

**Ever'man Natural Foods Co-op, Inc.  
Board of Directors' Meeting  
Monday, March 25, 2013 7:00 PM  
Ever'man Community Room**

**Present:**

Dave DeBlander– President  
Frankie Cruz– Outgoing Vice-President  
J.J. Stephens – Vice-President  
Dawn Vorthmann – Treasurer  
Lynn Jackson – Director  
Lois Stephens – Director  
Johnny Ardis – Director  
Maria Pinochet– Director  
William Rolfs – General Manager  
Robin Tillman – Board Clerical Support

**Absent:**

Lauren Southern-Godwin -Secretary

**Employees:**

Joy Soper  
Kate Scanlon  
Lawrence (Mikhy) Koehler  
Thalia Lawrence  
Andy Marr  
Corey Neal  
Matt Reasoner

Belinda Carlino

**Members:**

Hugh Ed Turner  
Mike Kilmer  
Mary Taylor  
Joe Trapp  
Nancy Marquardt

**A. Come to Order**

Dave DeBlander called the meeting to order at 7:04.

**B. Approval of Agenda**

The election of board officers was added to the agenda.

**C. Announcements/Centering**

Centering - led by Lynn Jackson.

Reading of Ground Rules and Ends – Dave DeBlander.

New Board Member – Dave DeBlander introduced J.J. Stephens. The board appointed J.J. Stephens to fill the seat left when Mary Mundy resigned. He is not related to board director Lois Stephens.

**D. Approval of Minutes**

The name of the steering committee should be changed to the reorganization committee in the February 2013 minutes. Dawn Vorthmann motioned to accept the

minutes as amended and Frankie Cruz seconded. **VOTE:** Passed. FOR: Dave DeBlander, Lynn Jackson, Frankie Cruz, Lois Stephens, Dawn Vorthmann and Johnny Ardis. ABSTAINED: Maria Pinochet.

### **E. Open Forum**

Hugh Ed Turner – He quoted two articles from the Pensacola News Journal. The first referenced increasing income by decreasing employee turnover. He asked rhetorically where Ever'man employees are going. The second article dealt with bullies. He hopes that the rumors of bullies in the workplace at Ever'man are unfounded or that they will be mitigated. He also stated that it is good to bring concerns to the board in open forum and appreciates the new table arrangement.

Joe Trap – He read a letter he composed for the board in which he asked for help in creating policy change. He stated there is a cleansing of strong cooperative personalities from the store's employees that began with the last general manager and is continuing now. He said he understands why the general manager is doing this but does not understand why the board is allowing it. He feels really good employees are easily retrained whereas the new employees have no co-operative experience. Dave DeBlander stated that he and other board members have seen the video Joe Trap released. There are two sides to every story and he does not appreciate being called intoxicated with money. The customer survey states that greater than 90% of the shoppers strongly agree and agree with what is happening. Johnny Ardis noted that although his name was mentioned in the video, he had no knowledge of it and does not endorse it.

Mike Kilmer – He stated the spirit of Ever'man is troubled and the cooperative is not put first. J.J. Stephens asked Mike Kilmer to give his definition of cooperative. Mike Kilmer replied that it simply means to cooperate. He feels this is no longer happening and referenced the Product Policy Committee and its dissolution fourteen months ago due to violating Policy Governance. He said that the store is doing well but the community is not. He gave an example of Story Sprouts which he feels is falling apart because the volunteer can't get enough hours and won't accept more volunteers. He is perplexed by the appointment of the new director and states the board should have more diverse views. Dave DeBlander responded that he wants the same for Ever'man as Mike Kilmer and appreciates his peace making activities. However, Dave DeBlander takes offense at the accusatory video Mike Kilmer made.

Mary Taylor – Mary Taylor defined a cooperative as a place where people can volunteer with a good spirit but stated the general manager does not allow this. She does not like the use of paid landscapers for the expansion when there are educated employees that can do this job at a lower cost. She states the board does not think finances are important because they have not had an audit performed. She suggested the delayed mailing of ballots caused low voter turn-out. William Rolfs explained that mailing of ballots was not even offered last year. Since the newsletters are delivered around town, it is no longer feasible to include ballots in them. Mary Taylor said the grocery specials are great but the rest of the prices are too high.

Andrew Marr – Andy Marr has filled Jennifer Dutton’s position. He stated he is helping with Story Sprouts. He has a degree in cultural anthropology and has volunteer and public outreach experience. He feels many concerns can be helped if members were to come to him and Kate Scanlon.

Nancy Marquardt – Nancy Marquardt asked why a candidate from the election was not appointed to fill Mary Mundy’s seat. Dave DeBlander responded that the remainder of the candidates combined had only half of the total votes. Dawn Vorthmann replied that appointments allow the board to find directors with special skill sets. Frankie Cruz stated there was much discussion over the appointment and how it fit with the by-laws. Johnny Ardis said the board waited until after the election as it felt making the appointment prior to the election would appear inappropriate. Dawn Vorthmann added that the ninth director is needed to prevent a tie that would keep work from progressing.

Dave DeBlander – He visited Wheatsville Food Co-op in Austin, TX last week. They have 12,000 owners who paid \$15 to join and a \$55 investment. They are currently building a second store. Frankie Cruz added that this type of conversation is taking place in the reorganization committee.

Corey Neal – New employee Corey Neal stated he has felt the bullying referenced in Hugh Ed Turner’s comments.

## **F. Board/Continuing Business**

1. Election of Board Officers: Dave DeBlander’s nomination for President was uncontested and he accepted. There was discussion on the pros and cons of a new board director acting as an officer. Lois Stephens nominated J.J. Stephens for Vice-President. There was a closed vote in which he was elected. Dawn Vorthmann agreed to remain treasurer. Lauren Southern-Godwin agreed to remain secretary via telephone.

2. Board Self Monitoring: D1: Governing Style: J.J. Stephens emphasized to the membership that the board “emphasizes strategic leadership more than administrative detail.” The board’s job is the big picture, the future of the cooperative and its role in the community rather than becoming involved in the daily issues unless they are very large. Dave DeBlander remarked that this alone is a lot to do and stressed the board must speak in one voice. Dawn Vorthmann stated she is uncomfortable with the manner in which the board responds to an open forum item. She feels that members speaking in an open forum should receive a reply from the appropriate department manager. Frankie Cruz stated that some members come to the board when they don’t see the management responding to their complaints. She suggested the board respond at the next meeting in one voice. Discussion centered on how to respond to the individual if s/he does not attend the next meeting. It was suggested the member would read the response in the meeting minutes. Thalia Lawrence pointed out that the sign-up sheet requests email addresses which could be used for replies. William Rolfs requested the board not forget to direct operational issues to him so that he can pursue a resolution. Maria Pinochet said that point four shows the board’s struggle to balance legal responsibilities and governance policy. The board talks about issues constantly but cannot reply quickly.

### 3. Committee Reports:

Nominating Committee: Kate Scanlon reported that April 5<sup>th</sup> will be the deadline for having been a member for six months to meet eligibility requirements as a candidate in the October election. She is planning a member drive to inform people of this. The committee is working on the application so as to include the legal responsibilities of the board.

Executive Committee: Dave DeBlander reported the committee did not meet.

Reorganization Committee: Frankie Cruz is now chairing this committee and reports that the time line has been set. The committee has contacted attorneys and has started receiving estimates. Maria Pinochet remarked that there may not be a quick turn around for estimates due to the complicated history. The committee has information from New Leaf's reorganization. Consultant Thane Joyal has experience with reorganization of other cooperatives. Dawn Vorthmann stated that the decisions that are made must show it is cost efficient to move forward. There was discussion regarding the possibility of hiring lobbyists to help change the cooperative laws in Florida. Maria Pinochet said this is not within the scope of this committee. Frankie Cruz and Dawn Vorthmann reminded the board that Ever'man cannot be involved in political actions. More discussion centered on the education of the members prior to reorganization. J.J. Stephens volunteered to serve on this committee.

Spring Meeting: Johnny Ardis reported that many meeting sites have already been reserved for May as that is wedding season. Others are very expensive. The Wahoo stadium includes a contractual catering stipulation which makes it too expensive. Several possible locations were discussed.

4. Board Calendar: Postponed until next month.

5. Bylaw Changes: Dave DeBlander read the bylaw as follows:

Bylaw 4.5.3 will be changed to read "Directors who have missed more than three *regular* Board meetings within a one year period from the time of assuming office shall automatically forfeit their Board position." This was the third reading. Dave DeBlander called for a vote. **VOTE:** Passed unanimously.

6. Treasurer's Report: Dawn Vorthmann reported that the bank balances are stable. She explained the reason that some of the funds are not in FDIC accounts to J.J. Stephens. She also stated this situation is reviewed each month at the board meeting.

Dawn Vorthmann requested the board budget from last year and the proposal for next year be added to Ever'board for ease of comparison. Lynn Jackson, Lauren Southern-Godwin, Frankie Cruz and J.J. Stephens are interested in attending CCMA in Austin, TX in June 2013. Discussion included limiting the number of directors that attend due to costs versus sending the entire board. The approximate cost is \$1500 per director. William Rolfs will not be able to attend this year due to the demands of the expansion.

## **G. Manager's Report**

General Comments: William Rolfs submitted a copy of the letter written by Ever'man's architect in reply to questions concerning LEED certification of the expansion. The letter detailed why Ever'man has chosen to pursue building closely to LEED standards but not pay the additional \$100,000 for the certification.

B8: Treatment of Consumers: There were 766 consumer surveys returned. These were keyed into Survey Monkey by a third party so as to keep names confidential. This year's survey is comparable in many places to last year's survey but better in others. William Rolfs explained how the net promoter score is calculated.

Although the customer count did not increase for two months due to new competition in town, it is building again. There was net growth for last year. Fifty-nine percent of consumers reported they strongly agree that the staff is welcoming and friendly. Forty percent agree.

Discussion included how recalls are handled and the customer injuries for the past year. William Rolfs was asked if he is aware of bullying in the workplace. He replied that he is working with the employees on this issue.

Dave DeBlander remarked that he and Frankie Cruz are creating a completely confidential employee survey. Frankie Cruz stated she feels the member survey does not give an opportunity for neutral answers and has a bias. She ties treatment of staff closely to treatment of consumers. J.J. Stephens agreed that there is a problem with a survey that has no room for neutrality. Kate Scanlon explained that the survey was kept to last year's format so as to use it as a benchmark. She also discussed the use of negative questions and consumers choosing all neutral answers if they are made available. She asked for the board's recommendation on questions with bias. William Rolfs stated that C. E. Pugh also advised against neutral answers as the point of the survey is to gather information.

Lois Stephens asked William Rolfs if a produce school exists. William Rolfs said no and that he has investigated the comments received about the produce department. These complaints are due to insufficient equipment which will be replaced in the expansion. Everything will be refrigerated except bananas, potatoes and onions. In regard to pricing, Ever'man has a gross margin less than other cooperatives.

Dawn Vorthmann stated she recently shopped at 6:45 pm and there was no produce available. She feels if the store is open to 7:00 pm, customers should be able to get produce until 7:00 pm. William Rolfs replied that it is common in the grocery industry to pack the produce prior to closing but he can change this. It will add about thirty minutes to the employee's time.

Dawn Vorthmann motioned to accept B8 and Lois Stephens seconded. **VOTE:** Passed. For: Dave DeBlander, Dawn Vorthmann, Lynn Jackson, Lois Stephens, Johnny Ardis and Maria Pinochet. Opposed: Frankie Cruz. Abstained: J.J. Stephens.

Expansion Update: Even though it was not mentioned in the original terms of the loan, the bank asked for a bond to cover the total fees charged by the general contractor. William Rolfs was successful in having this requirement waived. He also reported that the water meter needs to be upgraded to a larger meter at a cost of \$26,000. William Rolfs worked with the engineers and ECUA (Emerald Coast Utilities Authority) to bring this cost down to a range of \$4,000 to \$6,000.

The attorney is reviewing the contract and it is expected to be ready for signatures in a few days. The plan is to break ground seven days from signing the contract. The grand opening will likely be in January 2014.

William Rolfs is working with the contractor on a drop dead date. If the work is not finished by this date, the contractor will be charged \$400 per day for each day greater than 15 days past the date. If the work is finished early, the contractor will receive a bonus of \$200 for each day the work is completed beginning 16 days prior or earlier.

Dave Blackburn has taken over for C.E. Pugh.

The board meeting should be in the new community room next month.

Active Duty Military: Can we help?: Lois Stephens reported that she and Kate Scanlon visited the chaplain at Corry Station. He is stressing benefits of Nutrition and Health because the drop-out rate is 40% Navy-wide because of poor fitness. However, the lower ranks cannot afford to shop at Ever'man. They qualify for government assistance and WIC. The students do not have their own transportation. GNC has established a store at NAS to target performance-driven students. Sixteen thousand students pass through Corry Station annually alone, not counting staff. NAS has even more because of the multiple commands present there. Kate Scanlon offered the use of a discount card that does not allow voting rights. Discussion continued regarding devaluing memberships by giving away benefits and recognizing select groups of people. Maria Pinochet remarked that the membership is not the value but the community that Ever'man has to offer. All special interest groups are part of the membership, even Story Sprouts. She would like to see resources pulled together and the community room used more often.

Dawn Vorthmann motioned to approve the use of a free limited membership which gives a discount card but no voting rights or the ability to run for the board of directors. Lois Stephens seconded. Discussion: Management will determine the level of discount and if a card will be issued or the military identification used. **VOTE:** Passed. FOR: Dave DeBlander, Dawn Vorthmann, Lois Stephens, Maria Pinochet and J.J. Stephens. AGAINST: Johnny Ardis, Lynn Jackson and Frankie Cruz.

Thalia Lawrence reminded the board that Ever'man has always honored memberships from other cooperatives. There is a special membership account set up just for this. A similar account can be set up for the military. This will not be a separate membership class but an internal marketing tool. There are approximately 100 product discounts, special order discounts and educational seminars which will be made available.

Dawn motioned to approve offering active military the same benefits as visiting cooperative members and rescind the previous vote. Lois Stephens seconded. **VOTE:** Passed. FOR: Dave DeBlander, Dawn Vorthmann, Lois Stephens, Maria Pinochet and J.J. Stephens. AGAINST: Johnny Ardis, Lynn Jackson and Frankie Cruz.

## **H. Closings**

Maria Pinochet submitted her letter of resignation. She has enjoyed her role on the board but it is time for her to move on to other work. Dave DeBlander said she added professionalism to the board and will be missed.

Adjournment: Dawn Vorthmann motioned to adjourn at 9:30 PM and Maria Pinochet seconded. **VOTE:** Passed unanimously