

**Ever'man Natural Foods Co-op, Inc.
Board of Directors' Meeting
Monday, April 30, 2012, 7 PM
Sanders Beach -Corinne Jones Community Resource Center**

Present:

Dave DeBlander– President
Frankie Cruz– Vice-President
Lauren Southern-Godwin -Secretary
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:

Mary Mundy – Director

Employees:

Lyn Sparks
Belinda M. Carlino
Carolyn Privette
Plentimore Hobbs
Jennifer Dutton
Jonathan Scrivenor
Matt Reasoner
Joy Soper
Thalia Lawrence
Lawrence Koehler
Leanne Ray

Mike Kilmer
Emily Wicke
Andrea Rockwell
Nancy Marquardt
E. Lee Magaha, Jr.
Kirsty Mercer
Joy Weirick
Richard Weirick
Mack Smith
Bill Guttman
Arlene Lirette
Theresa Inge
Mary Taylor
Ann Kennsoy
Marianne McGee
Diane Pitts
Linda Moody
Ed Bradley

Members:

Suzanne Fisher-Miller
Brian G. Miller
Rick Kindle
Bonnie Bayly
Ryan Galliford
Stephen Luthy
Hugh Ed Turner

A. Come to Order

Lauren Southern-Godwin called the meeting to order at 7:12 P.M.

B. Approval of Agenda

The employee presentation was given to board in closed session before the board meeting because employee was leaving town. The board committee reports were moved to after the General Manager's report.

C. Announcements/Centering

Centering - led by Lynn Jackson.

Reading of Ground Rules- Lauren Southern-Godwin read a list of ground rules for the board meeting.

1. Assume everyone wants the best for the Co-op and community.
2. Make a personal commitment to making a positive contribution.
3. Be aware of yourself and how what you feel, say and do impacts others.
4. Truly listen to others' views with curiosity and without interruption.
5. Be willing to understand and explore diverse views, not just defend your own.
6. Do not dominate the meeting time.
7. Seek balance participation among directors.
8. Adhere to time allotments.
9. Use a "parking lot" for important ideas and issues not directly related to the topic. A special meeting can be called if needed.

Announcement of new board members – Maria Pinochet, marketing leadership expert and new board director, introduced herself. She has been a member of Ever'man for over twenty years and has worked in marketing for over twenty-eight years. She is excited about the growth in our community and how Ever'man can meet the community needs.

D. Approval of Minutes

Frankie Cruz motioned to approve the March 2012 minutes and Dave DeBlander seconded. There was no discussion. **VOTE:** Passed. For: Dawn Vorthmann, Lynn Jackson, Frankie Cruz, Lois Stephens, Dave DeBlander, Johnny Ardis and Lauren Southern-Godwin. Abstained: Maria Pinochet.

E. Board/Continuing Business

Election of Board Officers and Board Self-Monitoring: There are no term limits on officers or a minimum requirement to sit as officer. The chair doesn't traditionally make motions unless there are not enough board members present. Lauren Southern-Godwin declined a Presidential nomination. Dawn Vorthmann nominated Dave DeBlander for President and Lois Stephens seconded. An affirmative consensus was reached. Dave DeBlander took charge of the meeting and introduced himself. He stated he knows the value of organic foods and of Ever'man to the community. He welcomes critical but not confrontational comments.

Frankie Cruz volunteered for the Vice-President position. Lauren Southern-Godwin volunteered for Secretary and Dawn Vorthmann for Treasurer.

Fingerprinting Check-In: Because Ever'man sells alcohol, six current board directors must be fingerprinted as per Florida law.

Ends-Price Statement: Frankie Cruz read a proposal to amend the Ends Statement to read

Because of Ever'man, the community will have

- Education about Health, Nutrition, and Environmental issues
- Access to Healthy, Natural, Sustainable Products at the lowest possible cost to members
- Support for Socially and Environmentally Responsible Businesses
- Support for Local Agriculture and Small Businesses
- An example of Environmentally Sustainable Business Practices

It was pointed out that the Ends Statement was the result of much careful board work, line by line, which included a six hour workshop. The recent board work on the ends statement included a proposal only for second line in regard to price. Some terminology included lowest possible price, affordable and reasonable.

Frankie Cruz motioned that the second line of the Ends Statement be amended to read "Access to Healthy, Natural Foods and Products at the Lowest Possible Cost to Members." Lynn Jackson seconded. Discussion included the precise nature of wording and if the General Manager would be able to interpret the statement. Dawn Vorthmann said that price differs from cost and is a more accurate term. William Rolfs stated he can report on this if he does so from Ever'man's perspective and not in comparison to stores with greater buying power. Frankie Cruz stated she added "to members" because membership is a choice and this shows loyalty to the members. Maria Pinochet remarked that quality and not only price is a concern.

Frankie Cruz amended the motion to read "Access to Healthy, Natural Foods and Products at the Lowest Possible Price." **VOTE:** Passed. FOR: Lynn Jackson, Frankie Cruz, Lois Stephens, Johnny Ardis, Lauren Southern-Godwin and Dawn Vorthmann. Abstained: Maria Pinochet.

Membership Meeting: Johnny Ardis reported the meeting will be held on May 19, 2012 1:00 P.M. – 4:00 P.M. in the green space behind Ever'man. Jennifer Dutton is organizing the event and looking for volunteers. This will be a family celebration with food, music, and children's activities. The board of directors will give the annual report but the meeting is informal.

By-law Changes- Final Reading: Lauren Southern-Godwin recommended that the wording of the by-law changes be reviewed for exactness before another reading.

Treasurer's Report: Dawn Vorthmann reported the financials have been sent to the CPA to begin the review process. The financial statement presented at the Membership Meeting will be preliminary information but should be close to the fiscal figures. The 401K report looks good.

F. Manager's Report

General Comments: William Rolfs reported he recently attended the NCGA Spring Meeting in Albuquerque, New Mexico. The topic was keeping cooperatives relevant in

changing times as other organizations and competition is moving into the industry. He also had the opportunity to visit one of the four La Montanita Cooperatives.

B8: Treatment of Consumers:

Member Survey: Dave DeBlander reported there were 750 responses to the customer survey with 73 pages of comments. This is the largest return received. Although there was some negativity to address, the results were overwhelmingly positive. Regarding expansion, 98% of replies were positive. Therefore, the Board of Directors has voted to move forward with expansion. The results will be available for members to view after any names in the comment section have been sanitized.

Frankie Cruz requested the board put the survey on the agenda next month. She said the results are tempered for her due to word choice. Dawn Vorthmann reported she reviewed the survey twice and noted that results to question #9 regarding the purchase of healthy foods showed the number one item members exclusively buy at Ever'man are bulk items. The second ranked item exclusively purchase at Ever'man was vitamins. The next ranked items were produce, bread and bakery, and deli. This is good reason to move forward if the members are buying exclusively from Ever'man. Ninety percent of the members that answered the survey have been members for greater than ten years. Many buy from other stores as well. This shows tremendous potential for growth without the addition of new members. The most common comment referenced price and the second referenced location. These are areas which show lots of potential for member loyalty.

Discussion from members included not giving the members the ability to choose indifferent, giving a discount for completing the survey, not using this survey to continue the expansion, only allowing members who voted in the board elections to influence expansion, putting these results on the website and making the previous voter survey accessible to the members. Lauren Southern-Godwin replied that a printed voter survey was made available at the last meeting and she recommends a copy be placed at customer service.

Frankie Cruz motioned to make the member survey public in an undetermined way. Discussion included that the board will decide what information is suitable for public viewing. **VOTE:** Passed. FOR: Lynn Jackson, Frankie Cruz, Lois Stephens, Johnny Ardis, Lauren Southern-Godwin. OPPOSED: Dawn Vorthmann. Abstained: Maria Pinochet.

Joe Trap asked why the vote to continue expansion was taken in a closed session. Dave DeBlander responded that by-law 4.3.2.4 allows votes on real estate, legal matters and expansion to be held in closed session.

Report on B8: Treatment of Consumers: This is revisited as the general manager did not have access to all of the data needed for the report last month. Frankie Cruz stated the included member survey was executed in a biased way and motioned to reject the report. Lynn Jackson seconded. Dave DeBlander replied that lack of objectivity may have been a problem with general managers in the past but not with the current general manager. Lauren Southern-Godwin pointed out that the report does not exclusively deal with this one survey and not accepting the report will reject much more information such as the system for soliciting suggestions and product requests as well as safety. Part of the board

director's job is to discuss with the general manager what is expected from the report. If a different report is desired, the executive limitation needs to be revised.

Frankie Cruz replied the survey showed the management is unresponsive to customer need and a large portion of the membership feels they are not receiving a response. Dawn Vorthmann said she had the opposite reaction and was very excited by the positive responses in the customer survey. Frankie Cruz replied the survey was positive only because, in her opinion, it was created with bias. Maria Pinochet responded that every survey has issues with skewing. It doesn't matter if survey monkey was used or incentives given. Responses will even vary among Hispanics, African-Americans, Caucasians and other factors. The best option is not to reject the survey but to understand where the skew is and to create more surveys to fill in the void.

Lauren Southern-Godwin called the question to have the board of directors require an additional report provided on customer service philosophy. She amended to not accept the interpretation for B8 and to request a report be given on customer service philosophy. William Rolfs replied that the current executive limitations do not include customer service philosophy. Discussion included revising the policy, rejecting the report regardless of whose fault it is and accepting the report but revisiting the last paragraph within a certain period of time. Lauren Southern-Godwin withdrew her motion.

Lauren Southern-Godwin motioned to table B8 pending specifics from the board of directors regarding its interpretation. Frankie Cruz seconded. **VOTE:** Passed. FOR: Dawn Vorthmann, Lynn Jackson, Frankie Cruz, Lois Stephens, Johnny Ardis and Lauren Southern-Godwin. OPPOSED: Maria Pinochet.

B1: Staff Treatment: Frankie Cruz motioned to add line seven to B1 which would read "shall not fail to give preference in hiring, assuming professional/experiential qualifications in the cooperative position are met, to candidates with cooperative experience and/or lifestyle including but not limited to knowledge of the cooperative business model, cooperative principles and values, knowledge of organic and sustainable farming and business practices, personal preference for natural /holistic health care and/or have shown dedicated for the community and environment through direct service. Lyn Jackson seconded. Discussion included specific words and that the statement is too lengthy. Dawn Vorthmann said the original version stated "all other qualifications being equal" was included. This is different than saying qualifications are met. It was also discussed that the measure of someone's cooperative personality will be difficult to weigh. At New Leaf in Tallahassee, the Human Resource manager pre-vets the applicants for cooperative characteristics before handing them to the general manager. William Rolfs understands and agrees with the concept but the statement is too wordy to report on as is. Lauren Southern-Godwin motioned to table B1 until June. Dawn Vorthmann seconded. **VOTE:** Passed. FOR: Dawn Vorthmann, Lynn Jackson, Frankie Cruz, Lois Stephens, Johnny Ardis and Lauren Southern-Godwin. ABSTAINED: Maria Pinochet.

G. Brief Reports on Committees

Pricing and Merchandising – Mike Kilmer read the proposed charter as follows: "The Price & Product Committee will research and propose ways in which Ever'man purchasing and pricing can cultivate nutritional, ethical and environmental consciousness in the greater Pensacola community." The committee recommended a new mission for

the Food Product Policy as well as a list of allowable and non-allowable products and education for managers. Discussion and a vote will be pursued after every director has had access to the changes for review.

Human Resources- Lauren Southern-Godwin read the charter in Mary Mundy's absence.

Purpose: To make Ever'man Natural Foods a positive work place environment for all staff by improving communication between staff, management, and the Board of Directors and through collaboration for the good of the Cooperative and its members.

Goals:

1. Provide a communication network for the exchange of information among staff, management, and BOD.
2. Enhance the communication between staff and management, management and directors, and staff and directors.
3. Advocate on behalf of the rights and needs of Ever'man employees.
4. Examine policies effecting staff and make recommendations for improvement.
5. Research and make recommendations for improving the training of employees about natural products, alternative therapies, environmental sustainability, and cooperative principles.
6. Research and make recommendations of teambuilding training and strategies to improve the cooperation, collaboration, and teamwork amongst Ever'man staff and management.

Reorganization – Frankie Cruz reported that this committee has not met but has a charter.

Expansion and Finance – The board has overwhelmingly voted to move forward with the store expansion. The vote was taken in a closed meeting as per the by-laws. The board also voted for the entire board to review all of expansion every month rather than have an expansion committee.

Lauren Southern-Godwin stated the board discusses the correspondence it receives from members but individual directors cannot respond to each email they receive as the board speaks in one voice. Frankie Cruz motioned the board establish a formal process for accountability to the membership in all correspondence. Lyn Jackson seconded.

VOTE: Passed. FOR: Dawn Vorthmann, Lynn Jackson, Frankie Cruz, Lois Stephens, Johnny Ardis and Lauren Southern-Godwin. ABSTAINED: Maria Pinochet.

H. Open Forum

Diane Pitts, Bonnie Bayly and Ann Kennsoy read statements thanking the board, management and employees for their efforts and for continuing with expansion. It was asked that the board not forget that Ever'man has over 10,000 members and only a few have brought objections regarding expansion and management.

It was asked if William Rolfs' contract has been renewed. Dave DeBlander replied that the board is still working on this. Lauren Southern-Godwin reported the general manager contract does not auto-renew.

Other members reminded the board that a group of members asked the board for action on a list of demands. Disagreement with the current expansion plan was expressed. More community outreach was requested. A question of compensation for committee volunteers was brought forward. The board replied that this must be handled through the store. It was suggested that the board utilize the professional expertise of various members in the expansion. A member's fifteen year old daughter spoke regarding her feelings about limiting expansion.

It was explained that the member gift card discount was a temporary program but other member value programs are being developed. Members may have a patronage dividend if Ever'man reorganizes.

There was discussion regarding buying local, holding a farmer's market in the green space and the number of UNFI products in the store. William responded that some of the available local products cannot be sold in the store until they obtain legal kitchens or meet food policy standards. Also there is less local produce available in the winter.

G. Adjournment

Lauren Southern-Godwin motioned and Dawn Vorthmann seconded to adjourn.

VOTE: Passed unanimously.