



**Board of Directors Meeting
September 10, 2014**

APPROVED

Board members present: Gwyneth Bowman, Joanie Kintscher, Charlie Douglass, Gary Einhorn, Jeff Golden, Ian Crosby, Julie O'Dwyer. **Employees present:** Emile Amarotico, General Manager, Christina Oliver. **Others:** Ken Crocker, Professional Facilitator; Abby Lazerow, Board Administrator.

The Meeting was called to order at 6:00 p.m. by Ken Crocker.

AGENDA ITEM	DISCUSSION POINTS	ACTION TAKEN	REMINDERS/ FOLLOW UP
Review of Board Procedures	<ul style="list-style-type: none"> • Board ground rules for meetings are posted on the bulletin Board in the Pioneer Conference Room. • The Board of Directors strives to make decisions based on consensus. If there is not time to reach consensus, a decision can be postponed to the next Board meeting. • The facilitator balances supporting directors to reach a consensus-based decision and moving through all topics that must be covered in the meeting agenda. • Each agenda item has a Director-sponsor who is available to offer information and lead the discussion for the proposed decision. 		
Positive Affirmation	<ul style="list-style-type: none"> • Charlie Douglass led the positive affirmation. 		
Announcements, Calendar of Opportunities and Expectations	<ul style="list-style-type: none"> • Love Local Week is September 12-20. • New Directors were reminded to check in with their mentors. • Board Directors were encouraged to attend the SOPTV pledge drive on October 22 to answer phones and speak about the Co-op during the pitch break. "Shift Change", a film about the history of cooperative movements, will be also be shown that evening. • Annie Hoy and Abby Lazerow have formally requested to join the BDC. 		

Owner Forum	<ul style="list-style-type: none"> • Two owners were present to observe the meeting. 		
Consent Agenda	<p>The following consent agenda items were unanimously approved:</p> <ul style="list-style-type: none"> • August 13, 2014 Board Meeting Minutes • August 13, 2014 Executive Session Minutes • Finance Report, August 2014 • GM Report, August 2014 • Outreach Report, September 2014 	The consent agenda documents were unanimously approved.	
Co-op Budget Update	<ul style="list-style-type: none"> • Financial Manager Christina Oliver presented an update about the 2014 Coop budget, focusing on 2nd quarter information. • Because inventory is taken quarterly, quarterly statements of margins and profits are the most accurate and have the most detail. • The 2nd quarter had large expenses including the Deli remodel. The Produce Department also installed new produce cases. • Labor costs are higher, mostly due to increases in wages and benefits. There were more health insurance claims this year. The Co-op is self-funded for health insurance costs. • The Deli re-opened on July 1, the first day of the 3rd quarter. Sales growth was negative in June and July, compared to the prior year. Sales growth was 5.4% below budget for July, and 2.9% under budget for the year-to-date, but an increase in sales is expected in the 3rd and 4th quarters. • Long-term sales growth is cooling. We are at capacity in terms of parking spaces and therefore the number of people who can shop at the store. • The profit-sharing bonus is an annual bonus and the productivity bonus is quarterly. Currently, the 2014 profit-sharing bonus is zero. Because profitability is lower, funds have not been accrued. This has never occurred before. Managers are considering various cost-cutting measures of discretionary items for the remainder of the year to help salvage some of annual profit sharing bonus. It is anticipated there should be funds for profit sharing. • 50% of the patronage dividend is withheld for capital expenditures and to reinvest in our business. • The GM and Financial Manager are indentifying areas that could be trimmed. Margins will not be increased. • Increasing profits and sales will be discussed during the October strategic planning meeting. • It is hoped the second half of the year will be closer to the 		

	<ul style="list-style-type: none"> numbers budgeted for 2014. The Board appreciated Christina’s presentation. 		
<p>Scheduling 2015 Annual Meeting Date</p>	<ul style="list-style-type: none"> The Board discussed whether it was optimal to hold the annual meeting before or after Director elections. The annual meeting has not been an effective place for owners to get to know the candidates. The Board Development Committee recommended adding a “Meet the Candidates” event before the June elections and holding the annual meeting after elections. Some Directors felt a “Meet the Candidates” event needed a strong structure. The Board accepted the BDC proposal and agreed to have the election take place before the Co-op Annual Meeting. All Directors should be involved in recruiting new Directors. The BDC was reminded to review the list of skills and qualities for Board Directors and to bring any revisions to the Board for approval. All Board candidates will be strongly encouraged to attend a Board meeting before the elections. In June 2014, the Board voted to organize a volunteer committee of owners to look into stipends for Directors. The BDC was asked to come back to the Board in October with a proposal about forming the committee. One Director had concerns about developing a proposal for the owner committee because the Co-op budget is tight. He asked if the initiative could be postponed for a year. Exploring this issue could take time. If owners came up with a recommendation to change the Director stipends, it would be important to coordinate any proposed change with other bylaw changes. Directors were reminded it is important not to overturn decisions the Board has already made. Directors were also reminded that the meeting agenda could not be changed during the meeting. Agendas are planned in advance. The Board recommended the BDC return with a counter-proposal or recommendation to the Board. It is important to have consensus within the committee. 	<p>The Board accepted the BDC proposal and agreed to have the election take place before the Co-op annual meeting.</p>	<p>The BDC will form a process for the “Meet the Candidates” night.</p> <p>The BDC will review a list of optimal skills and qualities for Board Directors.</p> <p>BDC will present a new stipend committee proposal to the Board in October.</p> <p>Abby will resend the Director Stipend documents and June proposal to the BDC.</p>

Results of Vote by Mail: Approval to send Julie O-Dwyer and Ian Crosby to Co-op Leadership Training in September	<ul style="list-style-type: none"> On September 7, 2014, the Board of Directors voted to approve funding to send Ian Crosby and Julie O'Dwyer to the CBL 101 Training in Sacramento, CA. Five Directors voted to approve, with two abstaining due to conflict of interest. 		
BREAK	<ul style="list-style-type: none"> A 10-minute break was taken. 		
GM Report	<ul style="list-style-type: none"> Emile and the ad hoc Real Estate Committee have begun due diligence in advance of developing a purchase agreement. Emile recently attended the NCGA workshop in Bellingham with Front End Manager Zack Burrows. The topic was the multi-store concept. Emile learned it is difficult to achieve efficiency with multiple stores. Deli employees are being trained to improve service and flow in the Deli area. Service times are speeding up. Emile has been having a check-in with the MT regularly to discuss concerns arising from the EA contract. The MT is working to have the same expectations and standards across the store. Two of the Strategic Initiative teams are underway, a third team has recently met and the fourth team will meet soon. The next SP meeting will be October 21. Emile is investigating the Oregon weapons open-carry law. Some other co-ops post their policies about weapons. 		
Employee Director Report	<ul style="list-style-type: none"> There have been fewer complaints about the Deli remodel. Overhead menu signage fonts have been changed and moved closer to shoppers for easier viewing. Complaints include having to pay for Deli food in advance and the rice and beans containers. An Owner recently complained about the lack of accessibility for wheelchairs in the Deli dining area. Front end staff are available to help move dining area chairs and assist people with wheelchairs. Cashiers are doing an excellent job of helping to keep lines moving. The EA has recently lost a member and is looking for employees to fill two seats. It is hard to find employees who are interested in being involved. 		

	<ul style="list-style-type: none"> • Phil is no longer a supervisor. 		
Adding Owner/Volunteer with Discount to Outreach Committee	<ul style="list-style-type: none"> • In June, the Board had a discussion and made the decision to add up to two additional owner-volunteers receiving Board discounts to Board committees. • The Outreach Committee requested the Board appoint an additional owner-volunteer to their committee. The Committee would like to appoint the Co-op gardener coordinator for a two-year term. The volunteer gardeners are very active and the produce they grow is used for cooking classes and demos. • One Director suggested giving the garden volunteers a greater presence in the Co-op newsletter. • The Board unanimously voted to approve the gardener coordinator with a two-year term to the Outreach Committee. 		
Scheduling Holiday Party	<ul style="list-style-type: none"> • The Board agreed to hold its annual holiday party on December 10. • Julie will bring venue suggestions to the October meeting. 		
Meeting Evaluation	<ul style="list-style-type: none"> • The new Board Directors were welcomed. • Ken was commended for running a well-facilitated meeting. • Sharon's and Christina's expertise were appreciated • There were many thoughtful questions and comments and it appears this group will work very well together. • Ian and Julie were thankful for the opportunity to go to Sacramento to the leadership training. • Ken reported a recent study showed groups that spent more than 50% of their time on process and connection building were more efficient than groups that did not. • It was hoped more owners would attend future Board meetings to see our process in action. 		

The meeting was adjourned at 8:25 p.m.