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5 **FA Board of Directors Meeting**  
6 **Tuesday June 16, 2009**

7 **Board Members present:** Bettina Schempf, Camille Freitag, Chris Bentley (until 7pm), Greg Alpert, Toni Hoyman,  
8 Tom Fenske, Robert Williams, Blanche Sommers, Dan Shapiro  
9 **Board Members absent:** Larry Plotkin  
10 **Staff present:** Michele Adams, Evelyn Hall, Martin Doellinger, Donna Kaiser  
11 **Board Advisor:** Marcia Shaw, Judy Forgey  
12 **Owners present:** Anne White, Larry Goeltz, Mark Knapp, Mark Hommer  
13 **Guests & Presenters :** Will Horman, Marty Schulz, LBCC Small Business Management Program; Julia Michaels,  
14 OSU student  
15 **Scribe:** Claire Pate  
16 **Handouts:** Will Horman – “Issues for Board to Consider”; Marty Schulz – Financial statement  
17 worksheet

18 Prior to the formal beginning of the meeting, OSU student Julia Michaels gave a brief overview of the survey they  
19 performed of non-owner shoppers at the Co-op.

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

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22 **I Owner and Guest Comment:**

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24 **William Horman** addressed the Board about his ongoing concerns related to the sale of chocolate products –  
25 particularly Clif Bars - that have not been source verified, and the product selection guidelines being changed without  
26 informing the Board or members. He has become disillusioned about staff's efforts and response, though he realizes  
27 that we all have the same values, and likely do not want slavery-produced products at the store. He presented highlights  
28 of the timeline relating to his and staff's dealings with these issues. He feels he is being treated as an adversary and as an  
29 extremist, but believes that he has been reasonable and hopes that he and staff can work together to come to resolution  
30 soon on these two issues.

31  
32 **Mark Knapp** has been an owner for three years, and shared his views about policy governance. His opinion of it is that  
33 it is not healthy for the Coop. He believes that it is a false dichotomy to present governance options as either having  
34 power in one person, like the GM, versus having the business micro-managed by the Board. He believes there are other  
35 alternative structures for governance, wherein more than just one person reports to the Board. In his opinion there is  
36 nothing “cooperative” about a super hierarchical structure, and does not believe that it is good for the Co-op. In  
37 particular, he expressed concerns about having been hired by a floor manager then having the offer withdrawn by the  
38 GM.

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40 **II Welcome to new Board Members**

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42 The new Board members – Dan, Tom, Blanche and Robert – were introduced to the Board by their mentors and  
43 welcomed by all present. Toni reviewed some of the meeting procedures, and updates to the Board Manual were  
44 handed out. A photo was taken of the new Board.

45  
46 Board member committee assignments were finalized as follows:

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48 Executive Committee:

49 Toni (President); Camille (Vice-President); Bettina (Treasurer); Chris (Secretary)

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51 **Motion 6-2009 (#1) Motion by Dan, seconded by Tom, to accept the Executive Board appointments as noted**  
52 **above. Motion passes 8-0-0**

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54 Owner Relations Committee:

55 Greg (Chair), Dan and Robert

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57 Finance:

58 Larry (Chair), Bettina and Tom  
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60 Board Recruitment and Elections:

61 Camille (Chair) and Blanche

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63 Policy Governance:

64 Chris, Toni, and Robert

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66 **Motion 6-2009 (#2) Motion by Greg, seconded by Blanche, to accept the committee assignments as noted above.**  
67 **Motion passes 8-0-0.**

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69 **III Financial Training with Marty Schultz, LBCC Small Business Mgmt. Program**

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71 Marty gave the Board its annual financial training by taking it through the exercise of reading and interpreting the  
72 financial statements. He reviewed some of the terminology and emphasized aspects of the balance sheet that the Board  
73 should particularly be keeping tabs on. He also pointed out how FA compares with comparably sized food co-ops, based  
74 on the Cooperative Grocer’s survey. The recent north store expansion has impacted “cash on hand” and financial  
75 liabilities, but in other areas FA compares favorably with other similar co-ops.

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78 **IV Approval of Consent Agenda Motion**

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80 Greg asked for the ORC minutes to be removed; Camille requested that the GM monitoring report for L6 be considered  
81 separately.

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83 Camille also noted the need for the following corrections:

- 84 ■ Memo relating to Board Election Results (page 60 of the packet) – 2<sup>nd</sup> line from bottom, strike “casting valid  
85 ballots” so that it reads “Number of eligible voters = 6819.”
- 86 ■ Agenda (page 3 of packet) – remove item listed under August Agenda and put it into September agenda  
87 (Evolution of BDC to BREC: reassigning roles/responsibilities).

88

89 **Motion 6-2009 (#3) Motion by Toni, seconded by Bettina, to adopt the consent agenda items as written, excluding the**  
90 **ORC minutes and the GM Monitoring report for L6. This includes approval of the agenda; May BOD meeting minutes;**  
91 **calendar and timeline; committee meeting reports, the GM report, North Store Post-Project Report, & official notice of**  
92 **Election Results. Motion passes 8-0-0**

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95 **V Announcements & Updates/Board Correspondence:**

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97 A. Marcia was the only person to send in suggested criteria for Board Advisor evaluations. It will be used for the  
98 evaluation process.

99 A. **GM Recruitment Process** – Toni summarized the process to date and what the Board can expect in the future  
100 with the process. The consultant has been retained. At the last meeting, the Board voted on having the  
101 Executive Committee serve as the search committee. It is working on criteria for the position and determining  
102 strategies for advertising.

103

104 **The Executive Committee will come back to the full board at the following junctures:**

- 105 ■ **with the strategy and budget for approval;**
- 106 ■ **with the description of the job and job qualifications;**
- 107 ■ **for the interview of two selected finalists;**
- 108 ■ **and, finally, with the final decision.**

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110 B. Board retreat will be on September 12 & 13, in Corvallis.

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112 **VI Items Removed From Consent Agenda**

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114 A. **ORC Meeting Minutes:** Greg explained the process for scheduling the upcoming and ongoing Board Chats.  
115 It was suggested that Board members would sign up for particular month, and ORC will work with them to  
116 schedule a particular day during that month based on their schedule and whether there were any events/activities  
117 to tie the Board Chat to. Wine tastings, for instance, would be a good event for pairing with a Board chat.

Greg passed around a sign up sheet for the months. He added that the ORC has lost some committee members and they will be putting an ad in the Thymes for interested volunteers.

**Motion 6-2009 (#4) Motion by Greg, seconded by Blanche, to approve the 6/6/09 ORC minutes. Motion passes 8-0-0**

- B. **GM Report on L6:** Camille said that on page 33 of the packet, Michele's statement that she had not done an Ends report is incorrect. At the time she last did one, Michele had asked for elaboration from the Board about what they would like in the way of the next Ends report, and Camille suggested that Board members let Michele know by e-mail of what information they would like to have.

**Motion 6-2009 (#5) Motion by Camille, seconded by Toni, to approve the GM monitoring report for L6. Motion passes 8-0-0**

## **VII Survey Monkey results re L5**

Camille said that only four Board members filled out the survey monkey, the tool for commenting on the GM's monitoring reports. The evaluation of the GM is the main responsibility for the Board, and it is important for Board members to fill out the survey which is sent out by Michele each month.

## **VIII Self-Evaluation Criteria for Board Members**

Camille shared a list of the top 20 Board self-evaluation criteria which was the result of the individual Board members ranking the initial list of criteria presented to them at the last meeting. The intent is for the Board to adopt the evaluation criteria to be applied in the evaluation process for this and subsequent years. Board Advisor Marcia will be the only one to know how the criteria rank within the list of 20.

**Motion 6-2009 (#6) Motion by Toni, seconded by Dan, to adopt the criteria for the Board self-evaluation process. Motion passes 8-0-0**

## **IX Owner Benefits – Request from GM to get clarification as to who qualifies to receive them**

Michele asked that the Board discuss the issue of whether persons who share households with persons who are Co-op owners (i.e. have an owner share in their name), qualify for owner benefits such as being able to work owner-worker shifts. Owner worker shifts are becoming less available and in more demand. In some cases, household members have been hired to work those shifts, which might not be fair to other actual owners who might want to be considered.

One suggestion was that there be only one person per share who gets the benefit of being an owner worker. The actual share holder could transfer the benefit to his/her partner or household member. It was agreed that there were other benefits that should be analyzed as well, and that the review should be more systematic with all aspects taken into consideration.

**Motion 6-2009 (#7) Motion by Dan, seconded by Tom (with friendly amendment offered by Bettina) to have the GM do additional research on owner benefits and provide a report on the results along with pros and cons of limiting or extending those benefits to others in the household. The Board will then formulate a plan on how to deal with owner benefits. Motion passes 8-0-0**

## **X GM Formal Notice of Resignation**

Michele presented the Board with her formal notice of resignation, effective May 2010 or some time after that date.

**Motion 6-2009 (#8) Motion by Camille, seconded by Tom to accept Michele's formal notice of resignation. Motion approved, 8-0-0**

## **XI Ends Statements: Owner involvement and education.**

Michele believes that owners are not aware of the Ends statement and suggested that it might be a good idea to have the owners vote on them. There was on-going discussion whether the Ends statement really replaces the Guiding Principles, an issue that the Policy Governance Committee is looking at in its review of the G statements. Toni will be writing

177 another article for the Thymes, and will include a discussion of the Ends and what they are: a defined target - the  
178 outcomes that we want to have happen because of our existence.

179  
180 It was agreed that the Owner Relations Committee should look at opportunities to educate the owners about the Ends,  
181 and perhaps one avenue would be to incorporate a discussion of them into the Board Chats.

## 182 183 **XII Board Processes Survey Discussion – Comments related to Board/Management relations and Owner** 184 **Relations**

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186 The Board continued its discussion of points raised in the survey evaluating Board processes.

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188 **Board/Management relations:** Toni referred to policy M4 (item c) and suggested that the Board ought to audit or  
189 validate one of the GM monitoring reports at intervals. Marcia said that this is done by some other boards, but that any  
190 audits should be of a policy other than ones for which there is already an external audit performed. For instance,  
191 financial reports and staff relations are already audited through external processes. She added that there is always the  
192 need for both real data and the GM's interpretation for evaluating performance.

193  
194 **Owner Relations:** Toni suggested that we need to do more pre-election outreach, such as a “meet the candidates”  
195 forum. Only 6.5% of the owners took part in elections, which seems a small amount. The Board also needs to continue  
196 working on responding effectively to owners. One suggestion is to keep a file or binder containing all responses to  
197 owners' queries, comments and/or complaints.

## 198 199 **XIII Other Items**

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201 **A. Status Report on follow-up responses to owner questions/comments:** Greg said he had made contact with Jim  
202 Moorefield, and Toni had followed up with Will Horman.

### 203 204 **B. Assignment of responses:**

- 205     ▪ Will Horman – Toni will continue to work with him, and will tell him that the Board will formally get back to  
206     him after the GM's July report.
- 207     ▪ Mark Knapp – Greg will follow through with a response to Mark Knapp.
- 208     ▪ Letter from Kettie Adams and other staff members re Product Selection Guidelines - Toni will scan the letter  
209     and send it around. She will draft a response stating that a report will be forthcoming in July and they will get  
210     back to them.

### 211 212 **C. Meeting Wrap-Up:**

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214 The following comments and suggestions were made:

- 215     ▪ The meeting moved along, in large part thanks to Marcia's strictness with the time.
- 216     ▪ Documentation seems lengthy; find ways to decrease the amount of paper.
- 217     ▪ There should be a balance between setting strict limits on time and conversation while not overly-constricting  
218     board members.
- 219     ▪ Good to have stricter facilitation at beginning of the meeting, then one can let up a bit.
- 220     ▪ There was a general consensus that the meeting went well.

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223  
224 Toni will be doing the board Thyme's article.

### 225 226 **Meeting Adjourned: 9:15**

#### 227 228 July Agenda

229 *Product Selection Guidelines discussion*

230 *External Financial Audit Review*

231 *Renewal of Owner members serving on Board Committees*

#### 232 233 September Agenda

234 *Evolution of BDC to BREC: reassigning roles/responsibilities – Camille*

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236 “Parking Lot”:  
237 *Discuss board advisor evaluation process criteria (BDC/Camille)*  
238 *Document Retention Policy – do we need one*  
239 *Revisions to L4 (review by Finance and PG)*  
240 *By-Laws Revision to Article 4.8 (include in June 2010 election)*  
241 *Revisions to G policies*  
242 *Long Term Cash Flow Analysis relating to North Store Expansion*  
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244 ORC  
245 *Look for ways/opportunities to educate owners on “Ends.”*  
246 *Assignments for Board Chats – watch for monthly events that could be combined with Board Chats*  
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