

MINUTES

FBFC Board of Directors Meeting 11-17-16

Meeting started at 5:31 pm and ended at 8:05 pm.

Board members present: Danielle Goldstein (President), Josh Littlejohn (Vice President), Bob LeRoy (Treasurer), Jennifer Heeder (Secretary), Alanna Hibbard, Pauline Heyne, Kelly Fain, Daav Wheeler, Josh O'Conner

Board members absent: Paul Gallimore

Others present: Bobby Sullivan, General Manager (GM); Clare Schwartz, Outreach Coordinator; Jean Karpen, Board assistant; Owners – Rusty Sivils, Casey Epstein

Meeting Summary:

- Finance committee report – GM reports will include longer data comparisons
- Stephanie Swepson-Twitty appointed to fill vacant Board seat
- Retreat topics discussed
- Monitoring reports approved – B1 – Financial Condition and B 3 – Asset Protection
- Executive Session to discuss personnel

Calendar Dates:

- Dec. 3 – Owners' Council meeting, 10:00 am, 76 Biltmore
- Dec. 11 – Board retreat
- Jan. 21 – CBLD 101 (Cooperative Board Leadership Development), Raleigh

Agenda approved as presented.

Minutes of 10-20-16 approved as presented.

Owner Comments: Rusty Sivils reminded Board of the book he mentioned, "Code Red, Computerized Election Theft in the New American Century" by Jonathan Simon. Rusty feels this election has potential for fraudulent vote count. The website codered.org will, at some point, have a statistical analysis of the election.

Rusty also submitted a prepared statement. See attached.

Finance Committee: Committee met on Nov. 9.

- Clarified that the NCG requirement to have at least an annual review by an independent auditing firm takes effect in 2017, so we will have that audit expense in 2018.
- Regarding capital campaign, raising funds through loans would be simple; alternative shares would require changes in bylaws and articles of incorporation.
- We have been interested in offering both. Bob had, in May 2016, drafted language for these changes. Attorney Bob Deutsch reviewed and recommended taking our time – work out best language.
- Sage has been communicating with a company called "Darcy" – they have experience with cooperative law in structuring bylaws to allow for alternative shares. Will continue consulting with them.
- Bob Deutsch will also be involved with whatever their recommendations are.
- Since we pay for CDS consultation, which we have been underutilizing, it has been suggested that we consider a different arrangement – pay by occasion rather than a set fee.
- Daav requested that reports include longer data comparisons. GM reports it will be easy to do. Board agreed that we will have, as regular reporting, information on financial comparison over several years.

- Next Finance Committee meeting will be Wednesday March 8. GM encourages all Board members to come; it's a good way to learn about this business.

Board Candidate interviews & recommendation

- Four Board candidates met with Board members for an informal interview process. Board members who participated recommended Stephanie Swepson-Twitty to fill the vacant Board seat. All Board members agree; Stephanie is approved as our new Board member. Danielle will welcome her.
- Candidates and Board members reported they liked this interview process and recommend using it in the future. Next time, organize so that questions are not repeated.

Retreat: Possible topics include:

- “What makes us a real coop?”
- Capital campaign
- Social bonding, have fun, learn more about each other.
- Board outreach events – plan & structure so Clare & staff don't have last-minute preparations. Evaluate; look at value for Board/community relationship-building. Clare suggests to set dates early and get them on the calendar. Other suggestions from Clare - Board participation during owner drives and choose a quarterly fundraiser idea for charitable or community organization.
- What can we do, as Board members, to be more involved/engaged in the coop community?
- What do we need to be smart about? How do we communicate artfully, sensitively, and well with owners during expansion? Communication from Board & GM to owners is crucial.
- Agree on official message to owners regarding expansion.
- Discuss what makes it easiest for us in terms of how we communicate outside Board meetings. Set ground rules for that – one voice.

Miscellaneous:

- Kelly will coordinate (with Clare) & oversee Buzz articles from Board members.
- Clare will send options for annual meeting dates in June which will work with store calendar.
- Daav distributed copies of drafts for Buzz articles – would like feedback.
- Bobby discussed information from Zingerman's. Their new book, “The Power of Beliefs in Business” is recommended reading. GM uses their videos for staff orientation.

Monitoring Reports:

- B1 – Financial Condition – reasonable and acceptable
Note: Bobby has been using the old template for this report. Cannot use the new template because it requires tracking and that will take some time.
- B3 – Asset Protection – reasonable and acceptable. Uses new template.

Executive Session was held to discuss personnel.

Next meeting will be December 15, 2016 at 6:00 pm. (Special meeting, executive session to work on GM contract)

Next regular meeting will be January 19, 2017 at 5:30 pm.

Jean Karpen, Board Assistant