

1
2
3
4
5 **FA Board of Directors Meeting**
6 **Tuesday July 21, 2009**

7 **Board Members present:** Bettina Schempf, Camille Freitag, Chris Bentley, Greg Alpert, Toni Hoyman, Tom Fenske,
8 Robert Williams, Blanche Sommers, Dan Shapiro, Larry Plotkin
9 **Board Members absent:**
10 **Staff present:** Michele Adams, Evelyn Hall, Martin Doellinger, Donna Kaiser, Jacqueline Smith, Sheila
11 Ulfers, Janey Gaventa, Gabe Pallastrini, Jim Dobis, Marlene Culbertson
12 **Board Advisor:** Marcia Shaw
13 **Owners present:** William Horman (and see staff members above)
14 **Guests & Presenters :**
15 **Scribe:** Claire Pate
16 **Handouts:** Donna Kaiser – suggestions for future Owner meetings

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

18
19 **I Owner and Guest Comment:**

20
21 Donna Kaiser, staff person and owner, said she uses the special order system and urged the Board to hear from other
22 owners as well who place special orders. It is important that the Board get the opinions from persons of all perspectives
23 before making a decision on whether special orders have to meet the Product Selection guidelines.
24

25 Will Horman, owner, said that he also places special orders. The main issue he wished to address, however, was the
26 chocolate products that still do not meet the Product Selection guidelines. He has worked on this issue for 100-200 hours
27 over the past year, and has talked to both owners and non-owners about the issue. Owners are educated and concerned
28 about global issues, and this is one of the things that differentiates us from other stores. He read from the Statement of
29 Cooperative Identity, emphasizing the 7th principle. Most people do not want the Co-op to profit from chocolate
30 collected through slave labor. Mr. Horman also read different statements made by Co-op staff in Thymes' articles
31 through the years about this issue.
32

33 Sheila Ulfers, staff person and owner, said that over her 19 years with the Co-op she has seen other “value-driven” issues
34 and associated angst come before the Board. She said that it was important that the Board remember there are a wide
35 range of owners. It is important not to alienate those that might not be the core “granola-eating” owners. Values are
36 important, but it is important to get all opinions and proceed cautiously before making such a major change.
37
38

39 **II Consent Agenda**

40
41 **Motion 7-2009 (#1):** Motion by Toni, seconded by Greg , to adopt the consent agenda items as written. This includes
42 approval of the agenda; June BOD meeting minutes; calendar and timeline; committee meeting reports; and the GM
43 report. **Motion passes 10-0-0**
44
45

46 **III Announcements & Updates/Board Correspondence:**

47
48 Greg said the Owner Relations Committee thought it a good idea to have the Board member who writes the Thymes'
49 article for the month also be the person who does the Board Chat for the month. This provides more clarity for
50 responsibility. Larry said he would try to do the Board Chat, and Toni said she would back him up if need be.
51
52

53 **IV Suggestions for Future Owner Meetings**

54
55 Donna Kaiser and ORC brought some ideas to the Board on how future Owner meetings might be improved, and she
56 handed out a written copy of those ideas. The ORC thought that a larger venue might be needed for next year, and the
57 budget will have to be increased to cover the cost of food. There was discussion about coordinating the sending out of
58 ballots with the notification of owners about the Owner meeting so that there might just be one mailing going out. It was
59 suggested that there might be difficulty meeting the By-Laws requirements for notification if the mailings are combined.

60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118

V Items Removed from Consent Agenda - none

VII Product Selection Guidelines (PSGs) and GM Monitoring Report L7

Michele asked if there were any questions about the content of her report on Policy L7 (Quality Products) which includes a discussion relating to Product Selection Guidelines (PSGs) and special orders. Highlights of those questions/responses and comments are as follow:

- Why is the percentage of organic products in the bulk section not higher? *Staff tries to balance price along with providing local and organic products. There are also space limitations, and some items are not available in organic. Other products have chosen not to become organically certified because of the cost, though they were grown organically.*
- Why did the number of bulk products offered decline from 2008? *We got rid of items that did not sell.*
- Of the over 9,000 special orders placed in 2008, how many were placed by owners? *That data was not available at the time the report was written, but staff will look into it.*
- What percentage of loss is spillage of bulk products? *Approximately two percent.*
- Do we compare our bulk sales with Winco or Freddie's? *Winco has the best prices but do not have organics. We beat Freddie's overall on price and come close to Winco on our non-organic items. We give preference for domestic products which can drive higher prices.*
- The language under "social responsibility" in the PSGs should be changed if we continue to allow special orders that do not meet the guidelines. *It will not be accurate to say that we do not "knowingly buy products....."*
- The changes made to the PSGs were posted in the store before they came to the Board for approval. Maybe we need to be more specific about stating what "notifying the Board" means and perhaps we should be approving those changes before having them posted.
- From a customer service standpoint, the special ordering is an important issue. The PSGs and ethics are an important philosophical issue. *It is nice to see so many staff people at the meeting concerned about this.*
- We should not lose money on filling special orders, as it appears we might do when filling special orders placed on owner appreciation days. This should not be subsidized.

The Board then discussed what action to take regarding special orders. It was agreed that no changes in the practice should be made immediately, but that a committee take on researching the issue, hearing from stakeholders and making a recommendation. Thanks were made to staff persons and managers for the time it took to answer the questions posed by the Board on this issue.

Motion 7-2009 (#2): Motion by Toni, seconded by Larry, that we accept GM monitoring report for L7, minus the Product Selection Guidelines issue. **The motion passed 10-0-0**

Motion 7-2009 (#3): Motion by Toni, seconded by Camille, that we not take any immediate action on the Product Selection Guidelines and special orders, and instead form an adhoc committee to research and determine the status of special orders as they relate to the Product Selection Guidelines. The Committee is to report back to the September board meeting. **The motion passed, 10-0-0.**

It was further decided that the makeup of the committee should have two board members, two staff persons and two owners. There was more discussion about whether the owners should be those who have placed special orders in the past, but it was decided that the Board and staff representatives could decide that at the first meeting. Board members who volunteered for the committee included Dan, Chris and Toni. Staff members that volunteered: Janey Gaventa, Jim Dobis, and Jacqueline Smith. Toni will make the ultimate decision on makeup.

119
120 It was pointed out that to stick with our policy, the Board would have to advertise for owners who might have an interest
121 in serving on the committee, therefore September was not a realistic time to report back to the Board. There was a
122 suggestion that the committee could hold a series of meetings giving various stakeholders and opportunity to voice their
123 opinion. Bettina offered to help with data analysis.
124

125 126 **VIII External Financial Review Final Draft**

127
128 The review, presented in some detail to the Finance Committee, had some minor recommendations and found the
129 accounting records to be in good order. The review draft still has a few refinements to be made and will be available via
130 e-mail as a pdf for review by any Board member who wishes to see more detail. There was a discussion about where this
131 type of information should be published, and whether it should be broadly disseminated or just available to owners who
132 request to review it in the office. Michele has a concern about the information being readily available to the
133 “competition.” The Executive Committee could take up discussion of this issue at one of its meetings.
134

135 **Motion 7-2009 (#4): Motion by Dan, seconded by Larry, to accept the external financial review performed by the**
136 **Spectrum CPA Group. Motion passed 10-0-0**

137 138 139 **IX GM Monitoring Report “Survey Monkey” results – L6**

140
141 Chris said that we should not lose sight on fleshing out what the Board needs in way of “distinct reporting on projects,”
142 especially as this relates to financial reports. Policy Governance and Finance have already been assigned responsibility
143 for working on this through inclusion of a clarifying statement in L4 (Financial Planning).
144

145 **X Ongoing Discussion Relating to Board Processes Survey – Training and Finances**

146
147 As part of the Board’s self-evaluation, the Board continued its discussion of the results of their survey on “how we are
148 doing” in terms of Board processes. The following comments relate to the training and finance sections of the survey:
149

- 150 ■ What type of training should be provided that is not already?
 - 151 ○ *Issues of privacy and disclosure – what are we required to disclose and what is prudent.*
 - 152 ○ *Now that we are a \$15 million business, maybe we should get training on considerations that come with*
153 *being a large business.*
 - 154 ○ *Since the Board is tasked with planning for the future and should be spending 80% of its time on it, maybe*
155 *it needs some training on best ways to plan.*
 - 156 ○ *It might be a good idea to get some help with putting together an “elevator” speech on the issue of costs*
157 *versus price of food. This is a question that comes up all the time and it would be nice to have a clear*
158 *response that we can all use to get the point across.*

159
160 Since there is no framework for deciding how to improve training, with BDC having been replaced by BREC, Marcia
161 offered to take on investigating how we might go about this.
162

163 It was further suggested that the retreat be used to come up with a plan for the next year. Toni and Marcia will talk
164 together about this.
165

166 **XI Other Items**

167
168 **A. Status Report on follow-up responses to owner questions/comments:** All queries/comments have been responded
169 to.
170

171 It was agreed that there should be a central repository for those questions and responses, and a notebook will be set up
172 for this.
173

174 Consensus was that we need a policy and structured procedure on responding to queries/concerns/comments from
175 owners. Someone needs to put together a draft of how we should proceed. Blanche offered to contact the Co-op’s
176 attorney to discuss the legal aspects and report back.
177

178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221

B. Assignment of responses:

- Letter received from Greg Kise concerning the status of a staff person – Toni will draft a letter of response in cooperation with Michele and Camille. The final letter will be sent out for all Board members to see.

C. Meeting Wrap-Up:

The following comments and suggestions were made:

- At times the discussion rambled.
- It could have been contentious but it was not; people were respectful.

Larry will be doing the Board Thyme’s article.

Bettina suggested that we look into having a “whistleblower” policy that provides a process for staff persons to escalate concerns through their superiors. This would be a good thing for us to have.

Meeting Adjourned: 9:15

August Agenda

Renewal of Owner members serving on Board Committees

September Agenda

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

Product Selection Guidelines and special orders discussion

“Parking Lot”:

Discuss board advisor evaluation process criteria (BDC/Camille)

Document Retention Policy – do we need one

Revisions to L4 (review by Finance and PG)

By-Laws Revision to Article 4.8 (include in June 2010 election)

Revisions to G policies

Long Term Cash Flow Analysis relating to North Store Expansion

Policy on procedures for responding to owner queries/comments

ORC

Look for ways/opportunities to educate owners on “Ends.”

Assignments for Board Chats – watch for monthly events that could be combined with Board Chats

Exec

Financial reviews and budget info – How to post and disseminate w/o making it easily available to competition.

Policy on procedures for responding to owner queries/comments

Whistleblower policy?