A regular meeting of the Food Conspiracy Board of Directors was held at the Pima Friends Meeting House 931 N 5th Avenue at 6:30 PM on February 4, 2009.

Present
George Milan, Board of Directors
Natanya Siegel, Board of Directors
Paula Wilk, Board of Directors
(Jomo) Alan C. Williams, Staff Representative
Bradford Castalia, Owner-Member
Joyce Liska, Owner-Member
Michael Sicurello, Owner-Member
Rita Weatherholt, Owner-Member
Ben Kuzma, General Manager
Jeanene Graham, Finance Manager

Not Present
Melita Quance, Board of Directors ill

Paula called the meeting to order at 6:39 pm

Check-in
People attending the meeting checked in
Jeanene’s daughter is staying with her while she attends school at Pima Medical Institute.
Jomo is getting married! To Who? Where? And When? are in question.
George will be late for the Annual meeting
Natanya is recuperating
Brad, Michael, Joyce, and Rita are newly elected board members.
Joyce may be late for the March Board meeting
Rita is involved in a trail ride for fund raising for the Blind and Deaf Children’s Foundation.
Paula was in charge of counting the ballots for the election and will report on the election.

Consent Agenda
Patronage Rebate Resolution
Ends Policy
L3 Financial Conditions and Activities

George moved to accept the remaining items on the consent agenda, Natanya seconded the motion.
Yes 3 No 0 Abstain 0

Moved consent agenda items.
January Minutes
L2 Staff Relations
Owner Time
A request was made for more substantive material in the Co-op newsletter – and more
member/owner connection resources. (There was a short discussion on this topic)
The Patronage Rebate notification is posted in the store – Ben’s newsletter article
Generally Speaking talking about the rebate was very good. KUAZ (89.1) recently
interviewed Torey about the rebate.

Review Agenda
Is there any specific topic for membership discussion?
(The April meeting is set to be a forum meeting for discussion with the ownership)
Patronage Rebate Letter was added to the Agenda

GM Information for the Board
Additional information:
The CPA information for the FY 2007-2008 was passed out. There will be a follow up
report at the next meeting on the Study and Evaluation of Internal Controls.
Carolee Colter is going to do a review of our HR practices in April.

Board Work
1st Quarter Review
The 1st quarter financial information of 2008/2009 (10/01/08 through December 31,
2008) was reviewed. The corrected balance sheet will be prepared for next month as the
CPA work for 2007-2008 is almost complete.

A break was taken from 7:30 to 7:45.

Items from Consent Agenda

January Minutes
The year on the Board Evaluation for is 2009 instead of 208.
George moved to accept the January minutes Natanya seconded the motion.
Yes 3 No 0 Abstain 0

L2 Staff Relations
Lines 619 to 1047 were a previous report that was mistakenly included. The report is
lines 401-612
George moved to accept the L2 Staff Relations monitoring report Natanya seconded the
motion.
Yes 3 No 0 Abstain 0

L8 Communication and Support to the Board
Paula moved to accept the L8 Communication and Support to the Board monitoring
report as written but with express recognition that the Coop is not in compliance in all
respects with our By Laws and that the Board and General Manager will resolve the
issues as soon as possible George seconded the motion.
Yes 3 No 0 Abstain 0
L12 Expansion
George moved to accept the L12 Expansion monitoring report Natanya seconded the motion.
Yes 3 No 0 Abstain 0

Board Work

Patronage Rebate Letter
It was determined that all board members will sign the patronage rebate letter.

Outstanding Election Matters
Paula gave report of results of the election and recommendations from the election committee.

Tucson Food Conspiracy Co-op 2009 Election Tabulation Report
Tabulation Team: Patricia DeWitt, Carol Shinsky, Paula Wilk
Date of Tabulation: February 4, 2009
Ballot issues: Board Candidates
Cooperative Community Fund Candidates
Ballot Validation Results:
Name & Owner #; on “active” owner list (fully paid or payment made since 9/15/08) 46
Name & Owner # (last payment made between 10/1/06 – 9/15/08) 2
Owner number only (on current list)* 4
Owner name only (on current list)* 4
Total Validated Ballots 56
No name or number (invalidated)* 3
Total Number of Ballots 59

Potential Problems/Concerns:
1. The Board has never made a determination of what constitutes a delinquency in meeting the owner share purchase obligation, as required by Bylaw 2.4 In addition, while the Board has determined the period within which owners must patronize the store, no written notices of inactive status have been issued. Consequently, any previous owner who has not terminated ownership is eligible to vote.

RECOMMENDED: Either the Board determination be made and notices of inactive status be issued as promptly as possible or Bylaw 2.4 be amended following consultation with the Co-op’s attorney

2. Bylaw 3.8 requires that mailed-in ballots be placed in double envelopes. The Co-op’s advised that this could be construed strictly (invalidating all mailed-in ballots enclosed in a single envelop) or as a procedure rule designed to protect ballot secrecy, which
owners risked forfeiting by failing to use a second envelop. The tabulation team opted for the procedure interpretation and did not invalidate any ballots for this reason.

**RECOMMENDED:** The Board adopt a resolution interpreting this bylaw for future elections.

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3. Bylaw 2.3 limits participation in governance to primary owners (unless “stated otherwise” in the bylaws and there is no provision for secondary owners to vote).

However, Minnesota law (MS 308A.635, Subd. 2) expressly allows a spouse [but not a secondary owner] to vote for a primary owner unless the primary owner has indicated otherwise. This did not come up as an issue in this election.

**RECOMMENDED:** The Board consult the Co-op’s lawyer about bylaw options, for example, allowing secondary owners to vote if the primary owner has not voted or indicated otherwise, if the Board does not like this result.

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- Validation decision made by consensus of the tabulation team.

The newly elected Board members (effective at the Annual Meeting) are:

- Melita Quance 3 yr term
- Rita Weatherholt 3 yr term
- Michael Sicurello 3 yr term
- Joyce Liska 2 yr term
- Bradford Castalia 1 yr term

The recipients of the Coop Community Fund Grants are:

- Baja Arizona Sustainable Agriculture
- Watershed Management Group
- Santa Cruz Heritage Alliance’s Heritage Foods Program
- Sky Island Alliance
- Sustainable Tucson

A question is: How do we engage owner/member participation?

**Consumer Cooperative Management Association Attendance**

Add this topic to March Agenda.

**Orienting New Board Members ut**

Add this topic to March Agenda.

**Ends Policy**

**L2 Staff Relations**

**L3 Financial Conditions and Activities**
**L8 Communication and Support to the Board**

**L12 Expansion**

These items were on the agenda in case there was time to discuss whether the policy gave us the information we need to effectively guide the General Manager for these items. The time to do this was not available.

**Meeting Evaluation Form**

Does this form help us with our meeting process?

It does help. An additional item suggested is: How did the Board encourage owner participation?

**Committee Work**

**Board Development Committee/Election Committee**

Natanya gave report including this information from Melita:

Our Annual Meeting will be themed around the central question of "How can the co-op become a role-model for sustainable business practices in our community?" This question ties in with our Ends statement under Benefits for Tucson Community, FC viewed as a leader. The Annual Meeting will consist of a member involved brainstorming session on ideas sparked by the question. Out of this session will evolve one clear direction, idea or path for the Board to continue to research, think about guide our co-op towards. We will form a Board-Level Committee involving members present at the meeting to continue this work. The first follow-up to this will be the open forum at our April board meeting that we decided on last month. Torey is working on inviting a guest speaker who is a current owner of a "model sustainable business" and a co-op member to be our keynote and answer the same question. There will be a brief report from Ben, from the Board, and from a Staff person. New BOD's will be introduced. The winners of the Co-operative Community Fund will be announced. And finally, there will be a Zydeco Band, food and dancing. We are purposely not advertising the times of events during the meeting to avoid the ever present "I just want to come for the food." What we need from you is to prepare to join a group that you are interested in during the brainstorming session and keep them focused on big-picture ideas rather than small, operational things. So, rather than the co-op having solar panels, the co-op will lead the industry in eco-friendly grocery store building, for example. Keep them focused on our very important work!

The annual meeting will be March 7 3pm to 7pm

**General Manager Review Committee**

There has not been a meeting since the last Board Meeting

**Calendar**

The next Board meeting is March 4, 2009 at 6:30 PM

The Annual Meeting is March 7

**Monitoring Reports Due**

The next monitoring reports are due in May

**Board Meeting Evaluation/Monitoring Form**
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
   - Satisfactory
   - Needs Improvement
   - Unsatisfactory

2. The board’s time was appropriately spent on Ends as opposed to Means
   - Satisfactory
   - Getting Better
   - Needs Improvement
   - Unsatisfactory

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

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

5. The board adhered to its adopted governance style:
   a. It emphasized outward vision:
      - Yes
      - No
      - Needs Improvement
   b. It encouraged diversity in viewpoints:
      - Yes
      - No
   c. It exercised strategic leadership more than overseeing administrative detail:
      - Yes
      - No
      - Needs Improvement
   d. It maintained a clear distinction between board and management roles:
      - Yes
      - No
      - Needs Improvement
   e. It looked to the future:
      - Yes
      - No
      - Needs Improvement

6. Did the Board Encourage Owner Participation?
   - Satisfactory
   - Needs Improvement
   - Unsatisfactory

**Resolutions:**

**Resolution 2009-03 Revoking Res. 2009-02 and Authorizing FY 2008 Patronage Rebates**

February 04, 2009

The board hereby revokes Resolution 2009-02, approved on January 7, 2009, and 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, 2008 in the amount of $44,391.06 to owners in proportion to their purchases for the year, to distribute 100% 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.

A motion to adjourn the meeting was moved by George and seconded by Natanya
3 in favor 0 opposed. The meeting adjourned at 9:10 pm

Date minutes approved: March 4, 2009

Signature: George Milan
  Board Secretary