
January, 2008 meeting did not have a quorum.

MINUTES

FBFC Board of Directors Meeting 2-07-08 (January make-up meeting, since there was no quorum in January)

Prior to the start of the meeting, there was a brief discussion of timeliness. The meeting could not be started until there was a quorum. Regi requested that the issue of timeliness be addressed by the Board.

Meeting started at 5:14 pm and ended at 7:07 pm.

Board members present: Darcel Eddins (secretary), Regi Blackburn (acting president), Anne Gaines Grier, Jonathan Daniels, Katherine Caldwell

Board members absent: Aja Wright (president), Anne Craig – both excused

Others present: Steve Watts, General Manager (GM), Chris Roland (management team), Owners: Cicada Brokaw (facilitator), Jean Karpen (note taker). Owners Bette Jackson and Rusty Sivils were present for the owner comment period only.

Meeting Summary:

- Approved minutes of the December 13, 2007 meeting
- GM informational report
- Adopted Board bagger proposal
- Discussed interim officer positions, no decisions
- GM monitoring report on Emergency GM succession accepted
- Discussed officer roles & responsibilities no decisions
- Reviewed agenda for Board workday this Saturday

Owner Comment Period: This agenda item was addressed first at Bette's request so she could catch the bus.

• Bette stated that she has concerns and hopes that something is being done about the worker/owner (w/o) program. Also, In the past there has been a lot of focus on product policy. The Board is writing Ends policies now. She has noticed vegetables from China in our freezer and feels this is not consistent with what we've decided as our product policy. This is way beyond the local focus, they have a poor human rights record, and she wonders about their standards for certifying vegetables as organic, given recent news about toxic products from China.

Chris asked if our current policy states anything about country of origin. No, It just says, "local focus." Chris has talked with Bette about this issue.

- Rusty also is wondering what is happening about the w/o program. What is being done pertinent to the resolution passed by owners? He feels that policy governance (PG) has been deleterious to the coop over the last few years. With PG, the Board seemed to be fading out of the life of the coop. He feels that the Board either doesn't make decisions or says they can't make a decision until they get training, then they spend 6 months getting the training.
- The following written statement from Joe Karpen was read aloud: To the Board:

After listening to and interacting with coop members at the pot luck seminar on

policy governance, I looked at the current policy governance documents.

I was struck by how negatively many of the policy statements were presented. In particular, most of the policy statements with regard to the general manager were stated as "shall not". Later in the documents, there were some positive statements.

I feel one of the problems the current board has is their negative view of how a manager should function. It is very hard to measure performance, when you look at negative attributes. When a manager is measured by positive statements, it then becomes easy to measure how well the manager has met these expectations.

To the owners:

Another attitude problem I heard at the pot luck was an expression by some owners of "taking it to the man." Come on people, let's get a positive attitude of what the coop stands for, and leave the negative feelings in the past. Those who have negative thoughts are like a cancer in the organization, and will destroy it from within. We need to affirm what we do well, and strive to do better. There is a process called affirmative appreciation which can be used to leverage what we already do well.

- Cicada expressed a concern with regard to our stated purpose of providing a livable wage for all staff. This is stated in both our mission and bylaws. Due to the way in which PG is utilized, there is not a way for a concern such as this to be responded to by the Board. Certain employees are getting their hours reduced and will not be eligible for insurance. This is not in line with our mission statement.
- Additional comments Chris asked if things ever get dealt with regarding owner comments. Yes, in some ways. Some products have been taken out of the store. Darcel would like to see the comment box be more actively used to create discussion. One idea is to post comments in the store along with a response from the management as to what is being done to address the comment. Steve stated that a comment area at the front of the store is planned.

Approve Agenda: The agenda was approved with several changes. Regi requested an executive session after the meeting. Owner linkage report about the Jan 25, potluck will be moved to the February Board meeting. Officer Roles & Responsibilities, reduce to 10 minutes with no decisions tonight and continue discussion at Feb. meeting. Information about a workday with consultant Thane Joyal moved to Feb. Board meeting. Ten minutes allotted to workday agenda.

Board Business:

- **Minutes:** Minutes of the December 13, 2007 meeting were approved with one correction: the date for the owner pot luck was Jan. 25, not Jan. 26.
- **GM Informational Report:** This report had been previously submitted by Chris via email. There was a brief discussion of planned changes in the store layout. Cicada suggested that we consider outdoor seating on a back deck above the recyclery. Steve reported that the coop will be the origination and termination of LaZoom Tours. Landscaping for the lower lot is under contract.
- **Board Bagger Proposal:** It was proposed that Board members bag groceries in the store on Wednesdays and/or Saturdays. The proposal was adopted. Board members will sign up for this task at the next board meeting. Chris will write up "guidelines" and Steve will make nametags.
- **Aja step down as president:** Need to clarify whether this is a temporary move. Discussion moved to the Board workday, since Aja and Anne are not present.
- **Post notice** of Board workday, February 9, as a Board meeting in case decisions need to be made.

Break - Cicada will facilitate the next segment of the meeting.

GM Executive Limitations Monitor Report: 2.6 Emergency GM Succession

Regi – likes the way it reads.

Darcel – glad to have this in place.

The report was deemed reasonable and acceptable. Regi will be responsible for filling out the monitoring sheet.

Discussion of Officer Roles and Responsibilities:

(This includes committee work.)

Regi is serving as interim president and Anne C. as interim vice president.

With so few Board members, we need everyone to participate; engage the entire Board so that everyone shares the workload.

Darcel – work has recently been carried by a few people.

Katherine – make sure that someone is assigned to each task that comes up.

This will be discussed further at the workday.

Workday Agenda: accepted as written, for now.

Agenda Items Not Covered or Unfinished:

- Owner Linkage report about Jan 25 potluck
- Further discussion of officer roles and responsibilities

The Board held an executive session to discuss personnel matters.

Next Meeting will be February 21, 2008 at 5:00 pm.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board workday meeting 2-9-08

Board members present: Aja Wright, Darcel Eddins, Regi Blackburn, Anne Craig, Anne Gaines Grier, Jonathan Daniels, Katherine Caldwell

Others present: Steve Watts (GM), Jean Karpen (notetaker)

Meeting Summary:

- Adopted ends policy. The policy below was adopted without objection or concern, and with the understanding that specific wording may need to be refined later.
- Response to petitions

GLOBAL ENDS POLICY:

A transformative force in our community and work and to serve as a model of sustainable business alternative that nurtures social and economic well-being in an environmentally sensitive manner.

Products:

Maximized availability of healthful and organic foods and non-food products grown, manufactured, or produced locally with ecological and social responsibility for the community.

Education:

An empowered and informed community with access to education and customer assistance.

Financial Health:

A financially viable, transparent, ethical cooperative with equity growth, patronage refund, and community investment.

Staff Environment:

A respectful, responsive, and safe work environment in which a fairly compensated management, bargaining unit, and worker owner team has a strong sense of ownership in the success of the co-op.

Community:

Within cooperative values, an ever-widening circle of community members with healthier and more environmentally restorative lives.

Response to petitions passed by owners after the annual meeting, 11-12-07. Board members looked at the two petitions, discussed and listed the values expressed by the petitions, and noted which policies address these values. It was decided that Anne Grier will write an article for the SCOOP newsletter to explain this. The article will include a description of the current worker/owner program.

Related statements of interest, some of which may need follow-up:

- Timeliness is a big issue may need a policy of its own.
- General liability covers worker/owners.
- We may need a policy which says there is a worker/owner program.
- Regarding petition 3, ratio is a weak tool; it can be manipulated in many ways.
- Operational policy has a range for salaries.
- Regarding petition 3 (salaries), Union contract overrides Rusty's statement of opinion "The owners have the right to know how much their employees are paid, expecially the general manager, and they have the right to set Co-op policy with regard to employee salaries."

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 2-21-08

Meeting started at 5:07 pm and ended at 7:00 pm.

Board members present: Regi Blackburn (interim President), Darcel Eddins (Secretary), Aja Wright, Anne Craig (Vice President), Anne Gaines Grier, Katherine Caldwell

Board members absent: Jonathan Daniels, excused

Others present: Steve Watts, General Manager (GM). Owners: Cicada Brokaw (facilitator), Jean Karpen (note taker), Kasha Baxter (for part of the meeting)

Meeting Summary:

- Minutes of 2-7-08 approved
- GM Informational report given
- Owner Linkage report given

- Petition Response article for Scoop presented
- Policy Writing committee formed
- Officer Roles & Responsibilities discussed
- GM Monitoring Report 2.3 Financial Condition and Activity
- Report on phone conversation with consultant Thane Joyal

Approve Agenda: The agenda was approved with the following changes: Add 5 minutes for report from Anne Grier on petition response, add 5 minutes for information on updated bylaws. Additionally, Steve has a comment for the executive session.

Owner Comment Period: Jean relayed a comment from Leah Karpen that the produce section looks much better than it has in the past.

Kasha Baxter expressed concern about the worker/owner (W/O) program. She was under the impression that there would be no committee (re: resolution #1 passed at annual meeting 11-12-07) appointed by the Board. A brief discussion followed. Steve explained that the current W/O committee falls under operations and members are welcome to participate in the Board's Owner Linkage committee. Richard Shuttleworth, W/O coordinator will hold an orientation for new worker owners this Saturday.

Board Business:

- **Minutes:** Minutes of the 2-7-08 meeting were approved with the corrected spelling of Chris Roland's name and a clarification of a sentence in the owner comment section. The first sentence of the last paragraph of that section will now read, "Additional comments Chris asked if things ever get dealt with regarding owner comments."
- **GM Informational Report:** Customer appreciation day is this Saturday; all Board members are encouraged to be in the store sometime during the day to greet owners. Anne C. will bag groceries that day. Steve reported that we have a tentative agreement with the union.
- **Bylaws Update:** Cicada will update the bylaws to include the changes which were passed at the 11-12-07 annual meeting.
- Owner Linkage Report: Anne Craig reported that there are several owners who are revitalizing the W/O committee. The committee continues to meet regularly and will soon begin work on an owner survey for 2008. An owner potluck is being considered for March 29, since Thane will be in town for a Board workday.
- **Board Response to Petitions:** Anne G. has prepared an article for the March Scoop. The article addresses the Board's response to the petitions which were approved by owners at the annual meeting. Cicada said that the article might be a bit cryptic for someone who was not familiar with policies. It was suggested that the article include the text of the policies which are referenced in the article. Anne G. and Steve will work out how best to get those policies printed in the Scoop.
- **Policy Writing Committee:** Aja, Katherine, and Darcel will be on this committee. Anne C. reminded the committee that we need to go through the monitoring reports to see where we've said that policies need to be changed. Some policies are still the templates and were never filled in with information specific to FBFC. This committee meeting will be scheduled and posted.
- **Aja step down as president:** Regi will take over as "interim president" and Anne Craig will be vice president. There was a brief discussion as to whether or not this will be a temporary arrangement. Since new officers are decided shortly after the annual meeting, it was decided that these roles will remain in effect until the next annual meeting, May 31, 2008.

• Officer Roles and Responsibilities: Roles of officers are defined in the bylaws. The nature of this board is non-hierarchical, so we need to define tasks and partition those out so that each person has responsibilities and officers are not loaded down. Darcel reminded the Board about submitting a Board budget. Cicada suggested that if there were a list of tasks, then Board members could say, "I'll do that." Regi stated that, as interim president, he will delegate responsibilities. Regi will begin a list to keep a record of which tasks are being done and by whom. Aja will continue to prepare the agenda for Board meetings.

Regarding current Board terms:

Darcel & Anne C. were appointed to serve till May, '08. They are filling terms which expire in 2010. Regi's term expires May, '08.

Three unfilled seats expire May, '08

Aja, Jonathan, & Anne G.'s terms expire in 2009.

Katherine's term expires in 2010.

One unfilled seat expires in 2010.

GM Monitoring Report: Policy 2.3 Financial Condition and Activity

Steve presented this report and addressed several issues.

The current net profit is 1.04%. The Board needs to deal with this patronage rebate opportunity.

Regarding 2.3.1, "Operate at a rolling four-quarter net profit of less than 2%," Steve said that the Board may need to adjust this figure. With the investment that the coop needs, 2% might be too hard to attain.

Darcel said that counsel from Linda Stier on this suggests that 2% is a good figure.

Steve said that he has to make choices in order to meet or exceed the 2% standard.

Aja told Steve that, in the future, if there is something he would like to do if he didn't have to meet that standard, she would like to hear about it.

Steve said that it is a balancing act. For example, he might not have hired a lawyer to negotiate the union contract, but that may have caused a loss in the long run.

Sections 2.3.2 and 2.3.3 regarding long-term reserves and restricted funds will be sent to the policy writing committee to determine whether or not they are still necessary.

Without objection, the report was deemed reasonable and acceptable. Regi will fill out the monitoring sheet.

Report on Phone Conversation with consultant Thane Joyal:

Regarding Steve's review, Thane feels that a review is a 2-way exchange of information. Monitoring reports can supplement. She will send a link for information on the review process as well as a link for the John Carver book on PG.

Regarding recruiting Board members, consider Board compensation, making Board members feel appreciated, making meetings fun.

The Board needs to be very organized; important documents must be easily accessible. It is very challenging to do board work and organize at the same time.

Thane suggests 2 more phone conversations before the next workday.

"Parking Lot" items need to be prioritized and addressed.

Aja encouraged Board members to participate in available "webinar" classes and then give a brief report to the Board.

Anne C. proposed a member potluck for March 29 or 30, since Thane will be in town. The Owner Linkage committee will plan events for that weekend.

A second phone conversation is scheduled for March 5, 2008.

A Bylaws Meeting will be held on February 28, 2008 to discuss the bylaws which were brought before the members at the annual meeting but not voted on.

Next Regular Board Meeting will be March 20, 2008 at 5:00 pm.

Executive Session began at 7:00 pm.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 3-20-08

Meeting started at 5:05 pm and ended at 7:42 pm.

Board members present: Darcel Eddins(Secretary), Aja Wright, Anne Craig (vice president), Anne Grier, Jonathan Daniels, Katherine Caldwell.

Board members absent: Regi Blackburn, excused

Others present: Steve Watts, General Manager (GM). Owners: Cicada Brokaw – for owner comment period only, Jean Karpen – note taker

Meeting Summary:

- Minutes of 2-9-08 workday meeting will be rewritten and resubmitted for approval.
- Minutes of 2-21-08 were approved as written.
- GM Contract Committee formed
- Owner Linkage report given
- Policy writing committee report given
- Discussed possible short term appointment of Cicada to the Board no decision
- Discussed annual meeting, planning meeting set for April 14
- GM Informational Report given
- GM Monitoring Report 2.4 received and discussed
- Amended draft agenda for 3-30-08 workday with consultant Thane Joyal
- Report on phone conference with Thane

Approve Agenda: Agenda was approved with several changes:

- drop Archives report
- drop discussion of Succession Plan (send to policy committee to write policy)
- drop executive session
- add discussion of annual meeting planning process
- add Thane Joyal's draft agenda for 3-30-08 workday

• add proposal for GM contract committee

Owner Comment Period:

• Cicada had several comments. He suggested that renewal cards sent to owners include a statement of the amount the owner has paid toward the \$250 investment.

He stated that while he understands that people might feel the need to discuss his relationship with the Board without his being present, he does not believe that it is a discussion that is properly held within an executive session. He is glad to hear any comments or concerns that Board members may have about his relationship to the board and is comfortable with people addressing their concerns to him directly.

He has a concern about the incompleteness of the minutes of the 2-9-08 workday meeting.

Cicada distributed copies to all present of a document concerning the Board's Ends Policies and how owner passed initiatives, such as the Worker Owner Program petition and the Product Policy could be articulated and adopted as Board Ends Policies (see attached)

• A statement regarding Policy Governance (PG) from Joe Karpen was read.

Board Business:

Minutes

Minutes of the 2-9-08 Board workday meeting will be rewritten and resubmitted for approval at the April Board meeting.

Minutes of the 2-21-08 meeting were approved as written.

- **Proposal** was approved to form a Contract Committee to work on Steve's contract. The committee will consist of Regi, Darcel, and Anne C.
- **Owner-Linkage:** The committee will work on planning the annual meeting which will be held on May 31, 2008.

There was a brief discussion of how to get information from owners (survey options). On March 29, there will be a brunch with consultant Thane Joyal concerning PG.

• Policy Writing Committee

There was a discussion of policy 2.2.7 concerning treatment of staff. This section of the policy applies only to the non-bargaining unit (managers and volunteer staff). It was discussed and clarified. One consideration is to clarify the section by changing the first sentence from, "Prevent staff...." to, "Prevent non-bargaining unit staff...."

Discussion of possible short term appointment of Cicada to the Board

The Board is appreciative of the tremendous amount of work that Cicada has done for the coop and for the Board. He has been on the Board in the past, attends meetings regularly, and knows what the Board is doing. Board members are hesitant to set a precedent of a short term appointment. Perhaps an appointment to a committee (such as Policy Committee) or a Board working group could be considered. No decision was made at this meeting. Anne C. will draft a letter to Cicada to let him know that the Board did not reach a decision because some Board members have questions for Cicada and would like for him to answer them. With Board approval, the letter will be sent to Cicada.

Discussion of annual meeting:

Owner Linkage committee will do advertising for the meeting. There will be a meeting on Monday, April 14, 2008, to further plan the meeting (agenda, rules of order, facilitator, etc.)

- **GM Informational Report** was given. There was a discussion of Steve's recommendation for the patronage rebate opportunity. This will be discussed further and a decision will be made at the April Board meeting. Steve suggests that the Board announce its patronage rebate decision at the annual meeting. Aja commented that a clear explanation to owners at the annual meeting will be needed.
- **GM Monitoring Report 2.4 Planning and Budgeting** Report was presented and discussed.
 - 2.4 Reasonable no. The Board directs Steve to drop the word "*Global*" from his interpretation statement and resubmit. Steve will follow through.
 - 2.4.1 Reasonable and acceptable
 - 2.4.2 Reasonable and acceptable
 - 2.4.3 Reasonable and acceptable
 - 2.4.4 Reasonable and acceptable
 - 2.4.5 Reasonable yes

Acceptable – no. Send to Policy committee for revision.

Discussion of policy 2.0 Product Policy

Aja asked Steve to bring research on how other coops deal with this issue to the May meeting. She also asked Steve to let the Board know, in his informational report, what he is doing to implement the policy as it is.

The monitoring report on product policy will be due in August.

Draft agenda for workday

Delete team building strict lunch time – 30 minutes delete morning break

• Report on phone conversation with Thane

Anne C. gave a brief report – the annual review is not only for the GM, but also for the Board itself. Thane has sent several reference articles and a sample policy monitoring check sheet.

Next meeting will be Monday April 14, 2008 at 5:00 pm, to plan annual meeting.

Next monthly Board meeting will be Thursday, April 17, 2008 at 5:00 pm

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting and Workday 3-30-08

Meeting started at approximately 10:00 am and ended at approximately 4:00 pm.

Board members present: Regi Blackburn (interim President), Aja Wright, Anne Craig, Anne Grier, Katherine Caldwell

Board members absent, excused: Darcel Eddins, Jonathan Daniels

Others present: Thane Joyal - consultant, Steve Watts - General Manager (GM). Owners: Cicada Brokaw, Jean Karpen – note taker

Meeting Summary (decisions/actions only, noted in bold type below by ***):

- Approved proposal to form a bylaws committee
- Approved procedure for addressing staff complaints
- Established procedure for discussion of owner comments during board meetings

Agenda:

- Overview of accountability chain
- Discussion of bylaws
- GM evaluation/compensation
- Response to staff complaints
- Owner linkage/patronage rebate
- Response to owner comments

Overview of accountability chain:

Discussion included a flow chart of responsibility and accountability from owners to the board to GM to staff. Thane Joyal (TJ): Transparency about roles and responsibilities is important in building trust among the links in this chain of accountability. There is an urgent need for expanded communication with owners. Authority is given to the board to lead the organization. Policy Governance (PG) is all about trust.

Bylaws:

TJ: Some of our bylaws are good; some are alarming. There is lack of clarity about delegation of authority. In proposing changes to the bylaws, it's helpful to have a committee to look at everything (including NC law) and come up with a simple proposal.

Making changes to bylaws is *not* best accomplished at an annual meeting.

There are many silent voices not being heard. Does the vocal minority have too much power? Consider how to change this so that other voices are heard. This is a long term process.

Lack of clarity can lead to mistrust and defensiveness. There is no need for that.

(Discussion continued after lunch break.)

GM Evaluation and Compensation:

TJ: Annual review and compensation must be kept separate. Review asks, "Is the value that we want being produced? Is the GM's performance adequate?" Regarding compensation, ask, "What is a compensation package that will let us meet our goals?"

It is important that everything that Steve is evaluated on be in the policy documents. Policies dictate what is being asked and should be very transparent. The process of measuring accountability is ongoing through monitoring reports. The annual review is a summation of what has happened in the past.

Also, the Board is self-examining at the same time. It is a conversation. It's OK not to be right all the time. Board members need to feel safe to say what they are uncomfortable with. Place your energy in, "What needs to happen next?"

Regarding compensation, Board members must realize how important this is. They must support the GM so that the value is produced. Start with a list of criteria for what would comprise a good compensation plan. Then have Steve make a proposal for what he needs.

Lunch Break

Scot Quaranda will be asked to facilitate the annual meeting.

Bylaws, continued:

TJ: Bylaws fill the gap between NC laws and what owners want. They should be spare and easy to understand. Owners empower the Board; the Board uses PG to say exactly what they expect of the GM.

Less clear in our bylaws is the relationship between owners and the Board.

Drafting bylaws is a lengthy process. Consider a committee to look at bylaws. They should be clean, easy to use, and easy to understand. They reflect our coop's values. There's a lot to be said for a clean slate. Right now we have a lack of clarity in delegation from owners to the Board.

Cicada: What are owners reserving? This is part of the delegation process. It is important for non Board members to be on the committee, too.

TJ: Typically, owners reserve the right to elect board members, hold meetings, raise issues, and change bylaws. First, make sure you have the voice of enough owners to really say what is wanted or needed.

***Proposal to form a bylaws committee which will begin meeting no later than June, 2008. This proposal was approved and will be announced at the annual meeting.

Katherine: A bylaws committee with board members, interested owners, and "experts" can say to owners, "Here's the process we went through and this is why we make these suggestions.

Cicada: Suggestion to consider - publish a draft and ask for comments.

TJ: Publish intermediate steps along the way. (For ex. "Here's a summary of issues. Did we get them all?")

TJ: When you have a chair for this committee, I will send a template.

GM Evaluation and Compensation, continued:

TJ: Within PG, it is a cumulative look at performance monitoring throughout the year.

Aja will look at the monitoring report matrix for the April meeting.

TJ: First is a Board conversation about the matrix (one voice). Next step is to communicate with Steve.

Regi: To rephrase, as we look through the matrix, what will stand out is noncompliance. The Board and Steve together will figure out why. Does the responsibility lie with the Board or Steve or is it shared? Look at each sub policy.

TJ: Regarding Steve's compensation, there is a distance learning workshop on April 9 which will give a process to go through – to make a list of criteria. Then Steve will give a proposal of how the criteria can be met. Suggestion for the April Board meeting – develop criteria for compensation. Then the contract committee should meet after criteria are set.

Owner Linkage:

TJ: Regarding complaints from staff, look at what policy is being referred to and center the discussion on that point. You must have agreement on how to handle complaints. Call the Board president, have him/her check it out with Steve. Copy to all Board members.

Tell staff to "follow procedure;" talk to the shop steward. Ultimately, it is divisive to send emails around. Always go through the Board president to ensure transparency.

***Procedure for addressing staff complaints: When a staff member raises a concern to a Board member, that Board member will contact the Board President. The president will discuss the issue with the GM. The President will report the information and recommend action, if needed, to all Board members. The President will see that a response is given to the staff member where appropriate. This procedure was approved.

***Procedure for responding to owner comments during Board meetings: Schedule a 10 minute period for discussion right after owner comment time. This procedure was approved.

TJ: Begin with a disclaimer such as, "This is a discussion about whether or not we can answer your question." After you've tried the process a few times, reevaluate to see if it is working. Board can use the newsletter and/or workshops to disseminate information.

Katherine: If comments seem 'off the wall,' we should say, "We'll discuss this after we have more information." TJ: With each issue, the Board should ask, "Are we advisory or are we decision-making?"

Patronage Rebate:

TJ: The Board has to make a decision about patronage rebate. In order to know how to handle it, there have to be criteria. The Board must set criteria or delegate this discretion to GM. Steve has the documentation to make a prudent proposal. Look at the bylaws. Is this the Board's decision? If yes, set criteria, then decide. If not, then Steve handles it according to executive limitations. My hope is that you have delegated the responsibility to Steve. In any case, the information you need to make the decision resides with Steve.

There was discussion about the importance of education about patronage rebate, and education about investment in the coop (rather than a \$25.00 annual fee as in the past).

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 4-14-08

Meeting started at 5:10 pm and ended at 6:45 pm.

Board members present: Regi Blackburn (interim President), Darcel Eddins (Secretary), Aja Wright, Anne Craig, Anne Grier, Jonathan Daniels, Katherine Caldwell

Others present: Owners: Cicada Brokaw, Jean Karpen – note taker

Meeting Summary: The purpose of this meeting was to plan for the annual meeting, May 31, 2008.

- Patronage Rebate return 20% to owners, approved
- Approved proposal to change wording of bylaw 3.7 to allow for a decision-making process other than Robert's Rules of Order Cicada will write initial draft of rules for annual meeting
- Board members will table at Earth Day event 4-22-08 to recruit prospective Board members
- Cicada will create a flier with info about becoming a Board member to be given at register
- Annual meeting will be an ice cream social
- Agenda for annual meeting set
- Meeting notice will be updated & sent to Board for approval

Approve Agenda: Change "any other loose ends" to "plan for recruitment of Board members"

Patronage Rebate: Aja proposed that the coop pay out 20% of its 2007 profit as patronage rebates. Most of the rebates will be very small. This will be explained in detail at the annual meeting. The proposal was approved.

Anne C. proposed that the notice for the annual meeting give an indication about the patronage rebate and how to access it. This was approved.

Regi said that education about patronage rebate could take the whole meeting, so we need to start getting information out beforehand. He will talk to Steve to decide how best to get patronage rebate information on the website.

Darcel suggested that Steve also make sure owners will be able to access, at the register, information about how much rebate is due.

Facilitator: First choice to facilitate the annual meeting will be Scot Quaranda. If he is not available, Cicada will be asked to facilitate

Rules of Order: The Board feels that Robert's Rules of order are too cumbersome to use for a once-a-year meeting. In order to change the rules of order for the meeting, we will need to propose a change to bylaw 3.7. The proposed change is as follows:

- original wording: "...Meetings of owners shall be conducted in accordance with Robert's Rules of order, Newly Revised...."
- proposed new wording, "...Meetings of owners shall be conducted in accordance with a formal decision-making process as determined by the Board...."

In order to establish this new process, Board members are asked to give any input on ideas to Cicada by the end of this week. Cicada will then create a draft of rules to be used. Final decision about rules for the annual meeting will be made at the May Board meeting.

Recruitment of Board Members:

- Application form for membership on the Board will be posted on the coop website.
- There was a suggestion to write an opinion piece for *The Mountain Express* check with Steve.
- Approved proposal for Board members to table at the Earth Day event 4-22-08 in the parking lot next to the coop Jonathan will work 3 to 4, Aja will work 4 to 6. Anyone interested in applying for a Board position can sign up and will be contacted.
- Cicada will create a flier with information about becoming a Board member and will have it available at the cash register to be given to owners.
- Regi will ask Steve to remind cashiers to ask shoppers for owner numbers and to give out the aforementioned fliers.

Regarding Board positions, Anne Craig said that she would stay on the Board for now and will consider staying beyond October when her term expires. She feels that we have a strong Board which is working well and that continuity is important.

Agenda for Annual Meeting: (not necessarily in this order)

- Approve by law change concerning rules of order
- Approve agenda
- Explanation and discussion of patronage rebate
- Bylaws study group
- Education about equity what it means to be a coop owner
- Report from Steve concerning operations, including our financial turn-around
- Discussion of worker/owner program
- Explanation about petitions as handled within Policy Governance
- Election of new Board members
- Board president's report "State of the Board"
- Annual meeting will be an ice cream social. All ice cream and toppings will be provided.
- Website should be updated with full agenda.
- Notice of meeting will be mailed out on May 19, 2008. Meet at 11 a.m. that day to address and stamp cards for mailing.

- Jean will update meeting notice and send to Board members for approval.
- Still need to set order and times for the meeting.

Next Regular Board Meeting will be at 5:00 pm April 17, 2008.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 4-17-08

Meeting started at 5:05 pm and ended at 7:15 pm.

Board members present: Regi Blackburn (interim President), Darcel Eddins (Secretary), Aja Wright, Anne Craig, Anne Grier, Jonathan Daniels, Katherine Caldwell

Others present: Chris Roland (Management team), Owners: Cicada Brokaw, Rusty Sivils (for owner comment period and discussion), Jean Karpen – note taker

Meeting Summary:

- Minutes of 2-9-08 and 3-20-08 approved
- Bylaws study committee formed
- GM informational report received
- Monitoring Report 2.1 Treatment of Consumers
- Monitoring Report 2.2 Treatment of Staff
- Meeting set to discuss monitoring report matrix

Approve Agenda: approved as written

Owner Comment Period:

Rusty read and distributed copies of a prepared statement expressing his concerns about the worker owner program, governance of the coop, and what the coop offers members. See attachment.

Discussion in response to owner comments (major points):

It would be helpful to focus on the present and move forward from this point.

Some items in Rusty's statement are already on the agenda for the annual meeting.

The worker/owner program is unclear to me (Aja); perhaps there should be a policy.

Information on worker/owner programs at other coops is being gathered.

Rusty is not representing coop owners; these are his opinions.

These are issues that need to be clarified. What are the avenues for this kind of communication?

Each Board member will write his/her response by May 12; Darcel will collate responses; discussion will continue at the May Board meeting. A "one voice" response will be given to Rusty regarding questions posed in his written statement.

Board Business:

- **Minutes** of Board meeting 3-20-08 were approved as written. Minutes of Board workday meeting 9-08 were approved as written.
- Archives: Cicada listed dates of meetings for which there are no minutes: special meeting 4-19-07, and Board retreat 3-24-07 & 3-25-07. General purpose of these meetings was recalled. Brief minutes will be

2-

entered into the archives.

- Bylaws study committee formed. Katherine will chair. The committee will study the bylaws and propose revisions to be voted on by owners. It was suggested that the committee use the guidelines suggested by Thane Joyal at the March workday. The first meeting will be set after the annual meeting.
- **GM Informational Report:** Steve submitted the report via email prior to the Board meeting. Cicada asked if there is Board input regarding new owner packets. He will talk to Kelly Fain about his ideas for this. Darcel asked about comment cards and suggested that a comment box be located at the front of the store. Chris will move a box downstairs tonight.

• GM Monitoring Report 2.1 Treatment of Consumers

All sections of the report, except 2.1.3 (Inform consumers of how information that is gathered from them may be used), were deemed reasonable and acceptable.

Regarding 2.1.3, Steve's interpretation is reasonable, but the data are lacking. After the interpretation, Steve has used Cicada's information on how to use the list serv. This applies to disseminating information, not gathering it, and is therefore not relevant. The data should tell consumers how information (such as application details and patronage) are used.

Regarding 2.1.5 (Establish with consumers a clear understanding of what may by expected and what may not be expected from the service offered.) and 2.1.6 (Inform consumers of this policy or to provide a way to be heard for persons who believe they have not been accorded a reasonable interpretation of their protections under this policy.), as per GM statement, the Board will receive Steve's plan for compliance at the July 10, 2008 Board meeting.

• GM Monitoring Report 2.2 Treatment of Staff

This report was not accepted. The Board requests a reasonable interpretation.

• needs an interpretation of the new version of the policy including the words, "non-bargaining unit staff."

Regarding 2.2.4, GM needs to acquaint staff with the new policy, not the old one.

The Board requests a date for for the staff survey to take place as well as a date by which survey results will be presented to the Board in the form of a revised monitoring report.

Points of discussion:

The staff survey should have been done before the monitoring report.

All references to external staff survey are insufficient data.

How can respect be documented? It has to be justified by survey comments.

Policy group will look at 2.2.6.

- Regi will ask Steve for a copy of the union contract.
- Special meeting June 19, 2008, 5:00 pm to discuss the 2007 monitoring report matrix and to discuss setting criteria for GM contract.

After this meeting, Aja will create a written document to communicate to Steve about the matrix. This written report will be given to Steve by June 26, 2008.

Agenda Items Not Covered or Unfinished:

• Decide (what, who, when) about posting information on the website.

Additional Agenda Items for Next Meeting:

• Discussion of response to Rusty's comments to the Board.

Next Meeting will be May 15, 2008 at 5:00 pm.

Executive Session began at 7:20 pm and ended at 8:00 pm. Discussion concerned personnel.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 5-15-08

Meeting started at 5:14 pm and ended at 8:10 pm.

<u>Board members present</u>: Regi Blackburn (interim President), Darcel Eddins (Secretary), Aja Wright, Anne Craig, Anne Grier, Jonathan Daniels, Katherine Caldwell

Others present: Steve Watts, General Manager, Owners: Cicada Brokaw – facilitator, Jean Karpen – note taker

Meeting Summary:

- Minutes of 4-14-08 and 1-17-08 approved.
- Approved proposal to not send representatives to this year's CCMA conference.
- Approved proposal to change bylaw 9.5.
- Approved proposal to not bring any bylaw changes to 5-31-08 annual meeting.
- Approved speakers for 5-31-08 annual meeting.
- Finalized plans for annual meeting.
- Board applications reviewed.
- Approved rules of order for annual meeting.
- Received GM informational report
- Received GM Monitoring Report 2.3 Financial Condition and Activity

Approve Agenda: Add the following items: owner linkage proposal, approve speakers for annual meeting, and follow up to CCMA conference. Agenda approved with these additions.

Owner Comment Period: Cicada asked the Board to abide by the owners decision (resolution passed in November, 2007) and publish the coop's highest and lowest salaries.

Board Business:

- **Minutes** of 4-14-08 were approved as written. Minutes of 4-17-08 were approved with the correction of a typographical error.
- **CCMA Conference:** Proposal that we not send a representative this year was approved. Steve suggested that we allocate funds for 4 representatives to attend next year when the conference will be held on the east coast. With 4 representatives, many different sessions can be covered and more information can be brought back.
- Owner Linkage Proposal: Proposed is a change in bylaw 9.5. The proposal was approved by the Board. The rationale for this proposed change is to eliminate the expense of sending individual notices about rebate amounts.

Current wording of Section 9.5: Proposed is to eliminate the italicized words

"<u>Distribution And Notice</u>. Patronage rebates shall be evidenced by written notices of allocation delivered to recipient owners within eight months and fifteen days following the close of the fiscal year. Written notices shall state the dollar amount of the allocation which

constitutes a patronage dividend within the meaning of federal tax laws. *All notices, except those pursuant to Section 9.9 hereof, shall be accompanied by checks in an amount determined by the Board* which must be at least twenty percent of the total allocation. Any allocations of such a nominal amount as not to justify the expenses of distribution may, as determined by the Board, be excluded from distribution provided that they are not then or later distributed to other owners."

Proposed wording of Section 9.5:

"<u>Distribution And Notice</u>. Patronage rebates shall be evidenced by written notices of allocation delivered to recipient owners within eight months and fifteen days following the close of the fiscal year. Written notices shall state the dollar amount of the allocation which constitutes a patronage dividend within the meaning of federal tax laws, which must be at least twenty percent of the total allocation. Any allocations of such a nominal amount as not to justify the expenses of distribution may, as determined by the Board, be excluded from distribution provided that they are not then or later distributed to other owners."

Proposal: No bylaws changes will be brought to owners meeting on May 31, 2008, since a bylaws study committee will be formed to look at all of the bylaws and there will likely be other changes. This proposal was approved. Cicada will include the proposed change to 9.5 as an addendum to the bylaws and will see that the bylaws study committee gets this information.

- Speakers for annual meeting: Approved proposal to have the following people speak at the annual meeting to share with owners what FBFC has done for the community through their businesses: Sage Turner, manager of Haywood Road Market, and Jennifer Woodruff and Markus Van Lokeren from Build It Naturally. This will be part of the president's report.
- **Website/listserv:** After discussion about posting information on the website, it was decided that Darcel will send the most current copy of the policy manual to Steve for posting on the website. Cicada will post minutes of Board meetings after they are approved.
- Tabling at Farmer's Tailgate Market: This will be done by worker/owners prior to the annual meeting.
- **Final plans for Annual Meeting:** A tentative agenda has been prepared. Assignments were made as to who will be responsible for each agenda item. Reports to be given at the annual meeting are to be emailed to all Board members beforehand. Board members will gather at 1:00 on 5-31-08 to go over last minutes details. Invitation post card (to be mailed out) was approved. Steve will include a statement (on the post card) to serve as official notice of patronage rebate for fiscal year 2007.
- **Board applications** Two applications were reviewed: Chappell Carter and Kenneth Tompkins.
- Rules of Order for Annual Meeting: Cicada had previously drafted and submitted a set of "rules of order" to be considered for use at the annual meeting. These rules were approved by the Board. At the annual meeting, Scot will give an overview, copies of the rules will be available, and owners will be asked to approve the rules for use at the meeting. Cicada will reformat the rules and send to Regi to make copies. There was a brief discussion about owners addressing the meeting.
- GM Informational Report received.
- GM Monitoring Report 2.3 Financial Condition and Activity: This report was not accepted. The Board requests correction of the first paragraph and then resubmission. The end of the first paragraph reads, "(Until the board adopts Ends policies, the board priorities are as established "Mission, Vision, Purpose" in Section (I) of the FBFC bylaws.)" Ends policy has been adopted and needs to be included in this report. Steve will update with new financials and make the change to include the ends policy and will resubmit by May 23.
- **Set date to receive Treatment of Staff report:** Steve had not previously received board action reports. Now that he has those reports, he will respond to them. If things proceed normally, the Treatment of

Staff report should be ready by November. Steve will give a firm date as soon as possible.

The Board held an **executive session** during the regular meeting to discuss criteria for board candidates and possible board candidates. The Board also went into executive session from 8:10 to 9:00 to discuss personnel.

Additional Agenda Items for Next Meeting:

• Responses to Rusty's comments, given in writing at the 4-17-08 Board meeting.

Next regular meeting will be at 5:00 pm. on June 12, 2008.

Next special meeting will be at 5:00 pm. on June 19, 2008 to discuss report matrix and GM contract.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 5-31-08

Meeting started at 1:08 pm and ended at 2:00 pm.

Board members present: Regi Blackburn (President), Darcel Eddins (Secretary), Aja Wright, Anne Craig, Anne Grier, Jonathan Daniels, Katherine Caldwell

Others present: Steve Watts, General Manager (GM). Owners: Scot Quaranda (facilitator for annual meeting), Cicada Brokaw, Jean Karpen (note taker)

Meeting Summary:

- This meeting was held just prior to the annual meeting to finalize details of the meeting.
- Aja reviewed information to be presented on petitions. This was printed in the March Scoop.
- Scot will ask owners to suspend Robert's Rules and adopt consensus rules for this meeting copy available at the meeting.
- All Board applicants will be asked to answer questions 3, 5, and 8 from the application sheet.
- Scot recommends that the Board develop a standard procedure for new Board member orientation.
- Review ground rules for meeting printed & available for all at the meeting.
- Owner comment period will be at the end of the meeting. Darren may speak as an owner.
- Meeting agenda finalized.

Agenda for annual meeting:

- Regi welcomes, introductions
- Approve agenda, ground rules, minutes of 11-12-07 meeting
- Explain process for Board nominations
- Regi highlights of Board accomplishments, outside speakers
- Katherine bylaws committee & questions
- Steve equity, finance & operations
- Scot election of Board members
- Steve patronage rebate
- Ed & Sue Mayer worker/owner program
- Aja petitions
- Owner comments

Next Meeting will be June 12, 2008 at 5:00 pm.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 6-12-08

Meeting started at 5:10 pm and ended at 7:15 pm.

Board members present: Darcel Eddins (Secretary), Aja Wright, Jonathan Daniels, Katherine Caldwell, Kenneth Tompkins (Suncere), Chappell Carter

Board members absent, excused: Regi Blackburn (President), Anne Craig, Anne Grier

Others present: Steve Watts, General Manager (GM). Owners: Cicada Brokaw (facilitator), Jean Karpen (note taker), Joe Karpen

Meeting Summary:

- Minutes of 5-15-08 approved
- Minutes of 3-30-08 workday approved
- Executive Session minutes proposal discussed move to July Board meeting
- Owner Linkage report
- GM informational report given in written form
- GM Monitoring Report 2.4 Steve will resubmit, move to July Board meeting
- Bylaws committee report
- Need new archivist job to be posted
- Posting of wage scale/salaries discussed

Approve Agenda:

Due to the absence of 3 Board members, several changes were made to the agenda. Add Proposal on Executive Session minutes. Under Board business, drop the following items: 1) debrief annual meeting; 2) new Board member orientation – create a formal process; 3) nominating committee; 4) identify new policies to be written: worker owner, member services, other; 5) Board terms. Move Confidentiality Issues to executive session. Add Bylaws committee report. Agenda approved as amended.

Owner Comment Period:

- Joe Karpen Regarding pay for the GM (discussed at the annual meeting), the questions we should be asking are: 1) Are we paying the GM enough to ensure that we have a person who will do the best job possible? and 2) Are other employees being paid a living wage?
- Cicada The decisions of the owners (resolutions passed 11-07) could have been implemented easily. There is no reason not to abide by those decisions. The decisions were made in accordance with our bylaws.

Response to Owner Comments:

- Regarding response to Rusty Sivils' comments at the April Board meeting, Darcel will collate response comments from Board members and will send to all Board members to be discussed at the July meeting.
- As information for new Board members, Steve reminded that there is no "one voice" immediate response to owner comments.
- Aja clarified that it is OK to discuss and comment on the current day's owner comments.

Board Business:

• Executive Session Minutes: Jean made a proposal regarding exec. session minutes. (See attached.)

There was a brief discussion. It is OK for Board members to take personal notes. Cicada expressed concern that information about process may be lost without thorough minutes. Move to July meeting.

- **Minutes** of the 5-15-08 meeting approved with the addition of the statement, "Executive session began at 8:10."
- **Minutes** of the 3-30-08 workday were approved with a correction of attendees. Darcel and Jonathan were absent, excused.
- Owner Linkage Report: The committee is preparing a customer survey (see notes of the May 14 owner linkage meeting). Cicada commented that item #2 does not list petitions as a way owners can participate in the coop and is therefore not an exhaustive list. The National Cooperative Grocers Association (NCGA) is developing a more extensive survey which we may be able to use.
- **GM Informational Report** given in written form, no discussion.
- **GM Monitoring Report 2.4 Planning and Budgeting:** There was a brief discussion of this report, which became a discussion of long range planning and the need for more detail in our Ends Policies. Aja proposed that we plan a meeting to develop some sub-policies for Ends Policies in order to guide GM to make a long-range plan. No action taken on this proposal.

To provide input from owners when we work on adding detail to Ends Policies, we have data from owner survey last summer and information from owners at the last 2 annual meetings. Additionally, the NCGA survey will have useful information.

Steve suggested that he resubmit this monitoring report with a plan to be in compliance. Proposal to finish 2.4 in July after the report is resubmitted was approved.

Note: Policy writing group needs to address the issue of timeliness in regard to monitoring reports.

• **Bylaws Committee** currently has 5 members. The first task will be to look at the most critical bylaws. Katherine asked for suggestions.

Cicada said that the first step is to identify all interested parties and make sure that they are all at the table. This includes owners, Board members and staff. If there are to be significant changes, people need to feel that they are part of the process.

Katherine will post meeting dates in the store and on the list serv.

- **Next Archivist:** In addition to an archivist, we also need someone to help with the backlog of copying. Steve will post both jobs for worker/owners. Cicada will organize all information up to the present.
- **Wage scale/posting salaries:** This issue was discussed. Steve stated that the wage scale has many variables union contract, personnel policy, and Board decisions. The current union contract tries to correct some inequalities from the past. At the enc of the 3-year contract, wages will reflect seniority and nothing more.

Agenda Items Not Covered or Unfinished:

- Response to owner comments
- Proposal on executive session minutes
- GM Monitoring Report 2.4

Next special meeting will be June 19, 2008 at 5:00 pm to discuss the monitoring report matrix

Next Regular Meeting will be July 10, 2008 at 5:00 pm.

Executive Session was held from 7:15 pm. to 7:40 to discuss confidentiality issues.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 7-10-08

Meeting started at 5:05 pm and ended at 6:50 pm.

Board members present: Regi Blackburn (Interim President), Darcel Eddins (Secretary), Anne Craig, Anne Grier, Jonathan Daniels, Katherine Caldwell, Chappell Carter

Board members absent, excused: Aja Wright, Kenneth Tompkins (Suncere)

Others present: Steve Watts, General Manager (GM). Owners: Darren Stroupe, Jean Karpen (note taker)

Meeting Summary:

- Proposal for quarterly report from bargaining unit staff
- June minutes approved
- Proposal for executive session minutes approved
- Workday set August 2
- GM informational report
- August 21 Board meeting will be devoted to monitoring reports

Approve Agenda:

• The following items were moved to the August Board meeting: 1) Board Response to owner comments; 2) Contact CPA for review of past several years; 3) Use of list serv and website; 4) Discuss and record terms for Board members. The following items were added: 1) approve June minutes; 2) Request from Haywood Road Market; 3) Bylaws committee report. Agenda approved as amended.

Owner Comment Period:

• Darren Stroupe presented the following draft proposal for a quarterly monitoring report from the bargaining unit staff. The Board will discuss this proposal.

"PROPOSED: That the Board of Directors of FBFC require the general manager submit to it a quarterly monitoring report which has been prepared by the bargaining unit. This monitoring report will include: store operations, treatment of the bargaining unit, and maintenance of the store. This report will be used to help evaluate the general manager's performance regarding general store operations and his/her adherence to FBFC policy.

To create this report, the general manager will allow the staff to form a volunteer-based committee of three non-management staff. This committee will produce the monitoring report based upon input from the bargaining unit. The monitoring report must then by signed by a majority of the staff in order to be considered valid by the board. The report is then given to the general manager, in a sealed envelope, to be submitted to the board for review."

Board Business:

- **Minutes** of the June 12, 2008 Board meeting were approved as written.
- Executive Session Minutes proposal: This proposal was presented at the June meeting. The proposal was approved. Executive session will be recorded only as to the fact of... and the reason for.... If the Board asks for notes on procedures that take place in executive session, those notes will be recorded. If a Board member is absent and requests notes, notes will be taken and given to the president to be passed on to that Board member; then the notes will be destroyed.
- Workday set for August 2, 2008, 2:30 to 6:30 pm in the Movement & Learning Center: This will be an extra Board meeting for agenda items that need to be addressed. Anne Craig will start an email conversation about agenda items to be included.
- **GM Informational Report:** Steve presented the report in written form and answered several questions about it. Sales are down. Currently, most deli items are outsourced; we will be slowly moving to more in-house deli items. Grand opening for Deli remodel & new patio is set for Aug. 2, 2008.

Anne Craig stated that it will be important to address long-range visioning at the fall Board retreat.

• **GM Monitoring Report 2.4 - Financial Planning and Budgeting (resubmit):** This report was not discussed. A proposal was made that the August 21 Board meeting be devoted to Monitoring Reports, including all resubmits, 2.0 – Global Executive Constraint, 2.3 – Financial Condition and Activity, and 2.8 – Communication and Support to the Board. The proposal was approved. Steve will send an email with all reports together at least one week prior to the meeting.

At the August 2 meeting, Steve will bring a blank copy of a new matrix form for keeping track of monitoring reports. The Board will consider using this form since it appears to be more clear than the current "action form" being used.

Agenda Items Not Covered or Unfinished:

- Board Response to owner comments
- Contact CPA for review of past several years
- Use of List Serv and Website
- Discuss and record terms for Board members.

Next Special Meeting will be August 2, at 2:30 pm. in the Movement & Learning Center

Next Regular Meeting will be August 21, at 5:00 pm.

Executive Session began at 6:54 pm. and ended at 7:55 pm for discussion of legal and personnel issues.

Respectfully submitted, Jean Karpen

MINITES

FBFC Board of Directors Meeting 8-2-08

Meeting started at 2:30 pm and ended at 5:30 pm.

Board members present: Regi Blackburn (interim President), Darcel Eddins (Secretary), Aja Wright, Anne Craig, Anne Grier, Jonathan Daniels, Katherine Caldwell

Board members absent, excused: Kenneth Tompkins (Suncere), Chappell Carter

Others present: Steve Watts, General Manager (GM). Owner: Jean Karpen (note taker)

Meeting Summary:

- Draft policy and procedure created for owner comment process
- Review current committees, their tasks, and Board member involvement
- Direct policy writing group to address Board members serving on committees
- Schedule confirmed for monitoring reports
- Board terms reviewed & brought into alignment with annual owners' meeting

Approve Agenda: A tentative agenda had been sent out by email. Agenda was set as follows:

- Confirm monitoring report schedule.......15 min
- Board member terms 10 min

Owner Comment Process:

After a thorough discussion, the following *draft* policy, 4.2.5, was written and will be sent to the policy writing group for final wording before being considered for adoption by the Board:

4.2 Board Job Products

Accordingly, the board has direct responsibility to create:

5. A response to owner values that is grounded in policy and is communicated to owners by a variety of methods.

In addition, the policy writing group will write procedural steps. The following is a *draft* of this procedure:

- determine whether the comment is operational or governance
- if governance, look for an existing policy which addresses it
- if no policy exists, look for the underlying value(s) in the comment
- decide if we want to create a policy
- communicate decision to owners (website, article in Scoop)

Committee Structure:

Current committees are:

- Owner Linkage Board representatives, Anne C. and Regi. The committee meets monthly, writes a Board article for the Scoop, helps with owner events (such as potlucks), helps with owner/customer surveys, works with Kelly Fain.
- Bylaws Board representative, Katherine. The committee meets regularly, as needed to look at the bylaws, one-by-one, to determine relevance; plans to bring in guest speakers to their meetings, as relevant to a particular bylaw; and maintains a listserv to keep owners informed. The committee's goal is to present a refined document to the Board.
- Policy writing group Board representatives, Aja and Darcel. This committee meets as needed (met 3 times in July '08) to write policies to propose to the Board for adoption. This is a Board-only committee.

Suggestion for a new committee – Nominating, or Nominating/Orientation – will be considered.

There is currently an agreement (not policy) that each Board member serve on at least one committee. The policy writing group will write a new policy, 4.5.7, to address this. In writing this policy, the group will consider that some Board members do other jobs, such as officers and archivist.

Steve commented that in Policy Governance, "Nominating" is the only standing committee and that committees have charters and ending points.

Board members who are not currently serving on a committee are asked to make a commitment to do so. This will be on the September agenda.

Confirm monitoring report schedule:

Aja proposed that we keep the same schedule for '09 as we had for '08. This was agreed. In addition, 2.6, Emergency Succession and 2.9 Administration of Capital Stock will be monitored in January.

Board member terms:

In order to bring Board terms into alignment with the annual owners' meeting when new Board members are elected, some Board terms were extended as follows:

Anne Craig	reappointed through May, 2009
Regi Blackburn	reappointed through May, 2009
Darcel Eddins	reappointed through May, 2009
Jonathan Daniels	term extended to May, 2010
Aja Wright	term extended to May, 2010
	term extended to May, 2010
	3 7
Katherine Caldwell	term expires May, 2011
Chappell Carter	term expires May, 2011
	term expires May. 2011

Additional Agenda Items for September Meeting:

- Consultant contact
- CBLD (Cooperative Board Leadership Development) listserv
- Website Board section
- Archivist

Next Meeting will be on August 21, 2008 at 5:00 pm. to review monitoring reports.

Next regular Board meeting will be September 11, 2008 at 5:00 pm.

Executive Session was held from 5:30 to 6:30 pm to discuss personnel.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 8-21-08

Meeting started at 5:05 pm and ended at 6:30 pm.

Board members present: Regi Blackburn (interim President), Darcel Eddins (Secretary), Aja Wright, Anne Craig, Anne Grier, Katherine Caldwell, Chappell Carter

Board members absent, excused: Jonathan Daniels, Kenneth Tompkins (Suncere)

Others present: Steve Watts, General Manager (GM). Owners: Jean Karpen (note taker), Cicada Brokaw, Bette Jackson, Rusty Sivils

Meeting Summary:

- Approved minutes of 5-31-08, 7-10-08, and 8-2-08.
- Approved mission statement from bylaws committee as to the committee's goal.

Approve Agenda:

Agenda was approved with the addition of a brief report from the bylaws committee.

Owner Comment Period:

Cicada has worked very hard on the archives and most records are up to date. He has been encouraged by being on the bylaws committee and hopes that the committee will be mindful of the issues of rights of owners as they continue their work. Cicada expressed concern that the worker/owner committee has not become a reality. He had brought a proposal regarding a worker/owner committee to owners at the annual meeting and was thwarted because of this committee which was to be formed.

Board Business:

• **Minutes:** Minutes of 5-31-08 and 7-10-08 were approved as written. Minutes of 8-2-08 were approved with one correction: the next regular Board meeting will be Sept. 11, 2008, not Sept. 18, 2008.

GM Monitoring Reports:

Discussion began with the Ends Policy. There were a few clarifying questions which Steve answered. After several minutes of discussion, issues arose which required an executive session. The regular meeting was suspended and the executive session began. No action was taken on monitoring reports. Regular session was not reconvened.

Agenda Items Not Covered or Unfinished:

Monitoring reports

Next Regular Board Meeting will be September 11, 2008 at 5:00 pm.

Executive Session was held from 6:40 pm. to 8:20 pm to discuss legal and personnel issues.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 9-11-08

Meeting started at 5:00 pm and ended at 7:35 pm.

Board members present: Regi Blackburn (interim President), Darcel Eddins (Secretary), Aja Wright, Anne

Craig, Anne Grier, Katherine Caldwell, Kenneth Tompkins (Suncere), Chappell Carter

Board members absent: Jonathan Daniels, excused

Others present: Kelly Fain, management team Owners: Jean Karpen (note taker), Rusty Sivils

Meeting Summary:

- Minutes of 8-21-08 approved
- Approved policy 2.1.8 (inviting shoppers to become owners)
- Approved wording changes to policy 2.8
- Approved proposal for Board members to share in writing articles for Scoop
- Nominating committee formed

Approve Agenda: Approved with the following additions: website & listserv, commitments to committees, executive session, debrief phone conference with Mark Goehring.

Owner Comment Period: Rusty Sivils gave a written comment to Board members. In addition, he stated that he had received a phone call from Kelly about the worker/owner committee and he feels this committee should be handled by owners, not staff.

Board Business:

- **Minutes** of 8-21-08 regular session and executive session were approved as written.
- **GM Informational Report** was previously distributed via email to Board members.
- **Policy Writing Group** presented the following proposals for consideration tonight. In November and December, the group will work on 4.0, Board Governance Process.

Proposal for 2.1 - change from "Treatment of Consumers" to "Treatment of Owners" was withdrawn.

Proposal for addition of 2.1.8 (see attached) concerning gathering survey information will be sent back to policy writing group to be rewritten and shortened since some things have changed since this was first drafted in July. Soon the coop will have a customer corner with comment cards and a bulletin board for responses.

Proposal for addition of 2.1.9 (see attached) concerning consumer comment cards. Addition of this item will be considered in December. In the meantime, Regi will ask Steve to make comment cards available to Board members at Board meetings.

Proposal for addition of 2.1.10 (see attached) concerning inviting all shoppers to become owners was approved as written and will be renumbered as policy # 2.1.8, since the others are pending.

Proposal for "nuts & bolts" changes in wording of 2.8, Communication and Support to the Board (see attached, bold indicates added words). Changes approved as written.

• Owner Linkage: Anne Craig gave a brief report of the committee's work. Anne has been writing articles for the Scoop and would like to have this responsibility shared among other Board members. Katherine will prepare an article for the October Scoop regarding the Bylaws Study Group's work.

It was proposed and approved that all Board members take a turn at writing an article for the Scoop. Anne C. will coordinate this.

The Scoop is now posted on our website. Send notices of meetings, updates, etc. to Kelly for posting on the website.

For information that needs to go out to the list serv, send to Anne C. for posting.

- Commitments to committees: Anne Grier will serve on the nominating committee. Suncere will serve on the Owner Linkage committee. Aja will contact Jonathan about serving on the worker/owner committee.
- **Bylaws Study Group:** Katherine gave a brief report on the committee's work. FBFC is registered with the state as a for-profit cooperative. The committee will focus on the bylaws as they relate to the articles of incorporation which are on file with the state.
- **Proposal to form a Nominating Committee** was approved. The committee will gather nominations for Board positions. Chappell will chair the committee. Committee membership will be open to owners who are not Board members.

• **Debrief phone conference with Mark:** Aja gave a brief summary and will send out her notes on the conference.

GM Monitoring Report 2.4, Financial Planning and Budgeting

The report refers to a multi-year plan. Regi will follow up with Steve to get a firm date by which he will submit the multi-year plan.

The following statement appears at the end of paragraph 3 on page 2 of this report: *I interpret that the multi*year plan to be operational and thus is not contingent upon board approval, oversight, or review, but to be used as data to confirm compliance/non-compliance.

Board members do not feel that the multi-year plan is entirely operational; they want to see and approve the plan before Steve goes forward with it. *Implementation* of the plan is operational; *creation* of the plan requires more input. Therefore, the Board requests a revised interpretation for this sentence.

Additionally, a statement near the bottom of page 3 refers to new tax rates. Board members would like to know what the new property tax rate is.

Board members particularly like the information given at the bottom of page 2 concerning having the management team develop an operational plan for each department and concerning training for management team.

Aja questioned whether it is prudent to send our GM to California to help another coop when we are experiencing financial difficulties. (See "Additional agenda items" below.)

Checkout/evaluations: Suggestions made: 1) Consider sending hard copies of all pertinent information to Board members one week prior to Board meetings. 2) Consider having food for Board meetings catered. Suncere has offered to do this. 3) Consider a 20% discount on coop purchases for Board members.

Additional agenda items for next meeting: Discuss having GM submit a budget for training and travel, including # of paid days. Can we approve these items beforehand?

Next Meeting will be at 5:00 pm. on October 16, 2008.

Executive Session was held from 6:40 to 7:07 to discuss board procedures.

Respectfully submitted, Jean Karpen

Attachments 1:

Policy Type: Executive Limitations Policy Title: 2.1. Treatment of Consumers

With respect to interactions with consumers, the GM shall not cause or allow conditions, procedures, or decisions that are discriminatory, disrespectful, unsafe, undignified, unnecessarily intrusive or fail to provide appropriate confidentiality and privacy.

Further, without limiting the scope of the previous statement by the following, the GM shall not:

- 1. Elicit information for which there is no clear necessity.
- 2. Use methods of collecting, reviewing, transmitting, or storing consumer information that fail to protect against improper access to the information elicited.
- 3. Fail to inform consumers of how information that is gathered from them may be used.
- 4. Fail to operate facilities with appropriate accessibility.
- 5. Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from the service offered.
- 6. Fail to inform consumers of this policy or to provide a way to be heard for persons who believe they have not been accorded a reasonable interpretation of their protections under this policy.
- 7. Fail to ensure that adequate ownership application materials and information regarding rights, benefits, and responsibilities of ownership are readily available for and provided to potential or new owners of the cooperative.
- 8. Fail to conduct and deliver raw survey data to the Board for analysis on a quarterly basis. This survey shall be anonymous, collect data from as many owners as possible, and include but not be limited to information collected on store operations and maintenance, customer service, response to comment cards, product selection, and owner-board relationships. The Board must approve and have opportunity to revise the survey questions before they are presented to owners.
- 9. Fail to deliver for each Board meeting all comment cards submitted during the previous month, and include notation of any action or response to a comment card.
- 10. Fail to ensure that every co-op shopper is asked if they are an owner, and if they are not, they will be invited to become an owner.

Attachment 2:

Policy Type: Executive Limitations

Policy Title: 2.8. Communication and Support to the Board

The GM shall not cause or allow the board to be uninformed or unsupported in its work.

Further, without limiting the scope of the previous statement by the following, the GM shall not:

- 1. Neglect to submit monitoring data required by the board (see policy 3.4 on monitoring GM performance) in an accurate and understandable fashion, directly addressing the provisions of board policies being monitored, no less than one week before the meeting at which the report will be discussed by the Board
- 2. Fail to report **as soon as known** any actual or anticipated noncompliance with any policy of the board
- 3. Neglect to submit unbiased information required by the board for decision making, or let the board

be unaware of relevant trends within the FBFC

- 4. Let the board be unaware of any significant incidental information, including but not limited to: anticipated media coverage, threatened or pending lawsuits, and material internal and external changes
- 5. Fail to advise the board if, in the GM's opinion, the board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior that is detrimental to the work relationship between the board and the GM
- 6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other
- 7. Fail to provide a workable mechanism for official board, officer, or committee communications
- 8. Fail, when addressing official business, to deal with the board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board
- 9. Fail to supply for the board's consent **agenda**, along with applicable monitoring information, all decisions delegated to the GM yet required by law, regulation, or contract to be board-approved
- 10. Fail to provide support for the board's work as detailed in the board's work plan **or by direct request of the Board.**

End attachments

MINUTES

FBFC Board of Directors Meeting 10-16-08

Meeting started at 5:01 pm and ended at 7:38 pm.

Board members present: Regi Blackburn (interim President), Aja Wright, Anne Craig, Anne Grier, Jonathan Daniels, Katherine Caldwell, Kenneth Tompkins (Suncere), Chappell Carter

Board Members absent: Darcel Eddins (Secretary), excused

Others present: Steve Watts, General Manager (GM). Owners: Jean Karpen (note taker)

Meeting Summary:

- Minutes of 9-11-08 approved
- New Board member appointed to fill vacant seat
- Legal information from attorney, Bob Deutsch
- Policy 2.1.8, will be monitored in January, 2009
- Approved policy 2.1.9
- Approved policy 2.6.1
- Monitoring Reports 2.5 and 2.7 accepted

Approve Agenda: Approved as written; time with Bob Deutsch will be executive session, no one excluded.

Owner Comment Period: no comments

Board Business:

• Minutes of 9-11-08 approved with the following 2 additions. Under commitment to committees, "Aja

will contact Jonathan about serving on the worker/owner committee." Before checkout/evaluation, "Aja asked, 'When our co-op is in such financial distress, what is the rationale for FBFC paying to have our GM work at a co-op in California for a week?'

- **Nominating committee:** Application from Will Kaylor was reviewed and approved. Will is appointed to fill one of the vacant Board seats.
- Executive Session with Bob Deutsch to discuss legal matters was held from 5:30 to 6:30.
- **Bylaws Committee:** The committee is continuing it's work on updating and clarifying the bylaws. Areas of consideration include an executive committee, Board term limits, and a dissolution plan.
- Owner Linkage: Patryk Battle has offered to teach classes in cooking, canning, etc. this winter at no charge to the coop.
 Individual photos of Board members will be posted on the Board board.
- **Policy Writing Group:** Proposal to monitor sub policy 2.1.8, concerning inviting all shoppers to become owners, was approved and will be monitored in January, 2009.

Steve requested that changes in the cycle of monitoring reports be reported to him via the matrix. Also, the report on discussion of the monitoring reports will be reported in the matrix. The policy writing group will draft a policy to address this.

The policy writing group will draft a policy concerning the worker/owner program.

Policy 2.1.9 was approved as follows: ...GM shall not: "Fail to provide the physical original customer comment cards to the Board." Comment cards are now posted. Steve will collect the cards as they are removed from the board and will make them available to the Board.

Policy 2.6.1, concerning emergency GM succession, was approved as follows: Pre statement to Policy 2.6.1: "Further, without limiting the scope of the previous statement by the following, the GM shall not 1. Fail to submit a revised report on emergency succession upon any change in the management team. This report should be submitted within a two week period of said change."

Additional recommendations concerning the Nominating committee and the Product Research committee were presented in written form. No action was taken.

GM Monitoring Reports 2.5, Asset Protection, Global and 2.7, Compensation and Benefits: Both reports were deemed reasonable and acceptable. Ten minutes will be allotted at the November meeting to better understand 2.5.6 and fill in the blank.

Agenda Items Not Covered or Unfinished:

• Recommendations from the policy writing group concerning the Nominating committee and the Product Research committee

Additional Agenda Items for Next Meeting:

Next Meeting will be at 5:00 pm., November 13, 2008.

Respectfully submitted, Jean Karpen

MINUTES

FBFC Board of Directors Meeting 11-13-08

Meeting started at 5:00 pm and ended at 7:35 pm.

Board members present: Regi Blackburn (Interim President), Darcel Eddins (Secretary), Aja Wright, Anne Craig, Anne Grier, Jonathan Daniels, Katherine Caldwell, Kenneth Tompkins (Suncere Ali Shakur), Chappell Carter, Will Kaylor

Others present: Steve Watts, General Manager (GM); Owners: Jean Karpen (note taker)

Meeting Summary:

- Minutes of 11-13-08 approved
- Minutes of annual meeting 11-12-07 approved
- Policy 2.1.10 concerning worker/owner program approved
- Annual owner's meeting set for 5-30-09
- Owner linkage proposal approved Board members to be at coop on Dec. 6
- New Board member approved
- Proposal presented for children's free breakfast program
- Monitoring Report 2.3, Financial Condition and Activities, deemed reasonable and acceptable

Approve Agenda: Agenda approved with no changes.

Owner Comment Period: Jean Karpen stated that, on occasion, discounts at the cash register have been compounded. Steve said that this has been corrected.

Board Business:

- **Minutes** of 10-16 08 were approved with the following correction: Under minutes of 9-11-08, the second addition should read as follows: Before checkout/evaluation Aja asked, "When our co-op is in such financial distress, what is the rationale for FBFC paying to have our GM work at a co-op in California for a week?"
- **Minutes** of the 11-12-07 annual owners' meeting were approved as written.
- **Policy Writing Group:** The following proposal was approved: 2.1.10 Worker Owner program Treatment of Consumers

The GM shall not fail to create an operational Worker Owner Committee that:

- a. convenes at publicly posted, regularly scheduled meetings
- b. provides minutes to the Board of Directors
- c. is organized such that every owner or future owner shall be made aware of the opportunity to participate in this committee.

There will be no Board oversight of this committee.

Steve commented that most coops using Policy Governance (PG) tend toward streamlining rather than adding more policies. He requests that the Board look at which policies might be eliminated.

Aja asked Steve to let the Board know which policies we can look at for possible elimination.

• Owner Linkage: Approved proposal to hold the annual meeting of owners on Saturday, May 30, 2009. Approved proposal that Board members volunteer to be at the coop on Dec. 6 (our next Customer Appreciation Day) to help bag groceries, or to participate in distributing the intercept survey to

customers as they leave the store, or to take customer inquiries. Steve will draw up a "script" for administering the survey and will inform those who will be involved.

- **Bylaws Study Committee** has received a template for coop bylaws from consultant Thane Joyal and will use that as a guide for looking at our bylaws.
- **Nominating Committee** has received a new application from Maria Teresa Echeverry. Her appointment to the Board was approved.

The committee will draft a policy for orientation of new Board members.

• **Proposal for FBFC Children's Free Breakfast Program:** Suncere presented a proposal to provide breakfast for children living in the Pisgah View Apartments. Details of the proposal have not yet been finalized. The Board approved the <u>concept</u> of this proposal. The Owner Linkage Committee will work out details for a proposal to be presented to the Board in December. Board members should email any questions to the Owner Linkage committee by Nov. 20.

Monitoring Report 2.3 Financial Condition and Activities: After a brief discussion, the report was deemed reasonable and acceptable, with Darcel standing aside. There is continuing concern regarding the fact that we continue to have late payables.

The process of getting reports, asking clarifying questions, and having those questions answered ahead of time seems to be working well.

Thane Joyal listened via speaker phone to the discussion of the monitoring report and made several comments about the process. Regarding decision making, she said that it is important that all Board members feel equally empowered and are comfortable with the process for consensus.

Evaluation/checkout: Steve invited Board members to address questions to him as they occur, not just at Board meetings. Regi & Steve will meet on Wed. Nov. 19 at 3:00 to work on a Board budget; other Board members are invited. Chappell suggested preparing a "meeting notebook" for each Board member; the notebook would have a copy of all information to be addressed at the meeting.

Next Meeting will be December 11, 2008 at 5:00 pm.

Respectfully submitted

Jean Karpen

