
202 disappointed that the policy didn't provide for a grievance committee which would have some non-management
203 members. The board was reminded that the updated Grievance Policy is being provided for information only and that
204 the policy is not up for review by the Board at this time. The L1 policy will be reported on again in January 2009.

205
206 **XVI Director's Code of Conduct**

207 The GM has heard from a couple of owners that some board members have been making negative comments about her.
208 While this is hearsay and no further investigation will be made at this time, all board members are reminded that it is
209 inappropriate for any board member to discuss the GM or other Board members with regard to their Coop work or
210 perceived performance. It important to the health of the Coop and the work that we do that all board members hold
211 themselves to the highest standards of conduct. The importance of adhering to this policy (G7) will be emphasized with
212 new board members as well.

213
214 **Meeting Adjourned 9:20pm**