

Board of Directors Meeting

January 10, 2007

APPROVED

Ashland Food Cooperative
237 North First Street
Ashland, OR 97520

Board members present: Erik Wallbank, Herb Heiman, Richard "Ric" Sayre, Gwyneth Bowman, Joe Golton, and Serena St. Clair. Absent: Danielle Amarotico (Excused) Other staff present: Richard Katz, General Manager; Annie Hoy, Outreach/Owner Services Manager; Leslie van Gelder, Board Assistant.

The meeting was called to order at 5:32 p.m. by facilitator, Erik Wallbank.

1. Announcements: Herb displayed his newly published book, "Running on Dreams". Erik read a thank you note from the Medford Market Board for the help they have received from the Co-op.
2. Agenda Review: The agenda was reviewed, amended and accepted.
3. Owner Forum: No owners were present.
4. 2007 Budget: Joe answered questions regarding the proposed 2007 budget and current Co-op investments. The Board discussed bank charges for credit card purchases (currently running at 1% of sales) and options to reduce this cost. The Board unanimously voted to accept the budget as presented including the Operating and Capital Expense budgets.
5. Review AFC Operational Priorities: Richard answered questions from the Board about the priorities developed by the Management Team. The Board was requested to propose their own strategic objectives through the committees.

The Board discussed the following possible additions to the priorities:

- o A succession plan for Board officers
- o Board education goals
- o Recruitment process for Board members and committee members
- o Building a good evaluation system.
- o Having a store credit card.

Richard expressed his belief that the Board needs to spend time together on an annual basis to do strategic planning. Erik shared with the Board his idea for working with the school district in providing a school lunch program. The Committees will send their ideas for priorities to Erik by Feb 7th. These priorities will go out to the Board members at the beginning of February so they can be reviewed and discussed at the February Board meeting.

The Board committees meet as follows:

- Growth Committee – First Wednesday of the month at 12:00 in Richard’s office.
 - Finance Committee - First Wednesday of the month at 1:00 in Richard’s office.
 - Outreach Committee - First Tuesday of the month at 12:30 in Community Room.
 - Board Development meets on an as needed basis.
 - Social Responsibility Committee meets irregularly on Tuesdays at 8:45 in the morning at the Standing Stone.
 - Management Relations Committee meets irregularly as needed.
6. Outreach Committee Report: Herb answered questions regarding the Outreach Committee Report. The Board page on the store website has been updated and will be completed by the end of January.
 7. Policy for Executive Session Minutes: Gwyneth combined material from three documents, including the Confidentiality policy, the By-Laws, and the guidelines for Executive Sessions to form a comprehensive draft policy which she passed out to the Board. Part of the Confidentiality policy would be added to the ethics policy, which is signed annually by all Board members. The Board accepted the policy with some minor wording changes.
 8. Update on Board Training: Gwyneth requested that Board members respond to the Board Development training proposal and send her their ideas for training. Leslie will send the Board the Peter Senge article on “The Learning Organization.” Richard extended an invitation for a Board member to take part in the NCGA Board training in Seattle with him in April.
 9. Update of Succession Planning: The Board Development Committee presented a “Method to Recruit Board Members and Board Officers.” Gwyneth urged the Board to begin looking at special skills needed by Board members and officers and think about how those skills can best be passed down to new members. Richard will share with the Board the succession plan in place for appointing an interim GM.

Gwyneth asked the board to review the recruiting document and make suggestions for changes, additions, and corrections. She also reminded the Board that it is time to begin recruiting candidates for elections this year. Joe recommended that the Board recruit Board candidates by developing long-term relationships with people who are interested in the Co-op and remembering them for committee work. Gwyneth suggested that Board members could spend an hour or two at the Co-op to answer questions regarding our Board and the policy for filling Board vacancies.

10. Begin General Manager Evaluation: Process and Timeline: The Board agreed to change the rating system on the GM evaluation forms from a 1-5 scale to 1-10 scale. The description of the scale will be:
 - 10= excellent
 - 6 = barely adequate
 - 1= totally unacceptable

The Board will work with the Management Committee to improve the evaluation form and tabled further discussion until the February meeting.

11. Review Store Business Insurance Policy: The Board approved the insurance policy presented by Richard. The Board also approved a “key man” policy -- a life insurance policy which would cover the cost of filling Richard’s position if anything were to happen to him. The Co-op would be listed as the major beneficiary. The total amount of the policy will be \$400,000, with 90% to go to the Co-op, and 10% to go to Richard’s family.
12. Finance Committee Report: Postponed until next month.
13. Review December Minutes: The December minutes were reviewed, corrected and approved by the Board.
14. Meeting Evaluation: Done

The GM report and Committee reports are available on request.

BOARD ACTIONS:

- Accepted the 2007 budget including the Operating and Capital Expense budgets.
- Approved the “Policy for Executive Session Minutes”
- Approved the store business insurance policy
- Approved a “key man” insurance policy for the General Manager

The minutes were approved by the Board on February 14, 2007.