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## FA Board of Directors Meeting June 17, 2008

6 **Board Members present:** Toni Hoyman, Mark Reed, Liz Kelly, Chris Bentley, Greg Alpert, Camille Freitag, Fred  
7 Heil, Larry Plotkin, Bettina Schempf, Rebecka Weinsteinger  
8 **Board Members absent:** None  
9 **Staff present:** Michele Adams, Mark Tarasawa, Donna Kaiser, Jim Dobis  
10 **Board Advisor:** Marcia Shaw, Judy Forgey  
11 **Owners present:** Mark Knapp, Joe Lumianski, Jane DeHart, Max Jones  
12 **Presenters:** Marty Schulz  
13 **Scribe:** Claire Pate  
14 **Handouts:** Three - from Max Jones, Joe Lumianski, Fred Heil

16 Board Advisor, Marcia Shaw, opened the Board meeting at 6:30pm, following introductions of new board members  
17 during the pre-meeting dinner.

19 **I Owner Comment:**

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21
- 22 • **Max Jones** - handed out a packet of information and spoke to the Board about on-going discussions regarding  
23 the Co-op as a cooperative workplace. He had given a similar presentation to the new Board a year ago, and he  
24 included a copy of the Board's official response in October 2007. He asked that the new Board give  
25 consideration again to this issue by educating themselves about workplace issues in consumer cooperatives and  
26 creating guidelines for a cooperative workplace.
  - 27 • **Joe Lumianski** – submitted a letter requesting an explanation about the calculation for dividends being only  
28 from owner purchases revenue and not from non-member purchases. It is his opinion that the patronage refund  
29 should be figured on all revenue coming into the store. (**Michele and Greg** will get back to Joe with  
30 information).
  - 31 • **Mark Knapp** – requested on behalf of the membership that the Board report the complete election tallies for  
32 each candidate, as a matter of fairness and transparency. (Board Election Procedures/Policies to be reviewed  
33 prior to next election).

34 **II Approval of Consent Agenda:**

- 35
- 36 • Removed from the consent agenda the Approval of Board Election Results & the Board Development  
37 Committee appointments.

38 **Motion 6-2008 (#1) Motion to adopt the consent agenda items as written, including approval of June Board**  
39 **agenda, as revised, May Board meeting minutes, Spring Owner meeting minutes, and calendar and timeline; and**  
40 **acceptance of committee meeting minutes and the GM report. Liz, Mark 10-0-0 Motion passes**  
41

42 **IV Announcements and Affirmations:**

- 43
- 44 • Michele – she received a favorable report on the house for which the Co-op has made an offer. The purchase  
45 will happen soon, and it will be leased through June '09.
  - 46 • Chris – several Board members attended the presentation by the OSU graduate class on a statistically sound  
47 survey, the results of which will give us an overview of what the ownership is thinking. The students will give  
48 a presentation at the next Board meeting. She will not be at the meeting next month.
  - 49 • Chris – CCMA conference in Portland had some great ideas. An example is the handout about the Board of  
50 Directors, something we might be able to do.

51 **V Board Calendar and Timeline:**

- 52
- 53 • Reminder that the Board Retreat will be September 27 & 28, 2008, and will be held locally.

54 **VI Committee/Meeting Reports**

55  
56 *Questions or Comments*

- 57
- 58 • **Executive Committee:** no comments
  - **Owner Relations Committee:** no comments

- 59 • **Board Development Committee:** no comments
- 60 • **Finance Committee:** no comments
- 61 • **Policy Governance Committee:** no May meeting

62  
63 **VII Financial Training – Marty Schulz**

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65 Marty Schulz, LBCC’s faculty for the Business Support center, gave an overview of how to read an income statement as  
66 part of the annual financial training for new board members. In summary, it is his opinion that the Co-op’s sales growth  
67 is good, the income statement numbers are great, and cash position is improving though it is still low.

68  
69 **VIII Board Development Committee – Housekeeping Items**

70  
71 Judy Forgey passed out replacement pages for the Board manuals, and explained certain items such as the importance of  
72 committee chairs signing in the volunteer hours for other committee members by using the form in the manual. She  
73 hopes that board members will fill out the evaluation sheet with suggestions for any improvements needed to the board  
74 manual for next year.

75  
76 **IX Committee and Executive Positions assignments**

77  
78 Chris reviewed highlights from her last year of being the Board president such as finishing the end statements at the  
79 retreat and training the board to streamline meetings so that the focus can be on steering the Co-op towards long-range  
80 goals. She is happy that the survey performed by the OSU students has been accomplished which will provide needed  
81 data for the Board upon which to base decisions.

82  
83 She then presented a slate of appointments for discussion, based on preferences indicated by the board members.  
84 Nominations for the Executive Board included Toni as President, Bettina as Vice-President, Larry as Treasurer, and  
85 Chris as Secretary.

86  
87 **Motion 6-2008 (#2) Motion to adopt the slate as proposed for the Executive Committee. Mark, Toni**

88  
89 Larry declined the position of Treasurer, stating it was a major responsibility to be on the Executive Committee and he  
90 had not given this thought. Chris explained that with there were not enough incumbents on the new Board to fill out the  
91 Executive Committee spots, and for this reason she was hoping new board members would have the willingness to fill  
92 some of the spots, especially those who were in a position to serve for more than one year. Bettina and Camille  
93 expressed willingness, as long as the commitment to stay on in executive roles could be reassessed in a year’s time, and  
94 the assumption would not be that they would advance through the offices

95  
96 Bettina Treasurer; Larry would chair the Finance committee, but not willing to be Exec. Camille will be VP for the  
97 year, and will re-look at whether she wants to be prez next year.

98  
99 **Friendly amendment to the motion: Executive Committee to consist of Toni as President, Camille as Vice-**  
100 **President, Bettina as Treasurer, and Chris as Secretary. Accepted by Mark and Toni. 10-0-0 motion passes.**

101  
102 **Motion 6-2008 (#3) Motion to adopt the rest of the Committee appointments Toni, Camille.**

103  
104 Board members expressed their desires for various changes and the final proposed slate was:

105 Policy Governance

Chair Toni  
Director 1 Liz  
Director 2 Rebecka

Owner Relations

Chair Liz  
Director 1 Rebecka  
Director 2 Greg

Finance

Chair Larry  
Director 1 Bettina  
Director 2 Chris

Board Development

Chair Mark  
Director 1 Fred  
Director 2 Camille

107 **Friendly amendment to adopt amended slate of Committee appointments Accepted by Toni, Camille. 9-0-1**  
108 **Motion passed, with Fred abstaining.**

109  
110 **X L6 (Communicaton and Counsel to the Board) Report and Policy Review**

111  
112 Toni thanked the board members for filling out the forms and turning them in to her. She will compile the information  
113 contained in them, and will ensure that any suggested changes to the policy enumerated in question #5 would be  
114 forwarded to Policy Governance committee for review.

115  
116 Questions/comments about the report and process:

- 117
- 118 • For the new board members, it would be helpful to see an example of one of the forms already filled out. This
- 119 suggestions will be forwarded to Judy Forgey and BDC to make it part of the training.
- 120 • Answering the questions aids the thought process about the GM's report.
- 121 • Michele suggested that Policy Governance Committee look at adding to the L6 policy another expectation to the
- 122 effect that the GM shall not fail to advise the Board when they are in violation of their policies.
- 123 • It would be helpful to have it indicated whenever there are changes in interpretation from year to year.
- 124 • If an interpretation is very unreasonable, board members need to let the GM know.
- 125 • The Survey Monkey is a way for the GM to survey an entity – in this case the Board – to get input on her
- 126 performance through a numerical rating. This is the second year of the survey. There is a place in the survey
- 127 for comments and she will try to include those comments next time she reports.
- 128

129 **Motion 6-2008 (#4) Motion to accept the GM's L6 Report Mark, Toni. 10-0-0 Motion passes.**

130  
131 **XI Director Code of Conduct**

132  
133 Chris is withdrawing her written motion to remove a director for a violation of their code of conduct. Attorneys advised  
134 her that the FA Co-op by-laws violate the Oregon Revised Statutes, and any action taken to remove a director takes a  
135 vote of the membership, and cannot be done by a vote of the Board. The by-laws will need to be reviewed to ensure they  
136 comply with State law, and this will be done in time for a membership vote on by-law changes at the next owner  
137 meeting. Further, she said that the lesson to be learned is that though there are good systems in place for monitoring the  
138 GM, the Board has not self-monitored well. The importance of this process has always been minimized, and it would be  
139 good to pay more attention to this.

140  
141 Fred handed out a response to Chris' concerns and the allegations that he has violated the code of conduct, and he read  
142 the response to the board.

143  
144 Board members expressed many concerns:

- 145 • Discomfort with not having a process in place for progressive discipline of a director, short of removal.
- 146 • Discomfort with delay in resolving the issue.
- 147 • A need for mediation to help with resolving the conflict
- 148 • A need for board members to remember that there is no one individual that speaks for the Board.
- 149 • A strong need to get on with the Board's work of setting direction, empowering the GM to run the store and
- 150 appropriately evaluating her.
- 151 • Surveys all come back that the GM is doing a good job; though there are always some people who are not
- 152 happy with her performance for whatever reasons, overall staff, customers and board members are happy with
- 153 her work.
- 154 • Discomfort for having to publicly air the allegations and disagreement.
- 155 • Anger about one director being able to put his/her issues onto the Board over the better interests of the
- 156 organization.
- 157 • Frustration in having to deal with the issues that one director has had with management over the past 1-1/2
- 158 years.
- 159 • Mediation would be good, but whether it is with the Board as a whole or between the individuals with the
- 160 conflict needs to be decided.
- 161 • The accusations are hearsay and should not be grounds for dismissal. It could very well be that all directors
- 162 violate the policy of not offering individual judgments regarding the GM or staff performance from time to
- 163 time. Why doesn't the GM have a similar restriction on speech?

- 164 • It is important to work on policies that layout a formal process for policing ourselves, with discipline that is  
165 incremental in its approach. It is important for board members to have disagreements, but they must be worked  
166 through constructively and then whatever is agreed on and/or voted on should be accepted.  
167

168  
169 **Action to be taken:** Executive Committee will look into mediation and a plan for using these services. Policy  
170 Governance Committee will look into any need for changing Policy G7 and initiate a review of the By-Laws.  
171

172 **ITEMS MOVED OFF CONSENT AGENDA:**

173  
174 **XI. Approval of Election Results**

175 Comments:

- 176 • The tally of votes for each candidate should be published for transparency.  
177 • What was the percentage of actual voters to potential voters?  
178

179 **Motion 6-2008 (#5) Motion to approve the Board Election results, as reported by the Board Election Committee.**  
180 **Toni, Mark. 9-1-0 Motion passes, with Toni voting no (reason: she wants to have the tally of votes for each**  
181 **candidate published first.)**  
182

183 **XII. Board Development Committee Appointments**

184  
185 In response to a question from Bettina, Michele said that there is no financial impact with these two appointments.  
186 Evelyn Hall is salaried and has expressed an interest to go to the meetings. Kevin would be one of three authorized  
187 owner members on the committee.  
188

189 Other discussion:

- 190  
191 • Chris suggested that it would be useful for every agenda item request to indicate what the financial impact  
192 might be.  
193 • Michele expressed discomfort for having one current employee and a past employee appointed to the BDC,  
194 because of what she perceives as their hostility to her.  
195 • Suggestion was made that any appointments to an owner position on a committee should be advertised in the  
196 Thymes so that all owners have an opportunity to apply.  
197

198 **Motion 6-2008 (#6). Motion to approve the appointments of Evelyn Hall and Kevin Oder to the BDC. Toni,**  
199 **Fred. Vote 4-6-0 Motion Fails.**  
200

201 **Motion 6-2008 (#7). Motion to approve the appointment of Evelyn Hall to the BDC. Camille, Bettina. Vote 9-1-**  
202 **-0 Motion passes, with Fred voting no.**  
203

204 There was more discussion about where to go with the process:

- 205  
206 • Kevin asked to address the Board, and expressed her concerns about Michele's negative statements about her.  
207 She has worked very hard for the Co-op and has always been professional and has gotten good evaluations from  
208 Michele. She is very upset about her treatment.  
209 • Some board members felt that we should advertise the position in the way it has been done before, as well as  
210 other owner vacancies on other committees.  
211 • Kevin has worked hard for the Board Development Committee and the Board, and she has earned this spot. It is  
212 inexcusable that she not be appointed.  
213 • This is not about Kevin, but is simply about the position being opened to all owners, and giving other owners  
214 notification of the opportunity.  
215 • BDC has in the past made recommendations for appointments and they have gone through.  
216 • BDC can still interview potential candidates and make a recommendation.  
217

218 Mark Reed expressed his extreme discomfort with the process, declined to take on the role as BDC Chair, then decided  
219 he did not wish to continue to serve on the Board with all of the contention making him very upset. He left the meeting.  
220

221 No additional motions came forward. Decision made to advertise for owners interested in the BDC committee opening,  
222 and Kevin was encouraged to apply.

223

224

225 **XIII Meeting Process Review**

226

227 Due to lateness of the hour, strong feelings abounding, there was a decision to postpone reviewing process until the next  
228 meeting and until board members could reflect.

229

230 Meeting Adjourned: 10:15pm