

FBFC ANNUAL MEETING 11-12-07 SUMMARY OF DISCUSSION

This document gives *some* detail of the discussions during the meeting and will be kept in the archives. Please refer to minutes of the meeting for additional information. (?) indicates I missed some of what was said.

After Aja's brief explanation of Policy Governance (PG):

- Giorgio Cave: I did not receive the recent owner survey. (As a relatively new owner, he may not have been eligible to participate.)
- Patryk Battle: In the future, have surveys available in the coop in addition to mailing.
- Katherine Caldwell: asked for an example of PG
- Aja Wright: "GM shall not operate at less than 2% profit for a rolling quarter." Interpretation is straightforward – we're either at 2% or not. GM gives report on finances; if it is 2% then the report is reasonable and acceptable. The 2% is an industry standard. Some policies come from owner's values. For example, product policy has come from owners. Board has been working on criteria to use for monitoring product policy.

General Manager's Report from Steve Watts: 2008 will be a year to put our name back out into the community and emphasize our cooperative strengths. When GreenLife came to Asheville, the coop's annual sales dropped from \$4 million to \$2.6 million. We need to learn how to change operations to fit the lower sales. In the near future, we will be talking to a deli consultant from a national group – will ramp that up in the future. Need financing so we can invest in infrastructure. Also need to invest in training & development of staff. Recently hired a marketing and ownership outreach person: possible areas for her are more training in the community, coops in schools, younger shoppers (age range 20s & 30s)

Steve went over financial report.

Election of new board member, Katherine Caldwell.

- Anne Craig gave a brief explanation of what is involved in being on the Board.
- Chris Rowland: Can you join committees without being a board member? Yes. Owner Linkage is the only active committee right now.

Giorgio: Question about who ultimately makes policy. A Board member will talk to him individually during the break.

After break, resume to go over proposed amendments to bylaws.

AMENDMENT A (regarding right of ownership to decide questions regarding the business of the coop)

- Bette Jackson: What form will the ballot take? What will it look like?
- Cicada Brokaw explained.
- Bette: Will concerns be listed on the ballot? Historically, concerns are listed on the ballot. Can I ask that other points of view be put forward?
- Patryk: Explain what we had before PG and why we switched.
- Darcel Eddins: The Board had no clear system of governance. PG was passed. The previous Board did not know how to implement. Now we have training on how PG is implemented.
- Anne Craig: In revising this bylaw, we felt the sentence was unclear, vague; so taking it out would make the bylaw more clear.
- Kasha Baxter: Who has the power to make decisions? How much power stays with owners?
- Darcel: Owners have ultimate power – they elect the Board.
- Anne Grier: Owners can be involved as much as they want to be by attending Board meetings &

working on committees.

- Scot Quaranda (facilitator): We need to talk about the amendments, not other issues.
- Rusty Sivils: The object of the amendment is to limit the power of owners to have an effective role in governance. The object is to disempower owners.
- Arida Emrys: If owners really want to have power, they can volunteer to be on the Board.
- Patryk: I'm still clueless about what policy governance is. Because we don't have a full Board, to say that members have a voice through the Board is not a reality.
- Bette: I don't understand how the ownership can make a decision, given the lack of clarity over PG. Explain to ownership what PG is along with the ballot.
- Kasha: Clarify the order of motions to be made.
- Scot: Two proposals by Bette (concerns to be listed on ballot and explanation of PG to accompany ballot) will be considered later.
- Patryk: Motion to figure out how to make sure membership understands this before we agree to send out a ballot. (Restated) Move to suspend the rule on voting till we figure this out.
- Giorgio: There is confusion about where the power lies.(?)....so we're clear on how policies can be made.
- Aja: The Board has a fiduciary responsibility. The main job of the Board is to write policy. This is not shared by the ownership at large. Decisions must come from the values of owners and from laws governing business. The Board is committed to finding a balance.
- Darcel: What would help in explaining PG?
- Sharon Martin: Perhaps a flow chart with an example of the decision-making process to show how accountability works. It sounds like owners give a vague idea of their values, the Board interprets that and writes policy. The perception is that we don't have much say-so. How are you getting our values?
- Patryk: I want to support the Board. I appreciate your work. This is not understandable. You need to make it usable for members. Can we suspend voting long enough to figure out how to make PG understandable?
- Katherine: Is Patryk's comment a value expressed? Should we hash this out now or work on it at another time?
- Scot: Before the ballot is sent, create a document to explain PG to accompany the ballot.
- Anne C: Move to withdraw amendments till Board can figure out how to explain PG.
- Chris: Owners don't understand PG.

Motion to suspend rule #5 in order for the Board to create a document to explain PG and how the proposed changes will bring our bylaws into alignment with PG. Further the Board will set up a review process to make sure that the document is clear to owners. Motion passed. Amendments A, B, C, G, & H were not discussed further at this meeting.

AMENDMENT D (regarding notice of Board meetings) Passed.

- Kasha: How do we get proper notice:
- Aja: Read bylaw # 5.2 in answer.
- Patryk: Can information also be included on a list serv?
- Aja: Explained why this amendment was suggested.
- Patryk: Motion to include notice to membership also be put on list serv. Rescinded. Cicada will do it.

AMENDMENT E (minor word change) Passed. No comments, no discussion.

AMENDMENT F (regarding designation of officers) Passed.

- Kasha: How can you handle fiduciary responsibility without a treasurer?
- Rusty: Fiduciary means to hold in trust. In the past, the role of the treasurer was to oversee finances & make sure the Board gets that info. Recently, the treasurer oversees only the Board's budget.

- Aja: All Board members and owners have access to all financial information. There is currently no person on the Board who has the skill to oversee finances.
- Darcel: The treasurer oversees the Board budget. GM gives financial reports to Board members.
- Mareena Wright: This amendment just identifies the principal officers, it's not getting rid of other offices.

AMENDMENT I (regarding balloting by mail) Passed.

- Chris: What is the current method?
- Cicada: Currently, ballot and return envelope are sent by mail by mail to each owner. This involves 4 to 5 pieces of paper plus two envelopes. This amendment allows a post card notice of balloting. Then ballots are made available on the web and in the coop.
- Patryk: Put as much clarifying information as possible in the ballot.

PETITION 1 regarding the worker/owner (W/O) program

- Arida: Clarification: We're just discussing whether or not this is the form in which petitions should be sent out to owners on the ballot; we're not voting on petitions yet. That is correct.
- Steve Ritt: Petition 1, item #2 – could cross over into operations. It is part of operations for management to decide staff "doings." (?) Same reasons for staff & workers being there. How do we tell when that is crossing over into operations?
- Sharon: If petitions are in conflict with PG, how do we correct that?
- Rusty: PG has been adopted by the Board, not by the members. If members direct the Board, then that supersedes PG.
- Kasha: I would be willing to be on the committee referenced item #3.
- Mareena: Why lift the freeze when there is no freeze?
- Cicada: We have two options; we can amend or reject the petition.
- Kasha: Motion to amend by striking item #4 regarding lifting freeze and striking sentence in Board statement that Board is not aware of anyone interested if being on committee (item 3). Motion passed.
- Mareena: Motion to reject this petition, not send it out. How will this be different from how it is currently? Do we need to revamp? Will problems be best fixed by this?
- Rusty: Four years ago, the coop stopped accepting new participants in the W/O program. So this petition process was begun. The situation has changed somewhat. W/O program should be designed by owners and reflect what they want.
- Tom Craig: We need to look at the element of financial responsibility. Decisions about the W/O program ought to be balanced by those who have financial responsibility. What will be the power of this committee?
- Bette: This is a real opportunity for members to contribute. It could be very helpful to have a committee to work on how to expand the W/O program. We were told that a committee was being set up, but it hasn't happened. I want to see the program expanded.
- Patryk: spoke against motion to withdraw this petition. We need worker/owners to create the outreach opportunities Steve mentioned earlier.
- Bette: In the past, this has not been a burden to the coop.
- Katherine: Give us the essence of why this is here before us now.
- Darcel: Rusty gathered signatures on a petition.
- Scot called the question. Motion to withdraw failed. The petition will go to owners as amended.

Motion to adjourn. Passed. Petitions 2 & 3 not discussed.

Respectfully submitted,
Jean Karpen