

1 **FA Board of Directors Meeting**
2 **Tuesday February 17, 2009**
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5 **Board Members present:** Bettina Schempf, Camille Freitag, Chris Bentley, Greg Alpert, Larry Plotkin, Toni Hoyman
6 **Board Members absent:** Liz Kelly
7 **Staff present:** Michele Adams, Donna Kaiser
8 **Board Advisor:** Marcia Shaw
9 **Owners present:** Marilyn Koenitzer, Mark Knapp
10 **Guests & Presenters :** Gary Tarleton, Dan Shapiro, Tom Fenske, Maureen Puettman; Finance Committee
11 members Larry Goeltz, John Nichols, and Anne White
12 **Scribe:** Claire Pate
13 **Handouts:** From Marilyn Koenitzer
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15 Board Advisor, Marcia Shaw, formally opened the Board meeting at 6:30pm. Introductions were made, and there were
16 four prospective candidates for the Board in attendance to observe a meeting.
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18 **I Owner Comment:**
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20 Marilyn Koenitzer, owner since 1973, shared her concern about the Board's support for the Urban Renewal District
21 (URD). She is also on the board of the League of Women Voters and said they were wrestling with the issue of whether
22 to take a position on the proposed district but would likely take a neutral position. She objected to the posting of signs of
23 support in the entryways of the stores and asked whether it is the Board that supports the URD or the ownership as a
24 whole. She did not believe that the owners had been asked to weigh in on this issue, and wanted the Board to ensure
25 they made it clear that this was the case.
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27 She has been active in combating the Evanite fiberglass plants since the early 70's, being greatly concerned about their
28 emissions. She has stayed in contact with DEQ over the years regarding the emissions from the stacks, as well as the
29 TCE spill on the Evanite property. She is very concerned that the public not pick up the tab on any of the clean up
30 efforts, and thinks that that could happen with approval of the URD which takes in this property. She handed out some
31 of the correspondence she has had from DEQ. Evanite is supposed to be going into a new process of cleaning the TCE
32 from the soil with a pilot project taking place in the Sub Micro plant, even though that plant is being advertised for sale.
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34 Mark Knapp, owner, also has concerns about the URD and about the posting of supportive signs at the Co-op. The
35 support for the URD does not represent his point of view. He handed out a map that shows the plume of contamination
36 on Evanite property, and said that 10,000 gallons of contaminated liquid have already been pulled out of the ground.
37 Now the remaining TCE is bound to soil particles which will be harder to take out. They are forcing water in to try to
38 take it out. With the URD, there is the need to fund the plan and it could be skewed in a way that forces a decision about
39 building apartments/homes on contaminated ground. It would be in the City's interests to build condominiums to add
40 value and more money to the URD. He wants to know why the Board made the decision to support the URD without
41 input from the owners.
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43 They were thanked for their input, and Marcia told them that the Board would get back to them with a response.
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45 **II Discussion with Finance Committee:**
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47 The Board has been reviewing the mission and work of its committees. Larry Plotkin gave a brief rundown of its work
48 and introduced the members, Ann White, John Nichols and Larry Goeltz. Ann has been on the committee for 10+ years.
49 There has been a progression of finance managers and sophistication of financial software. The reports are very
50 complete now. John Nichols said he had been on Finance Committee since 1996, and basically they have the same
51 tasks as they did then, looking for financial trends and whether anything appears to be out of line. The hardest part is to
52 balance the hard economic realities with Coop idealism. Larry Goeltz is the newcomer on the committee. Larry Plotkin
53 extolled his abilities and they all agreed the committee was lucky to have him on board with his background.
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55 When asked what the committee might need from the Board, the following topics were discussed:
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- 57 • Sometimes the ownership of decisions is unclear, between the Board and Finance Committee, the auditors and
58 finance manager; examples of this are decisions relating to patronage refund and budget planning.

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- More involvement with the Board financial training. It was agreed that the committee members should attend Marty Schultz's training in June so all could be on the same page. They can also keep an eye towards whether other training would also be appropriate for the board members to do their job well.
 - One possible augmentation for training would be to get someone outside of the community but tied to the co-operative movement, for a more global perspective. Tied to this perhaps would be going through a process of identifying strengths, weaknesses, opportunities and threats (SWOT) presented by the new economic realities.
 - There should be more discussion about whether the board should vote on the final budget document or just on the initial budget assumptions as happens now.
 - Board members like the new format for the Finance Committee minutes, and especially appreciate the clarity and simplicity with which they present the financial information so that it can be easily understood by lay people.

71 Board members expressed their gratitude for the committee members' service, because having the longevity and

72 capabilities of the members gave them confidence in the information and financial recommendations they received from

73 the committee.

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76 **III Approval of Consent Agenda:**

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78 Camille had the following comments:

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85 **Motion 2-2009 (#1) approval of January Board meeting minutes, February Board agenda, calendar and timeline,**

86 **Finance Committee minutes 2/4/09, Board Development Committee minutes 2/9/09, Owner Relations Committee**

87 **minutes 2/3/09, GM report, GM monitoring reports, and changes to Finance Committee charter. Toni, Greg 5-**

88 **0-0 Motion passes**

89 **IV Announcements/Board Correspondence/Affirmations**

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105 **V Survey Results for GM Monitoring report – L1**

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Marcia asked if the Board members want this much detail from the GM, since it seems to border on micro-managing. Camille, Larry and Bettina said that since this is in lieu of discussion, they like having the detail. Michele said that it takes a lot of time responding to all of the questions and comments, some of which come from only one person, and that in many ways she prefers having the Board discuss her monitoring reports as opposed to her writing another report. It was agreed that Board members should keep Michele's time in mind when asking questions or making comments. Toni said Michele should always feel like she can say something is operational, as opposed to responding at length to a query.

Larry said that with this one there is not 100% compliance, and he is not sure what to do about it. Since monitoring reports are used as background for the GM evaluation, it is important to know how to deal with points of non-compliance within a report. Chris said that this report is likely to be the most controversial in that staffing issues can present

117 conflict for employees that serve on the Board; it puts the employee in a difficult spot. The Board had already affirmed
118 support for having the employee perspective on the board and keeping the employee Board position in the Bylaws. It is
119 up to the rest of the Board to maintain perspective on such comments.

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121 Marcia said that in the next LEADer, there will be some links to different Co-op Boards' codes of conduct, which might
122 be helpful.

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124 **VI Items Removed From Consent Agenda - none**

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127 **VII Outreach Budget Presentation**

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129 Donna Kaiser gave a very informative marketing program overview, which included an outline of FA's outreach
130 program – or what we do for our owners and our community. The breakdown of costs for the various components of the
131 outreach program for the first three quarters of 2008 (1/1/08 to 9/30/08) were as follows:

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Co-op in The Classrooms presentations cost of food (does not reflect labor costs)	\$ 207
Annual Owner meeting	1,200
Owner Packet	9,000
Owner Education/Minor Equipment	625
Blood Drive	90
Support workers 15% discount (includes all support workers including board-related positions (Jan – Nov)	38,071
Owner sale day discounts (Jan – Nov)	112,473
5% Low Income discount (Jan – Nov) (<i>A more complex application process will be required for 2009, to help control the cost of the program</i>)	30,765
Carts for Corvallis (<i>now part of the Beans for Bags program, and capped at \$1000/month</i>)	12,000
Alternative transportation cards	6,000
Co-op farm (not including any labor costs)	217
School scrip program donations	11,300
Other donations to local non-profit groups	3,300
Other miscellaneous expenditures (brochures, daVinci Days, Chats with the Board, other education and outreach items)	2,729

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135 **VIII Discussion relating to Urban Renewal District support**

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137 The Board agreed that if any signs are put up they should clearly state that it is the Board that voted to support the URD,
138 **not** the ownership of the Co-op since no vote was taken. It was agreed that the possible wording for such a sign could
139 be:

140 “The Coop is within the URP zone. The Board has adopted the following statement relating to it:

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142 The First Alternative Cooperative Board of Directors supports the proposed City of Corvallis Urban Renewal
143 Plan. The Urban Renewal District will encompass the downtown and South Corvallis, including First
144 Alternative Co-op South Store and the Evanite properties. We believe the Urban Renewal Plan is consistent
145 with First Alternative's ideals of sustainability through improved alternative transportation infrastructure and
146 access to local services, and that this is opportunity for First Alternative to advocate for its' ideals of sustainable
147 practices, and environmental stewardship as district projects progress. The Board encourages all community
148 members to learn about Urban Renewal and make their perspective heard when Corvallis residents vote on it in
149 May 2009.”

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152 **VIII Annual Board process evaluation.**

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154 Camille will send out the questionnaire for this evaluation electronically so that the Board members can choose to
155 respond that way. Responses need to be back to her before the next meeting.

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157 Marcia said that she would also like to receive feedback in terms of her facilitation. Bettina thought we should also be
158 looking at policy governance and evaluating how it works for us. Camille said one of her concerns is the variation in
159 meeting times for the committees. Marcia suggested that this should be in the board training materials that new
160 committee members can suggest a different meeting time, though Camille thought it helpful to have consistency with
161 Tuesdays.

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163 **IX Spring Owner Meeting/Proposed Strategic Directions Questions**

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165 Greg said the ORC had settled on June 7, 2009, with the time still to be verified. ORC suggested that the same emcee
166 be used, and that quiet background music be provided. The hope is for a lighter gathering with lots of mingling and
167 discussion. The topic for the meeting is still being worked on. Some suggestions for discussion: the possible arrival of
168 Market of Choice or Trader Joe's, and what makes us different and more relevant to our community than the others?
169 Could also build the meeting discussion around the Co-op End statements.

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171 There was discussion about whether the survey would be a part of the ballot, with a reduced number of questions, or
172 whether there might be the possibility of doing the survey on line in a "survey monkey" format. Any survey response
173 would have to have an owner number.

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175 **X Monitoring the G (Governance Process) policies**

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177 Previous boards used to do this, and it is a good way of ensuring that Board members have knowledge of just what the G
178 policies are. There are three possible ways of monitoring them: 1) one member is assigned a G policy each month to
179 write a monitoring report on. 2) Each month the whole board would look at the policy and respond via "survey
180 monkey." 3) The board as a whole discusses one policy each month. BDC likes using the "survey monkey" approach.
181 Chris said that the first way was not really very effective and agreed that the "survey monkey" would be a good way of
182 doing it. Consensus is that this would be a good way of doing it, with one policy done each month.

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184 Bettina suggested that they develop performance measures for each one if possible. After much discussion, consensus
185 was that Policy Governance would first review the G statements for relevance, specificity and duplication. Toni thought
186 that if they take one per month focusing on what should be measured this would be laying the groundwork for
187 monitoring performance in the future. That way everyone will know what each one means.

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189 Toni will talk with Liz about her future plans, since she is choosing not to run again. It was also suggested that Bruce
190 Hansen might sit on this committee.

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192 **Meeting Adjourned: at 9pm**

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194 **Policy Governance parking lot**

195 *Policy L-9: Look at item #4.*
196 *Review L-5, item #2 to perhaps incorporate the concept of timeliness.*
197 *Look at G-11 for any potential changes*

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199 **Agenda for March:**

200 *Patronage Dividend discussion*
201 *Policy Governance committee recommendations on changing policy(ies) language*

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203 **Agenda for June:**

204 *Marty Schultz – Financial Training at 7pm*
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