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**FA Board of Directors Meeting  
Sunday (9am)  
September 18, 2009**

**Board Members present:** Bettina Schempf, Greg Alpert, Toni Hoyman, Tom Fenske, Robert Williams, Blanche Sommers, Dan Shapiro, Larry Plotkin, Chris Bentley  
**Board Members absent:** Camille Freitag  
**Staff present:** Donna Kaiser  
**Board Advisor:** Marcia Shaw  
**Owners present:**  
**Guests & Presenters:**  
**Scribe:** Claire Pate  
**Handouts:**

Board Advisor Marcia Shaw formally opened the Board meeting at 9am. Introductions were made.

**I Owner and Guest Comment:** None

**II Consent Agenda**

There were no items removed from the Consent Agenda.

**Motion 9-2009 (#1):** Motion by Dan, seconded by Greg, to adopt the consent agenda items as written. This includes approval of the agenda; /August BOD meeting minutes; calendar and timeline; committee meeting reports; recommended appointment of owner member to Owner Relations Committee; the GM report for September; and the GM Monitoring Report for L8. **Motion passes 9-0-0**

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

- A. Board Chat calendar – okay as drafted.
- B. Will Newman email turning in his owner share – Michele will respond
- C. Jerry Heilman’s email to the Board regarding special orders and the Product Selection Guidelines – Dan and Toni will write a response that will also be printed in the Thymes along with Jerry’s letter. They will consult with Michele on it. It was suggested that they include information about the fact that the Board would be dealing with the Product Selection Guidelines and how they pertain to special orders at its October meeting.

Discussions related to Board correspondence will be moved to end of the agenda next time, and will not be a part of this agenda item.

**IV Items Removed from Consent Agenda - none**

**V GM Report on “Ends” Statement: Survey Monkey Comments**

There were several comments relating to the feedback on the GM’s report relating to the “Ends” Statement, as follows:

- It is good that we got feedback on her report. This will provide more information for the new GM relating to expectations on reporting on “Ends
- The “Ends” form the large bowl that contains all our policies. They are aspirations, and maybe it is not appropriate for the GM to be reporting on aspirations. It might be more appropriate to just report on the policies that make up the “Ends”.
- Donna suggested that the report ought to be a timeline of what events have happened that have gotten us closer to the aspiration.
- Another aspect to report on might be what has changed in the world that has made it harder for us to move towards what we aspire. Include tangible examples.
- The “Ends” are tied into our strategic plan, and we should connect it with it.

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- Now that we have fine tuned what we want perhaps it is time to change the way the board and GM interact on these reports. Perhaps it is now a different dynamic. This should be part of a year-end reflection, and is certainly different from a report on the other policies. The Board might want to step back and give it more reflection.
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63 Donna shared that she is doing a project relating to the L statements and how they feed into the “Ends” statements, and has found that many of the L’s do not feed into the “Ends.” It was agreed that Policy Governance Committee would perform the exercise of looking at how the L’s and the “Ends” relate, and Donna will send her report when it is done to PG as a possible aid in this effort. It was suggested that work be done to refine “Ends” statement #7 to provide a stronger linkage to L5 - Financial Conditions.

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69 In response to a comment from Donna about how the “Ends” do not seem to address the importance of being a viable grocery business, there was general agreement that the “Ends” intentionally do not address this as the intent is to not limit ourselves to selling groceries. The Board deals with setting the vision and “Ends,” and the thought is that the Co-op delivers much more than just groceries. Policy governance gives the GM the responsibility for instilling that bigger vision and picture, and there was concern about the management team being so operational that they lose sight of the bigger picture.

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76 **Decision/Action:** PG will look at the L’s and how they point to the “Ends” statements. They will wait for Donna’s report relating to this effort. On another note, PG will also look at whether definitions need to be added as part of the “Ends” statements.

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## 80 **VI L5 – Financial Conditions - Survey Monkey**

81 Marcia gently admonished those on the Board who had not responded to the Survey Monkey, since it is important work to give feedback on the GM’s reports.

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84 Larry addressed the Analysis of potential cash flow ramifications of the North Store expansion. He said that one of his committee members has spent much time with Jacqueline to improve the financial tracking of projects and develop models that work. The intent in this case is to identify whether the Coop is put at risk with the North store investment. Even with the “conservatively” optimistic proforma, we will be paying down our cash reserves. With the pessimistic proforma, the cash balance would be 0 in 2011. There are three suggestions made to weather this crunch. The big recommendation is that Capital Expenditures be less than the \$200,000 that is used in the assumptions. The proformas have a lot of information behind them. Product margin drives so many things and we cannot let that erode. With new stores coming in we might not be able to compete on price, but we have to show that the money people invest is for more than just the product they purchased.

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94 Next month, the budgeting cycle starts for next fiscal year; the Board needs to keep this report in mind when approving the budget assumptions.

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97 In response to questions from the Board members, Larry and Bettina said that better control is being achieved by having more reports. The management team is making more frequent adjustments to respond to rising and/or falling sales; according to Donna, this is done weekly now. Michele has always had a quick response to managing labor costs, and it will be important to ensure that a new manager does as well.

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102 There was a discussion about the need to encourage those who have given member loans to the Co-op to roll them over, especially those that come due soon. In 2011, approximately \$115,000 will be due to be repaid to member-loaners.

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## 105 **VII Strategic Plan Discussion**

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107 Toni led a discussion about the draft strategic plan the GM had sent out for feedback on format as well as content. One key topic of discussion was who should be doing the strategic plan – whether it should be the GM, the Board or an adhoc committee. The draft sent out by Michele appears to be more operational than strategic in nature, and contains some assumptions that have not necessarily been tested by the Board; i.e. planning for a third store.

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112 Some of the specific comments were:

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- Need more information on coupon usage: i.e., is there a stat on how many coupons are taken in; is use rising and what are dollar amounts associated with the usage? Jacqueline might be able to get that information.
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- Outside research that is cited in the plan should be placed as an appendix. There might be some of it that is appropriate to keep as part of the plan, but as much of it as possible should be placed in an appendix to the plan. Page 12 is where the meat of the plan starts.
- On page 3, is it appropriate to use the word democratic or are we consensus. The term democratic could likely be eliminated but the climate for business/operational decisions is different than the Board's desire to make decisions by consensus.
- On page 12, review and update the debt management plan should be done more frequently than five years.
- Key objectives should be grouped in themes, not just given as one big list. Not clear what the timelines are.
- Is keeping the ambiance as the store grows operational or strategic?
- What is meant by expanding product categories?

It was agreed that a lot of energy went into developing the draft strategic plan, and that there were good ideas. However, some of the ideas might not necessarily be on the Board's radar. The Board should let management know before time is spent on actions that the Board might not buy into. It was suggested that staff might want to spend some time becoming more educated on the "Ends" statements, and give some thought to what they need from the Board to further develop a strategic plan and put together their action plan. There was general consensus that there was a lot of confusion about how the "Ends" statements, the mission and vision statements and a strategic plan interface, and how the strategic plan should be developed. Marcia said she had a book with suggestions on the process, and other coops could be consulted as well for how they do it. There was a general consensus that some professional help might be needed.

**Motion 9-2009 (#2):** Motion by Toni, seconded by Blanche, that the Executive Committee determine how to proceed with strategic planning and bring back a proposal to the October board meeting. Passed 9-0-0

A general direction for the management team to take would be:

- Let Board know what you need from it.
- Spend time on the Ends report and the comments.
- Keep track of current actions that might be reported on as part of the next "Ends" report. Those actions can be cited as proof that we are moving ahead towards attaining the "Ends."

## VIII Other Items

**A. Celebration for Michele** – it was agreed that the Board wanted to honor Michele for her work and her long involvement with the Co-op. The Board could do this along with staff, or it could be a separate celebration along with a larger community effort. Dan suggested doing an appreciation circle as part of the Board's celebration. Chris B and Donna K volunteered to continue to work on the planning.

**B. Status Report on follow-up responses to owner questions/comments:** no comments made; all responses have been completed.

**C. Assignment of responses:** Michele will respond back to Will Newman; Toni and Dan will draft a response to Jerry Heilman's concerns, after consulting with Michele.

### **D. Meeting Wrap-Up comments:**

- We did the best we could.
- The Board was pretty functional.
- The nebulous aspects of what we are dealing with lead to some diffused comments.
- Appreciative of the people who spoke up and said this is not a strategic plan.
- Felt a bit railroaded by the facilitation.
- Likes the way the Board is working.
- There was a lot of operational stuff in the strategic plan, and I got sucked in.
- Likes the current recipe of the Board.
- Likes the facilitation.
- How do you keep people on the Board so there's cohesiveness and historical context? (Board literature/articles say one key is having them feel that they are doing critical work – and that they are being recognized for their work).

174 E. Greg spoke to Linda Lawrence's appointment to the ORC . This was covered in the Consent Agenda, but he  
175 explained why it had taken so long.

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177 F. Dan suggested that the Board have a moment of silence before we dig into the meat of a meeting. Just a bit of  
178 time to pull our heads together and be ready to work.

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180 **Meeting Adjourned: 11:45am**

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183 October Agenda

184 *Product Selection Guidelines and special orders discussion.*

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

186 *Cooperative Grocer Benchmarks review*

187 *Plan for completing a strategic plan – Exec Committee*

188 *GM recruitment – budget, timeline, job summary & description and list of desired qualifications*

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190 "Parking Lot":

191 *Board advisor evaluation process (BDC/Camille)*

192 *Document Retention Policy – do we need one*

193 *Revisions to L4 (review by Finance and PG)*

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

195 *Revisions to G policies )(PG)*

196 *Track how L statements tie into "Ends." (PG)*

197 *Formulate a policy on procedures for responding to owner queries/comments (Exec)*

198 *Whistleblower policy (Suggested by Bettina) Need discussion about how to retain Board members.*

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200 ORC

201 *Look for ways/opportunities to educate owners on "Ends."*

202 *Greg – write up process for advertising/appointing committee owner-members*

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204 Exec

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

206 *Policy on procedures for responding to owner queries/comments*

207 *Whistleblower policy?*

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209 Policy Governance

210 *Define what "reviewed by the Board" means as it relates to changes made to Product Selection Guidelines.*

211 *Review L's and link them to the "Ends" statements*

212 *Review G policies (Remember to link Board self-evaluation criteria to G8)*