

## Minutes of August 2009 board meeting

Held at the Corner Building, Carrboro 6:15 p.m. Wednesday August 19, 2009

### Directors present:

David Rizzo (chair), James Morgan (secretary), Lori Washington (treasurer), Ruffin Slater (general manager), Jacob Myers, Linda Stier, David Bright.

### Others attending:

Andy Sachs (facilitator), Robert Short, Julia Hicks, Lori Miller, Bill Madden, Mickey Jo Sorrel, Robin Crawford, Jason Baker, Curt Brinkmeyer (visiting owners)

## 1. Preliminaries

### a) Owner input:

Mickey Jo stated she had not received the Board e-news lately and asked if this was an ongoing project. The Secretary responded that the e-news had been subsumed into general communication with the ownership about the discount/dividend change in recent months but it would reassert its separate identity shortly.

### b) Agenda:

Approved as published

### c) Minutes:

The Board approved the July minutes with two minor corrections. The Secretary will repost the corrected minutes to the website.

## 2. General Manager Items

### a) GM Report and Communication to the Board

The GM had no general communication to the Board this month.

### b) Monitoring Report: 2-6 Financial Condition

The GM submitted reports on this Policy provision for the month of July and for the final quarter of FY 2009. Both reports indicated lack of compliance with the Policy in several key areas. We have not achieved overall profitability for FY 2009, however Q4 showed a marked improvement over the previous three quarters. The GM continues to anticipate a return to profitability in Financial Year 2010 (running July 2009 to June 2010): results for July, always our slowest month, showed that measures taken to reduce overhead and increase sales had begun to take hold with a major reduction in losses, substantially better than anticipated in the GM's most recent projections. We are not out of the woods yet however. In common with many businesses we are suffering from a substantially reduced line of operating credit from our bank which has increased the challenge of returning to full compliance with the credit terms of our vendors. The GM outlined plans to address this challenge and will report further to the Board at the next meeting.

*Decision: The Board accepted both Reports with acknowledgement of contravention.*

### c) Monitoring Report: 2-4 Compensation & Benefits

The GM's report indicated compliance with the provisions of the Policy.

*Decision: The Board accepted the Report.*

### 3. Policy Development

#### **a) Board Policy 2-11 Owner Investment and Return: review for redundancy and prescriptiveness**

Since the recent transition of consumer-owner return from discount to dividend much of this executive constraint policy is no longer relevant as the Board, not the GM, is now responsible for distribution of surplus to both owner groups. Preliminary discussion centered on removing individual provisions of the Policy but moved to consideration of deletion of 2-11 in its entirety, subject to ensuring that its requirements and values were adequately represented elsewhere.

*Task: Linda and Jacob were tasked to map the provisions of 2-11 against other appropriate areas of Board Policy and bring back options to the September meeting.*

#### **b) By-laws review**

A comprehensive review of the Coop's bylaws has not been undertaken since our founding in 1987 though changes have recently been made to certain Articles to facilitate the new owner return policy. Many of the remaining provisions are out of sync with current practices and/or Board Policy. Jacob and James presented a document identifying those parts of the bylaws requiring the Board's attention and suggesting some draft alternatives. The Board discussed the options, consensed to adopt the most straightforward of the proposed changes and asked that further discussion of the more complex items be scheduled after input from the Board's CDS consultants.

*Task: Jacob and James were tasked to review areas of concern with CDS and bring back this item to the September meeting.*

### 4. Board Process

#### **a) Elections Committee Update**

Dave Rizzo invited visiting owner and Committee Chair Mickey Jo to report. The committee is now fully staffed and its work has progressed well, including developing recommendations for increasing owner involvement with the elections process.

#### **b) Board Self-evaluation**

Linda presented and the Board discussed various approaches to improving its self-evaluation process, including an analysis of measurable inputs, such as tasks set and accomplished, and measurable outputs and progress towards specific goals, e.g. greater transparency, more opportunities for owner input to Board work and greater confidence in our owner linkage strategies.

*Task: Linda to prepare a menu of available tools and bring this item back in September.*

#### **c) Annual Meeting planning**

David Bright circulated a draft program for the annual meeting. He reported that author Michael Shuman had been booked as keynote speaker and requested themes/topics for consideration. "Building a Local Food Culture" was suggested as a theme and Ruffin confirmed that this would likely fit well with Mr. Shuman's current interests and expertise. A request was made to find opportunities either at the meeting or elsewhere for owner input into the Board's future calendar.

*Task: David B & Ruffin will confirm the theme with Michael Shuman: Dave R, Ruffin and Jason Baker will continue to work on general development of the program.*

## 5. Closings

The Board reviewed and confirmed its tasks and decisions and conducted an evaluation of the meeting. Appreciation was expressed for the large owner turnout at the meeting. September agenda items noted included a review of the draft report from the Board's auditor.

The meeting was adjourned at 9:10 p.m.