

MINUTES

FBFC Board of Directors Meeting 11-21-13

Meeting started at 5:35 pm and ended at 8:11 pm.

Board members present: Bob LeRoy (President, Treasurer), Justina Prenatt (Vice-President), Jennifer Gustafson (Secretary), Stephen Smith, Sarah Oram, Alanna Hibbard, Pauline Heyne, Kelly Fain, Josh Littlejohn, Danielle Goldstein

Board members absent: Alisa Kuumba Zuwena

Others present: Bobby Sullivan, General Manager (GM); Jean Karpen, Board assistant; Steve Breckheimer, a member of the Hendersonville Co-op Board.

Meeting Summary:

- Presentation by Steve Breckheimer from the Hendersonville Co-op
- Overview of Policy Governance
- Board calendar dates reviewed
- Monitoring report 2.6, Emergency GM Succession was reviewed and accepted
- Overview of field trip to Knoxville co-op
- Discussion of Worker-Owner committee proposal
- Co-op Community Committee Report

Approve Agenda: Agenda was initially approved, with Justina's presentation on Policy Governance moved to before the break. The Board decided to skip the safe strategic conversation with GM, since there were no questions submitted in advance. Later in the meeting, it was agreed that several items be moved to the January meeting (See notes at the end of these minutes.)

Minutes of 10-17-13 were approved as presented.

Owner Comments: The following statement from Joe Karpen was read: The current marketing campaign - "Food for people, not for profit" is disingenuous in the message because: 1 – The Coop is organized as a for profit cooperative under NC law. 2 – There are profits, and the profits are returned to the owners (ie stockholders), in proportion to the amount the owners spend at the coop.

Danielle suggested that there be an orientation for new Board members. Beyond reading the bylaws, Board members need to know what are the expectations of the position. A tour of all the co-op facilities would be helpful. (This has been done recently and can be scheduled with the GM.)

Justina has a presentation on Policy Governance for tonight's meeting. Justina will take the suggestion to the documents committee which will consider creating a new policy to address Board orientation.

Special Presentation by Steve Breckheimer from the Hendersonville Co-op:

- Steve talked about their plans for expansion, steps in the process of making those plans a reality, and their recent successful capital campaign to raise money for a new building.
- They first started talking about expansion in 2006. Over the next several years, they consulted with CDS (Cooperative Development Services) and DC (Development Cooperative), strengthened areas of weakness, cleared up policies, revised their bylaws, and worked to build support among owners. Communication with owners was a major focus.
- An important step in the process was to contact all owners to update their owner database. Two 'Frequently Asked Questions' documents about expansion, one about the physical expansion & one about financing, were given to owners a year ahead of the expected move. 5,000 to 6,000 phone calls were made to owners during 16 months.
- The board gave the GM full responsibility for the expansion project. In support of this, the GM formed a Campaign Committee & a Building Committee, each including 2 or 3 board members.
- They used an 'invest local' slogan in pushing for owner investment of funds. They issued preferred stock to owner-investors & set a \$1,000 minimum per person, rejecting advice to use a \$2,000 figure, & had a

very strong response at the minimum level. A 3%/year deferred yield was promised for \$1,000-\$4,000 amounts, with 5%/year for \$10,000+ & 4%/year for amounts inbetween.

- Their board, in decision-making, has shifted largely to a 'consent agenda', in which issues/proposals for which much legwork has been done, will be put into meetings as approved by default without need for in-meeting further discussion, unless objections arise.
- Following the Cooperative principle #6, "Cooperation among Cooperatives," Steve offered to talk further with us, if needed.

Policy Governance: Justina gave an overview of policy governance for new Board members.

- The Board speaks with "one voice."
- Committee decisions/suggestions come before the Board and the Board decides on "one voice."
- The Board evaluates the GM.
- The GM submits a monitoring report which includes a statement of the policy, the GM interpretation of that policy, and data to show what GM has done to comply with the policy.
- Our role as Board members is to read the reports prior to the Board meetings, make sure we understand them, submit any clarifying questions to the GM one week prior to the meeting.
- At the Board meetings, Monitoring Reports are reviewed (suggestions made, if needed) and are either accepted or rejected.

Note: The Executive Committee will meet to make a schedule for review of Monitoring Reports.

GM Report: The "living food" items are now available in the deli. We are planning a new hot bar/salad bar for 2014. Union contract negotiations will begin in December. The Tool Library is moving forward and will be a presence at the Farmer's tailgate market. Classes in the Movement & Learning Center have begun again.

Board Calendar:

- Dec. 10: 5:30 pm, the Coop Community Committee will meet at Dobra Tea.
- January 25: CDS (Cooperative Development Services) Basic training, Leadership training. All Board members are encouraged to take advantage of one of these 2 unique skill-building opportunities.
- January 26: Possible date for wine & cheese social/meet & greet for owners.
- March 22: Advanced seminar for board members who have had experience or trainings. This has southeast regional participation of many co-ops, & is thoroughly informative & inspirational.
- March 29: Urban Homesteading Fair

Monitoring Report: 2.6 Emergency GM Succession. Kelly gave an overview of the report. The report was deemed reasonable and acceptable. Note: Clare Schwartz, Front End Manager, still needs to attend 2 Board meetings per year. Clare will attend the next NCGA (National Cooperative Grocers' Association) conference.

Knoxville's Three Rivers Co-op Field Trip: Brief recap of the trip was given. Photos from the trip had been shared via email. The Co-op has lots of educational information within the signage in the store. They also have a number of community partnerships.

Worker-Owner Committee: Proposal was submitted and discussed at the Nov. 9, 2013 Board Retreat. No decisions tonight. Points of discussion:

- At the retreat, it was decided that GM would look at the jobs listed in the proposal and respond to each with "yes" or "no," mainly in regard to conflict with union tasks.
- GM should have authority over the worker-owner program.
- Regarding the possibility of having owners work at other non-profits:
 - Of non-profits suggested, GM would pare down to a list of those approved.
 - Concentrate on food or sustainability.
 - Have a sanctioned list, but don't limit too much.
 - Some non-profits keep better records of volunteer work hours than others.
 - Wear co-op T-shirts while volunteering at other venues.
- Worker-Owner tasks should serve the Co-op's internal needs.

- The Board should oversee certain types of work, such as contacting owners for updated information.
- Find out what current owners want in terms of volunteer work.
- We don't want to create jobs or positions just because someone wants to do a particular task.
- How many worker-owners can we really accommodate and at what cost?
- GM has a response to this proposal, which includes a cost analysis. He will email to Board members.

Co-op Community Committee: Working on plans to create an accurate database of owners by contacting each owner by phone. Other plans in the works include a wine & cheese “meet & greet” in January for staff and owners; a food drive of some sort to be organized in collaboration with other local cooperatives; possibilities for outreach to schools; and a quarterly orientation to the Co-op for new owners.

Agenda items not covered or unfinished:

- Retreat (Nov. 9, 2013) follow up
- Monitoring report 2.4 Planning and Budgeting
- Monitoring report 2.3 Financial Condition and Activities
- Worker-Owner Committee proposal – further discussion

Next Meeting will be January 16, 2014 at 5:30 pm.

Respectfully submitted,
Jean Karpen, Board Assistant