

**Ashland Food Cooperative  
Board of Directors Meeting  
August 10, 2011  
APPROVED**

**Board members present:** Guy Nutter, Peter Hoyt, Gwyneth Bowman, Glenn Hill, Joanie Kintscher, Sheila Carder and Phil Johnson **Employees present:** Richard Katz, General Manager. **Others:** Ellen Craine, Facilitator; Abby Lazerow, Board Administrator

The Meeting was called to order at 6:00pm by Ellen Craine.

<b>AGENDA ITEM</b>	<b>DISCUSSION POINTS</b>	<b>ACTION TAKEN</b>	<b>REMINDERS/ FOLLOW UP</b>
<b>Announcements</b>	<ul style="list-style-type: none"> <li>• The new Board Directors were welcomed.</li> <li>• A discussion course on cooperatives, written by East End Food Co-op, has been ordered by Annie Hoy and may be used for Board training.</li> <li>• 2012 is the International Year of Cooperatives, as designated by the United Nations.</li> <li>• The Co-op Labor Day employee and family luau picnic will be held at Emigrant Lake.</li> </ul>	Information only.	BoD should fill out RSVP forms by August 19 if planning to attend the Labor Day Employee picnic.
<b>Owner Forum</b>	<ul style="list-style-type: none"> <li>• Owners Stuart Green, Will Shapiro, Stephanie Hatch and Elizabeth Robinson came to observe the Board meeting.</li> </ul>		
<b>Agenda Review</b>	<ul style="list-style-type: none"> <li>• Done.</li> <li>• Ellen Craine reviewed AFC Board of Directors Ground Rules for Board Meetings.</li> <li>• Reminder to contact the person who put the item on the Consent Agenda for questions; questions can be cc'd to all Directors.</li> </ul>	Approved.	
<b>Ratification of Board Elections</b>	<p>2011 Board of Directors Election Results:</p> <ul style="list-style-type: none"> <li>• Total verified ballots: 547.</li> <li>• Total votes for Sheila Carder: 429</li> <li>• Total votes for Glenn Hill: 302</li> <li>• Total votes for Charlie Douglass: 272</li> <li>• Valentina Shamova: 40</li> </ul> <p>2011 Staff Director Election Results:</p> <ul style="list-style-type: none"> <li>• Total verified ballots: 58</li> <li>• Total votes for Phil Johnson: 46</li> <li>• Total votes for Bobby LeClaire: 12</li> </ul>	The Board Election results were approved.	
<b>Signing of Code of</b>	All Board Directors signed the Code of Ethics.	Completed.	

<b>Ethics</b>			
<b>Calendar of Opportunities &amp; Expectations</b>	<ul style="list-style-type: none"> <li>• Dinner with the Directors, August 17</li> <li>• Eat Local Celebrations, Sept. 10</li> <li>• Fierce Conversations Training, October or November (TBA)</li> <li>• Nov/Dec Newsletter Deadline: Sept. 12 (Joanie)</li> <li>• Join New Co-op Wine Club</li> </ul>		Joanie, Guy and Peter will attend the August Dinner with the Directors. Details of Eat Local events will be emailed to the BoD.
<b>Training Opportunities</b>	<ul style="list-style-type: none"> <li>• NCBA Conference, Minneapolis, Oct. 4-7</li> <li>• 2011 Provender Alliance Conference, "Planting Seeds, Harvesting Wisdom", Oct. 5-7, Hood River, OR</li> <li>• "Slow Money" Conference, Oct. 12-14, San Francisco</li> </ul>	Information only.	
<b>Consent Agenda</b>	<ul style="list-style-type: none"> <li>• The Board unanimously approved all Consent Agenda items.</li> <li>•</li> </ul>	Approved.	
<b>Board Computer Acquisition Policy</b>	<ul style="list-style-type: none"> <li>• One BoD member asked about offering a possible option for Directors to have PC computers.</li> <li>• It was explained the Board had previously voted to use Apple computers because of the 3-year warranty for software and hardware.</li> <li>• The Computer Acquisition Policy was added back to the Consent Agenda and approved.</li> </ul>	Approved and asked to be returned to the Consent Agenda.	
<b>Open Discussion re: Candidates Applications and Election of Board Officers</b>	<ul style="list-style-type: none"> <li>• Glenn Hill withdrew his application for Board Secretary.</li> <li>• The service of recent Board officers was appreciated.</li> <li>• Board Officers: Gwyneth Bowman, President; Peter Hoyt, Vice-President; Guy Nutter, Treasurer; Joanie Kintscher, Secretary</li> </ul>	The Board Officers were unanimously elected by the Board.	
<b>Action without a Meeting</b>	<p>Action without a Meeting</p> <ul style="list-style-type: none"> <li>1) Sale of Ric Sayre's computer to his partner Elizabeth Trowbridge for \$500.00</li> <li>• 2) Redistribution of former Director Elizabeth's Robinson's computer to the BoD for use by BoD Administrator</li> </ul>	Previously approved by email and read into the minutes.	Elizabeth Trowbridge conveyed her appreciation for Ric's computer.
<b>GM Report</b>	<ul style="list-style-type: none"> <li>• An employee forum was held August 9; 30-40 people attended.</li> <li>• A pre-application process has begun to possibly change the City ordinance for downtown bank drive-up windows.</li> <li>• The new warehouse offers extra storage, doubling the number of items bought by the pallet.</li> </ul>	Discussion.	
<b>Appointment of</b>	<ul style="list-style-type: none"> <li>• The following Committee Chairs were appointed:</li> </ul>	BoD approved	Joanie will mentor

<b>Committee Chairs</b>	Executive Committee, Gwyneth Bowman; Board Development Committee, Joanie Kintscher; Outreach Committee, Peter Hoyt; Finance Committee, Guy Nutter; Community Grants Committee, Sheila Carder ; Social Responsibility Liaison to Store Sustainability Committee, Glenn Hill and Sheila Carder.	the Committee Chair positions.	Sheila in her transition as Grants Committee Chairperson.
<b>Break</b>	A 10 minute break was held at 6:55 p.m.		
<b>Financial Review of 2<sup>nd</sup> Quarter Statements and Prior Financial Performance</b>	<ul style="list-style-type: none"> <li>• The Co-op did very well financially in 2010 and is continuing to see great growth, despite the state of the economy.</li> <li>• With no debt and strong cash reserves, the Co-op is in an excellent position to withstand any economic storms.</li> <li>• In the last economic downturn, the Management Team and the Board responded in a quick, effective manner to forestall any financial repercussions.</li> <li>• The recent audit was extremely successful, with no reservations by the auditors.</li> <li>• In 2010, sales growth was 8% over the previous year. Labor expenses were slightly higher than anticipated and interest income was less than projected.</li> <li>• One director wanted to know if AFC has a policy to support local vendors and asked how the Co-op might support local vendors in a recession.</li> </ul>	Discussion.	
<b>Study Results Update</b>	<ul style="list-style-type: none"> <li>• The goal of the Executive Committee study is to see if violations of policy have taken place at the Board level or at the store level.</li> <li>• The Committee has been looking into issues raised by employees. The Committee has reviewed the files of three employees who have been disciplined or are no longer working at the Co-op to see if due process has been followed.</li> <li>• The Committee discussed the process with the GM and HR Managers and the Committee felt procedures were followed according to AFC Handbook.</li> <li>• The Committee has been meeting with management and employees to hear their concerns. Some employees have submitted written documentation.</li> <li>• The Committee has been reviewing Conversation Salon notes. Concerns presented in the Salons are being investigated</li> <li>• It is recommended all employees read their Employee Handbooks to better understand the grievance process.</li> <li>• The Committee consulted with Robert Braun, a labor</li> </ul>	The proposal for the Executive Team to continue the investigation was approved.	

	<p>consultant. According to Braun, every non-employee Board Director is a de facto representative of management. Directors, no matter what they do otherwise, are managers in terms of the employees of the Co-op. Board Directors should be aware that whatever is said by a Board member about a union, whether pro or con, can be construed as coming from the highest authority and power at the Co-op. Labor relations laws are violated when Board Directors discuss unions with employees and it is unlawful for a Board Director to be vocally for or against the formation of a union.</p> <ul style="list-style-type: none"> <li>• The Staff Director is unique, representing both management and employees. The Staff Director will talk to the labor consultant to clarify his role.</li> <li>• The fact-finding study is authorized through both the Board charter and Executive Committee manual to provide the GM with assistance as needed. 90% of the investigation has been conducting fact-finding about concerns of employees. In the course of that investigation, the Committee received a signed document from an employee containing information that required the Committee to consult with a labor relations specialist. The Committee also interviewed the employee who submitted the document.</li> <li>• The Director who was interviewed about possible inappropriate behavior and conflict of interest was very distressed about the process and felt his ethics were questioned. The Director stated any concerns about unlawful behavior were based on false statements.</li> <li>• It was stressed that all fact-finding conversations take place with a lot of heart to ensure the person being interviewed does not feel attacked. It is the desire of the Board to support its employees and to work together effectively.</li> <li>• Employee or owner questions about these issues should be forwarded to the Executive Committee.</li> <li>• The Committee has not made any decisions based on their investigative process. The Executive Committee report will be finished in September and the results will be presented in an Executive session.</li> <li>• The Board proposed continuing the fact-finding investigation.</li> </ul>		
<p><b>Management Team/Board Lunch</b></p>	<ul style="list-style-type: none"> <li>• The Executive Team will meet with the Management team to determine a date for the Team/Board lunch.</li> </ul>	<p>Discussion.</p>	
<p><b>Committee and Staff</b></p>	<ul style="list-style-type: none"> <li>• The topic of the next Outreach committee meeting (held the</li> </ul>	<p>Information only.</p>	

<b>Sharing</b>	<p>1<sup>st</sup> Tuesday of the month at noon) will be new ways for the Board to interact with owners and staff owners. Tea and Dessert with Employees will be considered and brought back to Board.</p> <ul style="list-style-type: none"> <li>• It was noticed this month had the largest number of Consent Agenda documents in memory.</li> </ul>		
<b>Meeting Evaluation</b>	<ul style="list-style-type: none"> <li>• This was a very good meeting. The Board worked through many topics quickly.</li> <li>• Disagreements create tension. The Board will work to express feelings without raising the temperature in the room. Conflicts and disagreements are healthy if conflict can be viewed as a tool for growth.</li> <li>• The Ground Rules for the Board of Directors could be more tightly enforced. It was requested the facilitator jump in quickly if someone is out of line. It was noted not everyone has the same tolerance for conflict.</li> <li>• It is good to have Sheila and Phil join the Board.</li> </ul>		

The meeting was adjourned at 8:05 p.m.

**Board Actions:**

**The following Consent Agenda Items were approved:**

- May 2011 Board Meeting Minutes
- Board Finance Report, March 2011
- Board Finance Report, April 2011
- Board Finance Report, May 2011
- Outreach Report, July 2011
- GM Report, August 2011
- Board of Director Terms of Office Policy
- *Board Computer Acquisition Policy* [Removed for discussion]
- Manual for General Manager Evaluation
- AFC Manual for Paying Board Contract Consultants
- Investment Policy, May 2011
- Discount List (8/3/11)
- Committee Reports:
- Outreach Committee Minutes, May 2011
- Outreach Committee Minutes, June 2011
- BDC Minutes, 6/7/11
- Executive Committee Minutes, 6/30/11
- Executive Committee Minutes, 7/7/11
- Executive Committee Minutes, Addendum 7/19/11
- Executive Committee Minutes, 7/21/11

- Meeting Agenda and Minutes for Executive Committee, 7/19/11 (deferred from 6/24/11)
- Annual Reports
- Executive Committee Annual Report, 2010-2011
- Board Development Committee Annual Report, 2010-2011
- Finance Committee Annual Report, 2010-2011
- Community Grants Annual Report, 2011
- Outreach Committee Annual Report, 2010-2011
- Annual Report to the Board of Directors, Liaison to the Sustainability Committee, 2011
- Election of Board Officers:
- Board President Job Description
- Board Vice President Job Description
- Board Treasurer Job Description
- Board Secretary Job Description
- Statements of Candidacy

The next regularly scheduled Board meeting will be on Wednesday, September 14, 2011 at 6:00 p.m. with Ellen Craine facilitating.

*The GM report and Committee reports are available on request.*

***Minutes are not posted until approved by the Board at the next month's meeting.***

Minutes were kept and prepared by the Board Administrator, Abby Lazerow