Food Conspiracy Board Meeting
Approved Minutes of 2/2/11

A regular meeting of the Food Conspiracy Board of Directors was held at the Pima Friends Meeting House, 931 N 5th Avenue, Tucson, at 6:30 p.m. on February 2, 2011

Present:
Ben Kuzma
Paula Wilk
Patrick Campion
Rob McLane
Shefali Milczarek-Desai
Linda Laev
Torey Ligon
Betty King
Cody Witham
Joyce Liska
George Milan
Eric Lauterbach-Colby
Natanya Siegle

1. Meeting called to order at 6:33 p.m.
We have a quorum.

Thanks to Ben and the deli for the hot chocolate.

Thanks to Ben and Patrick for getting out answers to emailed questions so promptly.

Thanks to Betty for putting the Co-op in touch with the UA health policy group regarding county grants.

2. Review Agenda:

Item 10.A – L12 Expansion Policy Monitoring Report -- will be discussed in executive session. Following the executive session, the Board will go back into open session for a possible vote to accept this policy monitoring report.

3. Check In
Went around the circle for check in.

4. Consent Agenda

The following items were on the consent agenda:

1) 4.A Approval of the Minutes from Jan. 5, 2011 Board Meeting
Rob motions to accept the consent agenda. Joyce seconds.

Vote: 8-0
Motion Passes.

5. Owner Time:

Rob McLane – In thinking about the expansion, I would like to see our deli avoid, as much as possible, the pre-cut fruit and veggies in plastic packaging. I enjoy that the co-op currently doesn’t have much plastic packaging in the produce section, and I don’t want to see that change.

Ben -- We talk about this a lot. Grab-n-Go is a growing area for our sales and at the same time we want to minimize packaging. When we do offer grab-n-go, we will look for the most eco-friendly packaging possible.

Rob – Whole Foods does a good job with their disposable packaging offering paper based containers lined with wax.

6. General Manager Information for Board

Is there interest from Board Members in attending CCMA this year?

Shefali – I have an interest in going.

Paula – I suggest that whoever is voted into the President and Vice-President roles should go.

CCMA is in June in San Diego this year.
A discussion of cost/per person ensued.

Sierra Vista Co-op hired a new general manager. Ben suggested that the operations manager from French Broad Co-op might be a good candidate for the job. The Sierra Vista Board interviewed and then hired him.

Ben handed out a power point presentation about the employee survey.
Paula asked that all future surveys be handed out in a report form rather than a power point presentation.

Ben said that Carolee Coulter submitted her report as a power point. Ben feels that it is better to divide the information so that some people get some info and others get other info.

Paula feels that one report should offer comments along with total number of staff members surveyed so that the Board can know how significant certain comments are. Shefali agrees. She felt that certain sections of the report were difficult to put into perspective because it was impossible to determine if only one person felt a certain way or if ten people felt that way. It would have been nice to see all the data in one place to gauge the importance of particular comments.

Natanya wants to know why the employees feel the kitchen is unsanitary.

Ben mentioned that the employee bathroom shares a wall with the deli and when the toilet backs up it can flood the deli and at that time the deli is unsanitary until it is cleaned up.

Natanya suggested that nothing be prepared in the deli while the toilet is overflowing.

Ben agreed that this is already the rule.

Paula asked if anyone had reported sickness from eating in the deli?

Ben – years ago there might have been one person, but it was a single report. We take cleanliness very seriously because we have put a lot into building this business and we could lose it all if someone got very sick or died from our food. Kelley and Sean are both professionals and take health concerns very seriously.

Joyce – Is a greywater system an option?

Ben – He’s thought about this, but we use bleach in our water. Plus, Rob pointed out that it is uphill to get to the trees and garden out back.

Betty – On one of the back pages there are a lot of comments about health insurance. Is that because benefits are going down or costs are going up?

Ben – No, in fact, our health insurance is the same. Employees have the same benefits that we’ve had for years and they still pay nothing for their benefits. Most of the dissatisfaction seems to be about dental insurance, but it’s all a trade off. If we had more robust dental insurance, we might have to have higher medical copays, as an example. We are trying to get staff more involved in making suggestions for improving the store.

Ben – The other area where there were complaints was about the sick leave policy. A while back it seemed that people were abusing their sick leave and using it more as vacation. I wanted people to have a bank on hand so I changed the policy to say that you had to be sick two days in a row to use sick time. A lot of people didn’t like that.

Rob – It seemed significant that the general happiness of employees is high.

Paula – There was 100% participation in this survey.
7. Items from the Consent Agenda
Nothing

8. Board Work

A. 2011 Annual Meeting (March 5, 5:00-9:00 p.m.)

Linda -- Coley expected ballots to come out today but hopefully they will arrive tomorrow. There is a ballot box in the store.

Meeting is Sat. March 5th. There will be music, food, and raffle tickets. Paula and Linda will be outside overseeing voting from 5 to 6 p.m. Between 6 and 7:30 p.m. we will do the business part of the meeting. Then there will be introductions to the Board and Management.

What other topics should we cover?

Shefali’s email mentioned the importance of board recruitment.

One issue is what we should do if we are not done tallying the ballots. We may validate ballots ahead of time, but we will be accepting ballots until 6 p.m. on the day of the meeting. The business meeting starts at 6 p.m.

We need to plan the business meeting so that several board members can be counting during the beginning of the meeting. Board members who are not running can help with the count. People who are running for election should plan to be more active in running the business meeting portion of the annual meeting since they will not be able to help count ballots.

There was discussion of ballot counting procedure and timing.

There was discussion of whether and how board members and staff will be introduced.

There was discussion of how to include owners in the meeting and engage owners.

B. – Proposed modification of Board Policy BGM 4.4.

This modification would change the calendar for when the GM reports on the L8 and the ENDS Policy. Ben proposed that both be reported in March from now on.

Natanya moved to accept the proposed modifications to the policy. Betty seconded.

Vote: 7-0 with 1 abstention.
Motion passes.

Cody abstained because he said he had not been able to read this portion of the Board packet and therefore was unprepared to vote on this matter.
C. Financial Report including Accountant’s Draft Report

Patrick -- Sales are up. Gross margin was consistent. Payroll and non-payroll expenses were down for the quarter. Therefore, our income is up.

Shefali – how does your report stack up to Ben’s report that we were temporarily out of compliance on the finance monitoring report due to equipment expenses that were larger than expected?

Patrick -- This does get captured under non-payroll expenditures. We are over budget there, but we are less over budget in what we are spending, than we are over budget in what we are bringing in.

Patrick – Paula and I had some conversations about certain items in the budget that haven’t totally lined up. Some things we thought we would spend money on we haven’t and we’ve had some expenditures that were unexpected. Overtime, we expect most of these things to correct themselves.

Patrick -- CPA Report – Happily, the CPA numbers are very very close to our numbers. There was one fairly small discrepancy, and a couple of small mistakes that were found, but correcting them has had almost no impact on our books.

Patrick -- They reviewed the numbers for the patronage and they reviewed numbers for the GM bonus and they agreed with the numbers I had. They agree with the number for the distributable patronage and it is up to the Board to determine how much of the patronage to distribute.

D. Resolution 2011-__ Authorizing FY 2010 Patronage Rebates

Resolution 2011-__ Authorizing FY 2010 Patronage Rebates
In accordance with Art. VIII of the Bylaws, the board directs management to allocate as patronage rebates the net earnings attributable to the patronage of owners for the fiscal year ended Sept. 30, 2010 in the amount of $74,132.05 to owners in proportion to their purchases for the year, to distribute ___%______ of such earnings by checks accompanying notices of allocations, and to do so as soon as practicable; provided that individual owner patronage rebates of $2.00 or less are hereby deemed so nominal as not to justify the expenses of distribution and pursuant to Bylaw 8.2 shall not be allocated or distributed.

Betty motions to distribute 50%. Shefali seconds.

Discussion ensues:

Natanya wants to know why the Board is recommending 50% while the management is recommending 100%.
Ben – We are new to patronage rebates. This is our 3rd year doing this and we are still seeing this as a marketing benefit. It provided great word of mouth advertising for co-op members to share the great news about their co-op. Laddie, the attorney, also mentioned another compelling argument for distributing a significant rebate. He says that distributing a rebate actually adds to the Co-op’s capital base. By adding new members (through positive word of mouth advertising), we are actually adding more to our capital base than if we were to give back less than a 100% rebate.

Torey – Owner comment -- can we use some portion of the rebate to make a green infrastructure investment like solar panel for our building, now that we know we are staying put?

Shefali – How would our members feel about getting a 50% rebate?

Torey – I think the co-op has rebuilt trust in our membership and Ben could make any recommendation he wants to make and members would trust him to make a good decision.

Natanya – Worries that we may be getting our members used to a 100% distribution and that we should consider giving back a smaller portion and offering some kind of useful investment for our membership, like solar. Also thinks the membership may be getting tired hearing about the future expansion and that might not be a good reason to withhold patronage.

Ben – There may be greener options to consider, like putting in 3 phase power.

Ben – We don’t need the money. Our rebates aren’t totally established yet in the community and it might make sense to keep distributing 100%

Betty withdraws her motion.

Rob motioned to approve a 100% distribution. Natanya seconded the motion.

Vote: 8-0
Motion passes.

Resolution 2011-01 Authorizing FY 2010 Patronage Rebates at 100% distribution passed.

E. Policy Monitoring Report Reflection:

L2 – Staff Relations
Betty - Under L.2.6 I think we should add: “and fail to inform the Board of actions taken as a result of survey results.”

Paula – Fail to conduct a survey on a cycle to cycle basis. And submit a report on changes made as a result of survey.

Paula – Betty, can you submit a proposal for the next Board meeting to change the policy as stated above. Betty agreed to do that.
L3 – Financials
No discussion.

L-12 – Expansion
No discussion.

F. CBL 101 Oral Reports

Torey – Talked about Board recruitment and the value of having a strong, full board with a deep bench.
Shefali – Talked about spending a big chunk of every Board meeting on visioning. Ideally, the business portion of the meeting should get done in 1 hour so that the second hour is spent discussing big picture ends. This might be helped by monitoring policies every month rather than once a quarter.
Rob – Talked about vision. He said: “When I went to the meeting I was confused about where the active part of being on a board was. Now that the ends are in place, what can the co-op board do to be active? The training helped me realize that being on the board is not a passive act, but rather, Board members have a big responsibility to pay attention to the community or the society to help the co-op get out in front. We talked about discussing the ends on a more regular basis. Perhaps we can take one piece of the ends policy at each meeting and we can assign a book, reading, etc that relates to that end and have the board discuss it at the meeting.”

G. Committee Reports
Paula – Joyce, can we put off your item until next month? Then it can be proposed as an official policy change.
Joyce -- Ok.

9. Next Meeting/Calendar
Feb 11 – Newsletter item due – Betty
Feb 5 – 11:30-1:30pm – Live broadcast of Mrs. Green goes Mainstream
Feb 12 – 1-2p.m. -- Meeting the Candidates Forum at the Co-op
Feb. 19 – 12-3pm -- Co-op Birthday Celebration
March 2 – Co-op Board Meeting
March 5 – Co-op Annual Meeting
March 27 – Solar Rock

We are going to do a patronage rebate. That means we need a patronage rebate letter. Paula will write the letter. In the past, all BOD members have signed it. Paula will send it out. You will have 24 hours to review it. Then all BOD members will have to go to the co-op to sign it.

Annual Report also has a president’s statement. Paula will circulate the statement to Board members to review and offer comments.
Paula temporarily adjourned the open meeting so that the Board could enter into executive session.

10. Executive Session
Confidential session to review L-12 Expansion Policy

Shefali motioned to come out of executive session. Betty seconded the motion.

Vote: 8-0.
Motion Passes


Vote: 8-0.
Motion Passes.

Board Meeting Evaluation/Monitoring Form
Date of Meeting 2/02/2011

In a continual effort to improve its Policy Governance process, the Food Conspiracy Board of Directors developed this form to evaluate its progress. This evaluation is the board as a whole, not individual board members.

1. The board was prepared for the meeting
   X☐ Satisfactory ☐ Needs Improvement ☐ Unsatisfactory

2. The boards time was appropriately spent on Ends as opposed to Means
   X☐ Satisfactory ☐ Needs Improvement ☐ Unsatisfactory

3. Each board member was given an adequate opportunity to participate in discussion and decision making.
   X☐ Satisfactory ☐ Needs Improvement ☐ Unsatisfactory

4. The board’s treatment of all persons was courteous, dignified and fair.
   X☐ Satisfactory ☐ Needs Improvement ☐ Unsatisfactory

5. The board adhered to its adopted governance style:
   a. It emphasized outward vision:
   ☐ Yes X☐ No
   b. It encouraged diversity in viewpoints:
   X☐ Yes ☐ No
   c. It exercised strategic leadership more than overseeing administrative detail:
   X☐ Yes ☐ No
   d. It maintained a clear distinction between board and management roles:
   X☐ Yes ☐ No NA
   e. It looked to the future:
6. Did the Board Encourage Owner Participation?
   ✔️ Satisfactory    ☐ Needs Improvement    ☐ Unsatisfactory

Evaluation comments:

Linda motioned to adjourn the meeting. Cody seconded.
Vote: 8-0.
Motion Passes