

# Board of Directors Meeting

March 14, 2007

## APPROVED

Ashland Food Cooperative  
237 North First Street  
Ashland, OR 97520

**Board members present:** Erik Wallbank, Herb Heiman, Danielle Amarotico, Richard "Ric" Sayre, Gwyneth Bowman, and Serena St. Clair. **Absent:** Joe Golton. **Staff present:** Richard Katz, General Manager; Annie Hoy, Outreach/Owner Services Manager; James Dills, Staff Council Liaison; Leslie van Gelder, Board Assistant. **Members present:** Derek Mortimer-Lamb, Peter Hoyt, Alex Censor.

The meeting was called to order at 5:30 p.m. by facilitator, Erik Wallbank.

1. **Announcements:** Application packets for Board positions are available at the information desk and an advertisement has been running in the Daily Tidings; Erik announced he has received Joe Golton's resignation from the Board effective July 1st; Herb Heiman will not be running for re-election to the Board; Erik complemented Ric Sayre on his well-written article on sustainability in the March/April newsletter. Gwyneth expressed appreciation for the recipes that Mary Shaw has submitted to several local publications.
2. **Agenda Review:** The agenda was accepted as presented.
3. **Owner Forum:** Owner Alex Censor asked the Board to consider charging for disposable grocery bags.
4. **GM Job Description:** The Board discussed the need for revising the General Manager's job description. Richard has looked up some job descriptions of other co-op managers and feels that his job description is very similar. He feels that the real issue is the GM evaluation form. Serena thinks the GM job description misses several key areas and would like it to be reviewed and revised. Erik asked that board members send input on the job description to him by March 31st. He will work on it with Gwyneth and bring the revisions to the Board for the May meeting. After reviewing and accepting the GM job description, the Board will review the GM evaluation form.
5. **Strategic Plan Goals for 2007:** Social Responsibility Committee Goal: Danielle proposed the following Social Responsibility Committee goals under Objective #4: 1. Support the Ashland School District's Farm to School initiative. 2. Continue to evaluate and refine AFC's social responsibility and report to the owners in the annual report. The board discussed the Farm to School initiative and what support might mean and instead adopted "Endorse efforts to bring fresh, local food into the Ashland school lunch program" as Objective #4:1. Responsibility for this goal was assigned to Outreach and the Social Responsibility Committee. The Committee accepted the goals as revised. The Social Responsibility report will include a key to the trend of each performance measure. The Board worked to assign due dates for other goals and changed the wording of goal

#1:j., removing "one or two days." Richard will make the above changes and get out the revised and completed goals.

In response to additional hours of work built into the 2007 goals, Erik called for an item on the April agenda to review the expectations for the number of annual volunteer hours for Board members.

6. **GM Report:** Richard answered questions about his written report and discussed other questions regarding the deli makeover and parking.
7. **Code of Ethics:** Gwyneth explained the background of the proposed changes made to the document and recommended that the board accept the revised draft. The Board agreed to the revision with the addition of a comma and a change of wording in the confidentiality paragraph. The Board will sign the new document in April, and each July the Board will review and sign the form.
8. **Board Training:** Richard invited interested Board members to attend a Board member training session on April 29th in Seattle. Interested members need to contact Richard by early afternoon on March 16th. Gwyneth reported on the results of the board training survey and proposed that it be used in planning for board training this year. Gwyneth asked Richard to bring the results of the survey to the Management Team to see if they would be interested in any of the topics. Gwyneth will bring the final plan to the Board in May.
9. **Conflict of Interest Policy Review:** This policy is now included in the new Code of Ethics policy. Gwyneth discussed the wording of the policy and what it means in terms of where the Board meets for their annual meeting and where the annual store holiday party is held. The Board reviewed the policy and agreed that no conflict of interest had taken place by having meetings or parties at the place of business of a board member.
10. **Nominating Committee for Board Elections:** Because Gwyneth is running for a seat on the Board, Ric Sayre will be the acting committee chair of the Nominating Committee. Herb and Danielle also offered to serve on the Committee this year. Erik offered to come to meetings with prospective board candidates when possible. Gwyneth asked the Board to approve a simpler ballot form. The Board approved the form.
11. **Review February Minutes:** The February Board minutes were accepted as presented.
12. **Meeting Evaluation:** Richard proposed that when there have been contentious issues discussed during the Board meeting that the meeting evaluation be held in a short executive session so that issues could be worked out in depth. Gwyneth asked that instead the Board take more risks to communicate honestly with each other during meetings.

The Board went into executive session at 8:05.

The GM report and Committee reports are available on request.

#### **BOARD ACTIONS:**

- Accepted the following goals of the Social Responsibility Committee under Objective 4:
  1. Endorse efforts to bring fresh, local food into the Ashland school lunch program

2. Continue to evaluate and refine AFC's social responsibility and report to the owners in the annual report.
- Changed the wording of goal 1:j. to “Initiate an annual board/Management workshop on a mutual subject of interest.
  - Accepted the revised Code of Ethics policy (attached).
  - Approved a new election ballot.

The minutes were approved by the Board on April 11, 2007.

## **ASHLAND FOOD CO-OP CODE OF ETHICS**

All Board business will be conducted at meetings properly announced and open to the public, unless covered by the policy on Executive Sessions. (By-Laws section 5.2 Meeting of the Board Notice, Section 5.7 Open Meetings)

Confidentiality will be maintained for all sensitive issues at Executive Meetings and Committee Meetings. At all meetings where confidential information is shared the person who is chairing the meeting will be responsible for delineating those issues that are confidential and reminding members of what can and can not be shared. All minutes, information, memos etc. of a confidential nature shall be noted as such and clearly marked "confidential" and handled in a confidential manner. All confidential material will be filed and stored in a locked file cabinet located in the Board office, accessible only to Board members.

All personnel, real estate, marketing, strategic planning and financial matters will be considered sensitive issues. Directors shall use the utmost professional judgment and discretion in discussing these issues and disputed or confidential corporate actions, policies or issues with members, employees or the general public. (By-Laws section 5.7 OPEN Meetings)

Directors shall at all times hold the good of the Co-op to be above that of any interest group, individual Board member, owner or Co-op employee.

Directors shall be responsible at all times for discharging their duties in good faith, with the care that an ordinary prudent person in a like position would exercise under similar circumstances and in a manner that they reasonably believe to be in the best interests of the Co-op. (By-Laws section 4.7 Standards of Conduct)

All Directors recognize that, except when the Board is in a formal meeting, each Director's authority is equal only to the rights and authority of any individual member of the corporation and that no individual Director may take action on behalf of the AFC alone unless explicitly delegated that authority by the entire Board.

The Board agrees that while an individual Director may disagree with a policy or action adopted by a majority of the Board, they should support said policy or action as being the considered judgment of the Board. The Board shall strive to make decisions by consensus, attempting to reconcile differing points of view based upon the best interests of the Co-op. (By-Laws section 5.5 Decision Making)

Directors have the right and responsibility to present further evidence and argument to the Board for additional consideration in a manner consistent with the Board's practices, and the Board shall have the duty to reconsider its actions.

If a Director has any actual or potential conflict of interest in any manner under consideration by the Board or by a committee exercising the authority of the Board, they have the affirmative duty of full disclosure. Such interest shall be made a matter of record in the minutes of the meeting. Disclosure must include the existence of the relationship, the nature of the conflict (i.e. financial, family ties, etc.), and the intention to not participate in the decision regarding the matter nor in deliberations leading up to the decision. They must abstain from voting on the issue and using their personal influence on the matter. (By-Laws section 4.8 Conflict of Interest)

These requirements should not be construed as preventing the Board member from briefly stating their position in the matter, nor from answering pertinent questions from other Directors since their knowledge may be of great assistance.

If, as a result of being on the Board, a business advantage comes to the attention of a Director they must always defer to the Corporation. Only after an informal evaluation, and a determination by their disinterested peers, should the Director pursue the matter for their own account or the benefit of others.

Except as to matters reserved to owners by law, or by our corporate By-Laws, the corporate powers of the Co-op shall be exercised by or under the authority of the Board of Directors. At all times Directors shall recognize that they project an image as representatives of the corporation and shall conduct themselves in a professional manner which fosters confidence and reflects positively on AFC, its members, its staff and its Board. (By-Law section 4.1 Powers and Duties)

If the Board finds that a Director is in violation of any aspect of the Corporate By-Laws or Code of Ethics it may request that Director's resignation following the process outlined in Section 4.4 of the By-Laws. (By-Laws section 4.4 Termination)

Positive relations between the Board, AFC staff and owners are vital. When approached by the staff member or owner regarding a management issue follow the AFC Board "Procedure for Handling Board Member Contacts from Owners, Customers or Staff Members".

Directors are free to express their personal opinions or interpret Board decisions as long as it is clearly presented as personal opinions and not a statement from the Board. Board members shall never present or characterize views of another Director.

Of importance, always receive approval from the General Manager before making requests of staff which would require any substantial time or effort on their part.

Signed By: \_\_\_\_\_ Date \_\_\_\_\_

Initial Board Approval 6-20-02  
Revised and Approved 6-26-03

Revised and Approved 10-6-04  
Revised and Approved 3-14-07