

**Ever'man Natural Foods Co-op, Inc.  
Board of Directors' Meeting  
Monday, April 22, 2013 7:00 PM  
Ever'man Community Room**

**Present:**

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

**Employees:**

Joy Soper  
Kate Scanlan  
Mikhy Koehler  
Thalia Lawrence  
Andy Marr

**Members:**

Hugh Ed Turner  
Mary Taylor  
Amy Leikness

**A. Come to Order**

Dave DeBlander called the meeting to order at 7:08.

**B. Approval of Agenda**

The CCMA meeting was added to the agenda.

**C. Announcements/Centering**

Centering - led by Lynn Jackson.

Reading of the Ends – Dave DeBlander.

**D. Approval of Minutes**

Dawn Vorthmann and Lois Stephens requested the correction of several typographical errors. Lois Stephens motioned to accept the minutes as amended and Dawn Vorthmann seconded. **VOTE:** Passed. FOR: Dave DeBlander, Lynn Jackson, Frankie Cruz, Lois Stephens, Dawn Vorthmann, Johnny Ardis and J.J. Stephens. ABSTAINED: Lauren Southern-Godwin.

**E. Open Forum**

Hugh Ed Tuner referenced the City of Milton's ban on hiring smokers. The ban cites added health care costs due to smoking. He also called attention to the recent National

Public Radio article regarding the use of hexavalent chromium (chromium 6) contaminated water on farms in China. This element causes cancer and he requested that products from China be strongly evaluated. Hugh Ed Turner requested donations of healthy snacks to the local blood centers. Lastly he reported that he called the store for information on the board meeting and could not get an answer nor could he be transferred to administration. William Rolfs replied that the new telephone system will connect all phones, including the community room.

Mary Taylor requests that authorization for snacks for Pathways for Change be expedited. Kate Scanlan replied that this project is in the pricing stage with the distributors. Mary Taylor emphasized that good employees deserve validation. This will help retain them. She asked if Ever'man is required to stock items advertised in the Co-op Deals. Thalia Lawrence replied no. Mary Taylor asked why the chicken livers are no longer organic. She also pointed out that there are dog treats made in China but not labeled as such. She reported her gift certificate was added to, not deducted from, her total at the register and she was charged tax on food. She feels an audit would help find such mistakes.

Amy Leikness leads genetic modified organism awareness classes at Ever'man and has been a member since 2005. The classes have been successful and she is increasing the frequency of the meetings to monthly. She plans to show the movie Genetic Roulette and wishes to hold a second meeting two weeks later to answer questions. The movie is educational and not political. May 25<sup>th</sup> is the Millions Against Monsanto march and she would like to see the co-op involved in letting the members know. She is willing to work with Andy Marr and Kate Scanlan to promote awareness.

Discussion included the board's stance against GMOs and the restriction on political activity by not-for-profits. However, signage, education and member contributed articles to the newsletter and social media are allowed. Thalia Lawrence reported that the product policy emphasizes non-GMO products. NCGA has asked corporations with products in the Co-op Deals for letters regarding their use of GMO's. These will be used to make decisions about the co-op deals program. There was a vote this week to not allow *new* products containing GMOs or those suspected to contain GMOs. NCGA is a force with \$1.5 billion in sales. Kate Scanlan reported the community room is not rented to political groups and only to groups that share Ever'man's beliefs.

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

### **1. Board Self Monitoring: D8, D9, D10 and D11: Officer Roles:**

It was suggested to have the Vice-President help the President keep the meeting on track. There was a consensus that this is a role for the VP but that it does not need to be written into the policy.

It was suggested that D7.3a be reviewed when D7 is monitored.

### **2. Committee Reports:**

Nominating Committee: Lauren Southern-Godwin reported the committee will be meeting soon. The committee needs another employee and board director since Jennifer Dutton and Maria Pinochet have resigned. Also, Lynn Jackson had to resign as she will

be up for re-election this cycle. The committee is reviewing other co-op packets against Ever'man's. William Rolfs added that April 6<sup>th</sup> is the membership deadline for this election.

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

Reorganization Committee: It was reported that the committee has not met as the lawyer being interviewed has not yet responded. A timeline and quote is needed to go forward. It was suggested the committee get several quotes and then invite a lawyer to give a presentation and proposal to the board. A store employee or Thane Joyal can be paid to assist in the search. Mutual corporations are corporations that are member owned. This was discussed at CCMA last year and has been recommended by attorney Liberis. William Rolfs stated the need for legal advice as the by-laws require Ever'man to donate assets to a not-for-profit if it is dissolved. Frankie Cruz will take the lead in the search for an attorney and J.J. Stephens will research lawyers in Minnesota. The next meeting was set for two weeks.

Spring Meeting: Johnny Ardis reported the meeting will be held Saturday, June 1<sup>st</sup> from 10:00 a.m. to 2:00 p.m. in the lot on the corner of North De Villers Street. A generator will be used as there is no electricity available. The musical entertainment is pending.

3. NCGA Meeting: William Rolfs reported that this meeting is usually comprised of general managers and staff but this year board presidents were invited. He feels the meeting was very positive and enjoyed the presentation about the revival of cooperatives in the United Kingdom. The way small companies handle GMOs was also discussed. It is easy to demand large companies follow through with GMO policies but this can very well put small companies out of business. Since cooperatives are small businesses, they should give the small companies time to work through this issue.

Dave DeBlander discussed expansion with Seward Co-op. This cooperative had to remodel again four years after their expansion due to the huge success of their meat department. Dave DeBlander was able to see stores designed by C. E. Pugh. They were beautiful and Ever'man will be as well. The stores displayed pictures of local farmers. Lauren Southern-Godwin has already requested this for Ever'man. J. J. Stephens praised the effort to place the Yoder Family Dairy on Ever'man's website.

Dave DeBlander reported that Whole Foods comprises about 15% of the natural foods market while Trader Joe's is about 7%. All cooperatives account for only 1.8% of the market. Cooperatives are advantageous to the local economy as about 45% or more of the income stays local versus about 15% from franchises. William Rolfs stated that cooperatives are growing but not at the rate of larger companies such as Whole Foods, who employs a think tank. If the market shares of cooperatives decrease, they will not continue to have the bargaining chip with distributors like UNFI. This is why the NCGA supports start-ups and second stores. William Rolfs attended C. E. Pugh's class on second stores. William Rolfs and Dave DeBlander gave a presentation on Ever'man's expansion.

Dave DeBlander said that Wheatsville Food Co-op used their Ends Statement to create a “Big Direction.” They have goals for 3, 5, 10 and 30 years. William Rolfs commented that he would like to see this for Ever’man.

4. CCMA Meeting: Four directors wish to attend the meeting in Austin, TX. The board budget has allowances for three attendees. The directors decided to drive instead of flying. Some will stay with friends in the area rather than in a hotel. The savings will allow the fourth director to attend the meeting. Lauren Southern-Godwin has worked with Wheatsville Food Co-op in the past and attended workshops with them as well as corresponded with them. She wishes to see their store. Austin is where Whole Foods started yet Wheatsville Food Co-op has thrived there. Board members who are going were instructed to let William and Joy know by end of next week if they are for certain

5. Board Calendar: Postponed until next month.

6. Treasurer’s Report: Dawn Vorthmann reported that the board is approximately 9% over budget this year due to special board meeting fees and increased election expenses. The new budget is based on sales for next year so it is a moving target. However, the budget should be kept a little less due to expansion expenses. Dawn Vorthmann recommends \$42,500 as the maximum cap for this next year. Discussion followed regarding the cost of CCMA and how many directors to send. Although the board would like to send every director, the budget will not allow it. Various cost cutting tips for the trip were discussed. It was suggested the board bring in a speaker to benefit all directors as this would cost less than sending every director to CCMA. Dawn Vorthmann motioned to send four directors to CCMA with expenses to be worked out at the lowest possible cost. Dave DeBlander stated a vote is not needed for this. Dawn Vorthmann withdrew her motion. Dave DeBlander motioned to approve the board budget and Frankie Cruz seconded. **VOTE**: Passed unanimously.

Dawn Vorthmann reported that cash has decreased due to expected payouts for expansion. William Rolfs stated that he will not make the last payout on the community room until he is satisfied with the floors. There is a large closing cost due on the main building. The original mortgage with Bank of America has been paid off through the bank swap.

Dawn Vorthmann reminded the board that O’Sullivan Creel has been taken over by a regional firm, Warren Averett. Their rates will probably go up significantly. Does the board wish to use Averett for this year’s review or use another firm? She stated the treasurer should be responsible for obtaining estimates for a new firm as this could be a conflict of interest for the manager if an audit is involved. William Rolfs replied that if the new firm will be handling all financials, he needs to be involved. Dave DeBlander does not feel there is not a conflict as both the auditing firm and the general manager would need to be corrupt. Joy Soper does not recommend switching firms during expansion. Dawn Vorthmann motioned to stay with Warren Averett O’Sullivan Creel this year for a review engagement. J.J. Stephens seconded. **VOTE**: Passed unanimously. Warren Averett O’Sullivan Creel did not observe inventory this year.

Lauren Southern-Godwin motioned to contract with the company who presented to the board a few months back for the 401k plan. Frankie Cruz suggested that this

representative present next month. Lauren Southern-Godwin stated she would rather see a chart comparing three firms. No action was taken on the motion.

The financials presented at the membership meeting will be a draft. The May membership meeting will be held June 1<sup>st</sup> so there will be two meetings in June. Dawn Vorthmann motioned to change the date of the board of director meetings to the last Monday of each month instead of the fourth Monday. Frankie Cruz seconded. **VOTE:** Passed unanimously.

Amy Leikness asked if emails could be added at the cash register and used to send ballots and reminders. Joy Soper replied not with the current system. Kate Scanlan commented that 6000 emails have been added individually.

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

General Comments: William Rolfs reported that Ever'man staff has formed a kickball team and are joining the Pensacola league. The Ever'man 2 yahoo group is almost full. J.J. Stephens and Lauren Southern-Godwin recommended a "drop box" for storage of files.

The management staff has completed training and William Rolfs wants them to present at the membership meeting. Dawn Vorthmann recommended that the employees of the month are recognized. The handout for the membership meeting will consist of one page of financials with other information on the second side.

J. J. Stephens asked if a decision was reached regarding the requirement of assistant managers attending every meeting. Dave DeBlander replied that they are to attend as many as possible as per the February 2013 meeting.

B1: Staff Treatment: This report will be presented at the next regular board meeting as the survey was not completed in time. It may be possible to have Landrum Human Resources attend the meeting to assist in the report. William Rolfs thanked Dave DeBlander and Frankie Cruz for their input to the survey.

Expansion Update: William Rolfs reported that he and Dave DeBlander closed on the loan and paid off the Bank of America mortgage. Only interest will be paid during construction at LIBOR plus 2.25%. Afterwards, payments will include cost of funds.

The concrete will be poured next week and then the walls will go up. Hugh Ed Turner asked about the black dirt that became apparent with digging. William Rolfs said there were many layers of asphalt from prior businesses. Lauren Southern-Godwin asked if it had been tested for toxins. William Rolfs replied that core samples had been taken and tested prior to digging.

At the end of the first phase the green space will be set up but not landscaped. There will be a path from parking. The sliding doors will be closed once the new walls are up so everyone will use the front door. Dawn Vorthmann recommended a loading zone for groceries in front. Lauren Southern-Godwin requested positive signage to explain where the trees went. William Rolfs replied he is working with Pensacola Signs. Also, Ever'man kept the printer from the printing business that previously occupied the new community room. Kate Scanlan added that a picture of the tree being fed to the zoo animals will be in the next newsletter.

A report from the rebranding company is expected May 2, 2013.

## **H. Closings**

Adjournment: Lynn Jackson motioned to adjourn at 9:22 PM and Frankie Cruz seconded. **VOTE:** Passed unanimously.

Addendum: Lynn Jackson has turned in her fingerprint information. Lauren Southern-Godwin and Dawn Vorthmann needs to turn in their fingerprint information.