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5 **FA Board of Directors Meeting**
6 **Tuesday May 19, 2009**

7 **Board Members present:** Bettina Schempf, Camille Freitag, Chris Bentley, Larry Plotkin, Toni Hoyman, Liz Kelly
8 **Board Members absent:** Greg Alpert
9 **Staff present:** Michele Adams, Donna Kaiser, Evelyn Hall
10 **Board Advisor:** Marcia Shaw, Judy Forgey
11 **Owners present:** Jim Smith, Will Hormann (Member of owner-household)
12 **Guests & Presenters :**
13 **Scribe:** Claire Pate
14 **Handouts:** Comments related to Co-op Thymes Letter to the Editor policy (Will Hormann);

15 Board Advisor, Marcia Shaw, formally opened the Board meeting at 6:30pm. Introductions were made.

16 **I Owner Comment:**

17 Will Hormann, household member of an owner, wished to discuss the new Letter to the Editor policy. His interpretation
18 is that letters regarding political issues on any level will not be run. He would like to know what criteria will be applied
19 for “political issues.” He also feels that if the Board or the General Manager takes a stand on a political issue, owners
20 should have an opportunity to respond via letters to the editor. He feels that if letters are required to be e-mailed there
21 would be a disadvantage for the elderly, indigent, disabled or informally educated owners.
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25 **II. Approval of Consent Agenda Motion**

26 Finance Committee minutes and the BOD minutes for April 09 were removed from the Consent Agenda for more
27 discussion.
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29 **Motion 5-2009 (#1): Motion by Toni, seconded by Liz, to adopt the consent agenda items as written including**
30 **approval of: the agenda; calendar and timeline; committee meeting reports, with Finance Committee removed ;**
31 **the GM report, and GM Monitoring Report L5; GM Request to consider external audit in June; Slate of**
32 **Nominees for Board Election Committee; Renewal of Board Advisor terms; and Executive and Policy**
33 **Governance Committee charter revisions. Motion passes; 6-0-0**
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37 **III Announcements/Board Correspondence/Affirmation**

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39 A. Board Committee preferences – form needs to be filled out and returned to Toni by May 26th.
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41 B. Date for annual owner meeting is June 7, 2009.
42
43 C. Volunteers for mentoring new Board members – Camille, Larry, Bettina and Toni.
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45 D. Site for Board Retreat will be the Corvallis Depot Meeting rooms on SW Washington
46
47 E. Board member exit interview is included for your information
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49 F. Board member evaluation criteria ranking form was handed out by Camille. She will be doing Board Advisor
50 criteria next and asked that both be sent to her by June 6.
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52 G. Chris will not be here for complete board meeting in June.
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55 **IV Items Removed From Consent Agenda**

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57 A. **Finance Committee minutes** - Chris suggested that a review of what is needed for reporting on Capital
58 Projects should be more holistic than just looking at the wording of Executive Limitations policy L4.
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60 **Motion 5-2009 (#2): Motion by Toni, seconded by Liz, to approve the Finance Committee minutes.**
61 **Motion passes 6-0-0**
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- 63 B. April Board Meeting Minutes - Suggested changes were made: on page 4 line 24, take out the word “owner”
64 and replace with “owner household member” since Mr. Hormann is not an owner. Change the wording in the
65 owner comment section so that it is clear it is a reflection of what Mr. Hormann is saying and not being
66 presented as fact.
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68 **Motion 5-2009 (#3): Motion by Toni, seconded by Liz, to approve the Finance Committee minutes, with**
69 **corrections. Motion passes 6-0-0**
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72 **V Board Elections Process Review**

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74 Camille explained her proposal to either consider giving the GM responsibility for carrying out Board elections, and
75 therefore approving a new L statement to that effect; or approve the proposed changes to the BDC Charter which would
76 place the emphasis of their work on recruitment and elections. There were comments supporting both ideas, as noted
77 below:

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- 79 ▪ The Board should be involved with recruitment, and the GM have responsibility for the elections process.
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- 81 ▪ BDC already does an excellent job of handling elections, but board development should be done elsewhere.
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- 83 ▪ It is good to have owners involved with doing elections, and BDC has owners on it.
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- 85 ▪ Recruitment is too important to just leave it to the Board, who might drop the ball.
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- 87 ▪ Putting elections responsibility on a new GM might not be a good idea.
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- 89 ▪ Even if the GM takes on elections process responsibility, she could still use the BDC to perform the task.
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- 91 ▪ Should recruitment for new Board members happen if there are enough incumbent members who want to stay on?
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- 93 ▪ The Board is already encouraged and is free to do as much recruitment as it wants.
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95 **Motion 5-2009 (#3): Motion by Camille, seconded by Bettina, to approve the revisions to the BDC Charter.**
96 **Friendly amendment proposed and accepted to change the name to “Board Recruitment and Elections**
97 **Committee.” Motion passes 5-1-0**
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101 **VI GM Monitoring Report “Survey Monkey” results for L4**

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103 There was general agreement that Question #11 should be changed to “Is this policy adequate, and, if not, what changes
104 would you suggest?” Otherwise, there was no further discussion.

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106 **Motion 5-2009 (#4): Motion by Toni, seconded by Liz, to accept the report and results. Motion passes; 6-0-0.**
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108 **VII North Store Expansion Costs Report**

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110 Michele said that she would give the Board a monthly report on costs, and there are still some expenses coming in. The
111 “post-project” report will be submitted to the Board at its next meeting. The report has to be submitted within three
112 months of the end of the project.
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115 **VIII General Manager Recruitment Process**

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117 Toni asked for indication from the Board whether they support the recruitment process laid out in her agenda item
118 memo. The following comments were made:

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- The recruiting budget seems low, especially the communication budget.
 - Even though we have internal candidates, the search should be broad, even nationwide within the market. If an internal candidate gets selected, it makes the process more credible.
 - It might be that regional, like within five western states, might be broad enough.
 - We should be checking in with NCGA and other professional journals as to best ways to advertise.
 - It is important to do a good job on reference-checking for any outside hires; likely that Carolee Coulter or someone like that could help with candidate screenings and reference checking.
 - We should look at the retail sector in general along with the cooperative sector.
 - Send letters to all of the Human Resources departments in co-ops. They usually circulate all “notices of openings” to their staff.
 - Do not be penny-wise and pound foolish about recruiting. If we have good candidates, the budget should have enough money in it to fly them out for interviews.

140 Consensus was that the Executive committee should serve as the Search committee with the ability to add more members
141 if desired; the scope of the search should be at least regional and likely national within the co-op sector; and the Search
142 committee should come back with a more specific proposal and budget for the Board to review.

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145 **IX Request from GM for Funding Training of Prospective Internal GM Candidates**

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147 Michele explained her reasoning in requesting some funding from the Board for sending staff to the NCGA training for
148 new general managers. She also explained that NCGA would only allow two staff persons to attend from any one co-op.
149 She further said that if she were not retiring, she would not be considering sending any of her management team to this
150 training. Some of the sentiments expressed were:

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- There might be an argument for sending the North and South store managers, if the training would be helpful.
 - Whatever money is in the Board budget should be preserved for the GM recruitment process.
 - This is not an appropriate decision for the Board to make. It is a management decision to determine if staff should go to this training. A better approach would have been to simply request a transfer of funds from the Board budget to staff training and not be specific about what it would be used for.
 - There is legitimacy in training members of the management team who are in a direct line of succession, but how do we know this is the right training?
 - It is a pilot training program – let them work the kinks out first.

166 **Motion 5-2009 (#5): Motion by Toni, seconded by Bettina, to transfer \$2,500 of Board support funds to the GM**
167 **for upper management training. Motion fails 1-5-0**
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171 **XI Product Selection Guidelines & Special Orders/Status report on Chocolate Source Verification**

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173 Toni explained that these are really two separate issues though closely intertwined and were brought up by Will
174 Hormann at the April Board meeting. One of her concerns is that the Product Selection Guidelines had been recently
175 revised to include a section on Special Orders, and the Board had not been sent an updated version. Her reading of
176 Executive Limitations policy L7 is that the Board should be notified at the time the guidelines are changed to ensure that

177 the Board has the most up-to-date version. Michele explained that she normally reports on the Product Selection
178 Guidelines in August, and had intended to hand out the new version at that time. Until then, it will not be put out as the
179 official version. She further explained that the addition of a section on “Special Orders” was intended to put into words
180 what had already been in practice through the years: i.e. Special orders are often made and filled for products that do
181 not necessarily meet the Product Selection Guidelines.
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183 There was discussion about the ethics of special ordering products that do not fall within the guidelines, since we are an
184 organization guided by a set of principles. It was agreed that more information would be needed before the Board could
185 have a fully-informed discussion about the issue. Michele said that she would like staff to be involved in the discussion
186 as well, as any decision to change what has been a “standard operating procedure” could create some conflict and ill-will
187 with customers and staff.
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189 **Motion 5-2009 (#6): Motion by Toni to form an Adhoc Committee to research the issue and report to the Board**
190 **at its July meeting. Motion died for lack of a second.**
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192 It was agreed that Liz would collect questions from the other Board members on this issue for which they would like
193 answers from staff, and forward a list of them on to Michele by June 5. Some of the questions already raised included
194 how much volume in special orders are filled each month or year and how much staff time would it take to make sure
195 products meet the guidelines. Toni reiterated that the only part of the Product Selection Guidelines that is under
196 consideration at this time is Item #3 relating the Product Special Orders.
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200 **XII. Other Items**

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- 202 A. **Follow-up responses to owner questions/comments** - Greg was not present to say whether he had followed up
203 with Jim Moorefield. Toni had responded to both Will Hormann and to Sharon Nicholson. Michele had responded
204 to a concern voiced by Mark Kosmerl and the response is posted at the North store.
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- 206 B. **Assignments** – Toni will respond to Will Hormann’s latest concern about the new Letters to the Editor policy.
207 Michele explained that there were likely some misconceptions on his part in this regard.
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- 209 C. **Non-owners talking at meetings** – Michele said that Will Hormann was technically not an owner, and thought that
210 the Board should review its policy on who should be able to comment during “Owner Comment” period at the
211 meetings. In general, it was agreed that owners should be given priority, but that others should be able to address
212 the Board as well. Though it has not been an issue, in that not many people address the Board, if there were a
213 controversial issue it might be important to have policy language in place that gives preference to owners to address
214 the Board, or provide a process for extending the public comment time. It was also suggested it might be renamed
215 either “Owner Household Comment” or “Public Comment.” It was agreed that Policy Governance would review G4
216 and make a recommendation back to the Board for review.
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- 218 D. **Meeting Wrap-Up** – general consensus was that it was a well-orchestrated meeting and that they did a good job of
219 getting through the agenda. It was also noted that this is easier with a small group. Marcia said that sometimes side
220 conversations need to be taken elsewhere and she will intervene when necessary.
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224 **Meeting Adjourned: 8:40pm**

225 **Board parking lot:**

227 *Bylaws: Revision to Article 4.8*

228 *OSU Survey for 2009*

229 *Board Advisor evaluation criteria*
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231 **Policy Governance parking lot:**

232 *Review Governance policies*

233 *Look at the wording – G7 Code of Conduct policy*

234 *Possible L4 revisions, after Finance Committee performs a review*

235 *G4 – Who can speak during “Owner Comment?” What should it be called?*

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237 **Agenda for June:**

238 *Welcome to new Board members*

239 *Marty Schultz – Financial Training at 7pm*

240 *North Store “post-project” report and debriefing*

241 *Committee assignments*

242 *Product Selection Guidelines discussion*

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244 **Agenda for July:**

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