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**FA Board of Directors Meeting**  
**Tuesday, 6:30pm**  
**December 15, 2009**

**Board Members present:** Bettina Schempf, Toni Hoyman, Tom Fenske, Robert Williams, Blanche Sommers, Dan Shapiro, Larry Plotkin, Camille Freitag, Chris Bentley  
**Board Members absent:** Greg Alpert  
**Staff present:** Michele Adams, Jacqueline Smith, Donna Kaiser, Mark Tarasawa  
**Board Advisor:** Marcia Shaw  
**Owners present:**  
**Guests & Presenters:**  
**Scribe:** Claire Pate  
**Handouts:**

Marcia Shaw formally opened the Board meeting at 6:30pm. Introductions were made.

**I Owner and Guest Comment:** none

**II Consent Agenda**

**Items removed:** none

**Motion 12-2009 (#1):** Motion by Toni , seconded by Blanche , to adopt the consent agenda items as written. This includes approval of the agenda; November BOD meeting minutes; calendar and timeline; committee meeting reports; and the GM report for December. **Motion passes 9-0-0**

**III Announcements & Updates/Board Correspondence:**

**Chris** – Urged everyone to see the movie called “Ingredients,” a feature-length documentary that illustrates how people around the country are working to revitalize the connection to food. The film takes the viewer across the U.S. from the diversified farms of the Hudson River and Willamette Valleys to the urban food deserts of Harlem and to the kitchens of celebrated chefs Alice Waters, Peter Hoffman and Greg Higgins. It is a journey that reveals the people behind the movement to bring good food back to the table and health back to our communities. There was a showing the past Saturday, sponsored by Ten Rivers Food Web. Chris has a DVD that can be borrowed, and those who are interested in seeing it should let her know.

**Michele** – In response to a question, Michele said that notices about the policy change in filling special orders will be given out as people place orders. Also, Jim Dobis and staff are calling people who have placed orders in the past to let them know of the policy change starting in January

**IV Items Removed from Consent Agenda** none

**V Presentation on Special Orders – Mark Tarasawa**

Mark gave an overview of statistics associated with special orders, to give board members a better idea of potential impacts of the policy change. The following is a summary of the information he used:

Special Order Facts & Figures  
Presented to FA Board  
12-15-09

**Purpose:** To determine if the current Special Order system is financially beneficial to the Co-op

59  
60 **Gathering data:**  
61  
62 •Data gathered was YTD through October  
63 •Used numbers from the POS (Point of Sales) system  
64 •Easiest way to get special orders rung through in correct departments for the year  
65 •Not 100% accurate, but close  
66  
67  
68 **Overall figures thru Oct. 09**  
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70 •North Store  
71 -\$6,160,697.98 sales  
72 -\$72,711.38 Special Order (SO) sales  
73 -1.18%  
74 •South Store  
75 -\$6,130,951.56 sales  
76 -\$134,072.16 SO sales  
77 -2.19%  
78 Combined store total  
79 •\$12,291,649.54 total sales  
80 •\$206,783.54 Special Order sales  
81 •1.68%  
82  
83 **Margin Impact**  
84 •Overall store Margin\*  
85 -39.20  
86 •Special Order sales  
87 -1.68%  
88 •Assuming a 10% discount on all special orders\*\*  
89 -Store Margin = 39.27  
90 -SO Margin = 35.34  
91 •Store margin decreased by .07  
92 •OASD discounts are accounted for as a line item, they do not affect margin  
93  
94 \*Overall store and department margins are taken from the YTD 3rd quarter PNLs.  
95 \*\*A count at 11/25 had 70% with a discount; a count at 12/12 was at 80%  
96  
97 **Dollars Impact**  
98 •\$206,783.54 SO sales  
99 •10% discount is max sales loss of \$22,975.95  
100 •Special orders bought on OASD count toward the discountable total of the customers purchase, making it easier to  
101 achieve the \$70 threshold  
102  
103 **Owner Appreciation Sale Days impact on special orders**  
104 •In November, special orders bought on OASD accounted for 36% of the special orders for the month and 51% of the  
105 special order dollars for the month for both stores  
106 •In December, the 59 owners at the south store who bought special orders bought \$4,284.39 in special orders and spent  
107 \$11,164.19. This represents 15.7% of the total sales for the day.  
108  
109 **Other items of interest**  
110 •Owners account for 80.6% of the special orders placed \*  
111 •Owners account for 84.2% of the \$\$\$ spent on special orders  
112 •In 2008, we rang \$234,341 in special orders between the two stores  
113 •So far in 2009, we have rung in \$240,010 in special orders\*  
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115 \* YTD Through 12\_10\_09  
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## **Departments**

- At the beginning of 2009 there was concern raised by some departments on the potential margin loss of special orders
- In April of this year, a similar but more detailed presentation was given to all buyers
- The decision was made to keep the special order discount as it brought in enough sales to justify the small loss in margin.

Other points that came out during the discussion were:

A customer only gets a 10% discount on case or bulk sales if it is a special order. This keeps customers from clearing shelves of a product, requiring restocking.

People place special orders for a number of reasons, but primarily to save money on a product they know they will be using in quantity. It also allows them to take advantage of the Owner Sales Day discounts.

Any extra labor associated with filling special orders does not get figured into the margin. It is likely that this potential for extra labor is offset by less of a need for stocking shelves and bulk bins.

In a brief look at 120 recent special orders, it appeared that maybe two of the orders might take additional analysis to determine if they met the Product Selection Guidelines.

**Action item:** It was agreed by consensus that the Board would like the GM to provide them with a 2010 first quarter report on how the change in policy has affected special orders. This should be presented as a comparison with the first quarter of 2009. . The Board also asked for statistics of number of special order items which can no longer be ordered as the items do not meet product selection guidelines and # of customers affected by these orders. If there's a big drop in sales, the Board can review that impact.

## **VI GM Monitoring Report for L10 - Environmental Protection**

It was agreed that this is an area in which the Coop really excels, and the GM was commended for the great job that staff does on environmental and sustainable efforts. The report was instructive and could be used to show the rest of the community what distinguishes the Co-op from other food stores.

**Action item:** The board suggested to the GM that she look into ways the report might be used to get the word out about what a model the Co-op is in this area.

There was a discussion about the various food containers the deli has used for take out food, and the pros and cons of some of them. It is a constant struggle to find environmentally friendly containers that also meet the other needs for food safety and effectiveness.

## **VII GM Monitoring Report for L5 (Financial Condition) - Survey Monkey Results**

**Action Item:** The GM was asked to correct the numbers in item 5 (Page 35) , since there were only 8 responses and the numbers add up to 9.

**Motion 12-2009 (#2):** Motion by Larry, seconded by Robert , to approve the GM monitoring report for L5 – Financial Condition. **Motion passes 9-0-0**

## **VIII Approval of Draft Budget for 2010**

There were no substantive changes in the draft budget received in the packet, only corrections to items noted by the Finance Committee and the Board at its last meeting(s).

**Action item:** The GM was asked to look into the potential for not having to reprint all of the pages of the budget for which there were no changes. It was agreed that this might be problematic, but that perhaps the graphs could be left out the second time around.

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**Motion 12-2009 (# 3):** Motion by Dan, seconded by Camille, that the Board approve the budget for 2010. **The motion passed 9-0-0**

**IX Draft Interim Strategic Plan**

Tom, Blanche and Robert went over the changes that had been made, noting that the substantive changes were that it was now a three-year plan (instead of five) and that the goals were shortened and made more precise. One goal had been removed (relating to exploration of growth opportunities) in response to board direction at its last meeting.

Toni reminded the directors that it was an interim document until the board could spend time on it at its next retreat.

**Motion 12-2009 (# 4):** Motion by Toni, seconded by Bettina, that the Board approve the plan. **The motion passed 9-0-0**

**X Board Member Evaluation Process**

Camille explained that the intent of the evaluation process is that each director can get feedback about their performance, most notably what they do well and less well. The directors do not get “graded” and no one should feel that they have to be an expert in all areas. The data will be useful to identify any gaps in “abilities” within the group so that directors can be recruited who might be good in those areas, or further training needs can be identified.

Consensus was that Marcia could tabulate the data and be entrusted with not sharing specific results or comments inappropriately.

**Action Item:** Camille will be sending the survey out before the next meeting in Excel format. Directors are asked to fill it out and return it to Marcia within the prescribed timeline and per instruction.

**XI GM Recruitment Update**

Toni said that the recruitment process is up and running. The Executive Committee had met with Sarah Taylor, and she is clear on where to post the position advertisement and the timelines. Closing date is January 18, 2010. The Executive Committee is working on a Q&A document for staff to read relating to the process. The GM was asked to ensure that the Co-op’s website is up to date with its information, as it is a reflection of us as an organization.

**X Moving Document Control into the 21<sup>st</sup> Century**

Robert continued his discussion about using Google documents and Google groups for ensuring that emails and documents are archived and accessible, and said that one correction from the last discussion is that everyone would have to sign up for a google account to enable seeing the email archive. He again emphasized the importance of archiving email, especially if any decisions are made by email.

He continued the discussion about Google documents, and identified the ways in which it can be used to both collaborate on documents, as well as to store documents and eventually be a means of distributing the board packet each month, instead of having to print off hard copies.

**Action Items:**

The GM needs to look into getting a wireless connection into the meeting room, in order to make it feasible for directors to use their laptops during a meeting.

Robert, Cheryl and Claire will set up a meeting to discuss setting up group(s), and to see what else needs to be done to start using Google documents for board work. Claire said that she would be gone for the last part of January and into February. They will explore whether Cheryl might be able to do the work of setting up the systems for use

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237 **XI      Other Items:**  
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239 **A.      Status Report on follow-up responses to owner questions/comments:** none  
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241 **B.      Assignment of responses:** none needed  
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243 **C.      Meeting Wrap-Up comments:**  
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245 Robert was thanked for his work on the Google applications, though several members thought the discussion was too  
246 lengthy. Other members thought it was important to discuss the new technologies as a group so all could have an  
247 understanding of it.  
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249 **Meeting Adjourned: 8:45pm**  
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252 January meeting  
253 *Approval/Acceptance of GM report on L10*  
254 *GM Evaluation*  
255 *Directors' self evaluation results*  
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257 "Parking Lot":  
258 *Board advisor evaluation process (BDC/Camille)*  
259 *Revisions to L4); new G12(review needed by PG)*  
260 *By-Laws Revision to Article 4.8 (include in June 2010 election)*  
261 *Revisions to G policies (PG)*  
262 *Track how L statements tie into "Ends." (PG)*  
263 *Formulate a policy on procedures for responding to owner queries/comments (Exec)*  
264  
265 ORC  
266 *Look for ways/opportunities to educate owners on "Ends."*  
267 *Greg – write up process for advertising/appointing committee owner-members*  
268 *Work on educational effort and checklists for the January 1, 2010 change with special orders having to meet PSGs.*  
269  
270 Exec  
271 *Process for responding to owner queries/comments*  
272 *GM Recruitment*  
273 *GM evaluation process revisions to M4 & M5 (in preparation for new GM)*  
274  
275 Policy Governance  
276 *Define what "reviewed by the Board" means as it relates to changes made to Product Selection Guidelines.*  
277 *Review L's and link them to the "Ends" statements*  
278 *Review G policies (Remember to link Board self-evaluation criteria to G8)*  
279 *Review L-4 recommended changes by Finance Committee*  
280 *Review new G-12 policy.*