

**Ever'man Natural Foods Co-op, Inc.
Board of Directors' Meeting
Monday, December 3, 2012 7:00 PM
Ever'man Community Room**

Present:

Dave DeBlander– President
Lauren Southern-Godwin -Secretary
Dawn Vorthmann – Treasurer
Lynn Jackson – Director
Lois Stephens – Director
Johnny Ardis – Director
Maria Pinochet– Director
William Rolfs – General Manager

Employees:

Joy Soper
Kate Scanlan
Lawrence Koehler
Belinda M. Carlino
Thalia Lawrence
Jennifer Dutton
Lynn Sparks

Members:

Mary Taylor
Huge Ed
Mike Kilmer
Gerald Boutwell
Harlan Wallner

A. Come to Order

Dave DeBlander called the meeting to order at 7:12 PM and Lauren Southern-Godwin read the Ends Statement and ground rules.

B. Announcements/Centering

Centering - led by Lynn Jackson.

C. Approval of Agenda

Lauren Southern-Godwin amended the agenda by adding the topic of Military Discounts that Lois Stephens sent to the board's email account.

D. Approval of Minutes Oct 2012

Lois Stephens recommended spelling changes. Lauren Southern-Godwin motioned to accept the minutes with the corrections mentioned by Lois Stephens. Johnny Ardis seconded. **VOTE:** For: Dave DeBlander, Lauren Southern-Godwin, Lois Stephens, Johnny Ardis and Maria Pinochet. Abstained: Dawn Vorthmann and Lynn Jackson

E. Board/Continuing Business

Board Self-Monitoring: D4-Board Meetings: Lauren Southern-Godwin presented a brief overview of the self-monitoring aspects of the board. Then she suggested that any time there will be a closed session that it is added to the bottom of the agenda. Maria

talked about how Thane, William and she discussed investing in training with Robert Rules of order, but the cost is prohibitively high from what they found thus far. She stated that as a board they need to work more on following the Robert Rules of order. William suggested that we get someone to help keep the board meetings on track, like a time keeper. William also stated that New Leaf has two people who do this for their board meetings so that they stay timely and on task. Dawn said that at one time Bonnie Bayly had wanted do this, and that she may still be interested. Dave stated that he really should study it more, as it is his job. Maria stated that yes it was good for Dave to learn it, but having an outside party would benefit the board in the long run, because the board is supposed to be establishing systems for the future board. The board asked that Kate put this in the newsletter, to see if any members would like to do it.

Fingerprinting Check-in: Lauren brought to light the fact that Frankie has not turned in any paperwork to account for the payment that fingerprinting requires, suggesting that Frankie has not been fingerprinted at this time. Dave stated that Frankie had several months to complete the fingerprinting process and stressed the urgency that it be completed as soon as possible. Rather than texting Frankie because she is ill, Lauren is going to email her to see if she has had it done yet. Without this done the store is in non-compliance for selling beer and wine. Lauren reminded the other Directors that six Director signatures are needed to be in compliance: the officers of the board and two Directors. Frankie's position as Vice President further stresses the urgency of this issue. The Directors decided to wait for Frankie's response to Lauren's email before taking any further steps to ensure compliance.

Committee Reports:

Nominating Committee: Lauren Southern-Godwin reported that the committee studied other co-ops and other boards to write better instructions for future boards for the Nominating & Election process and is actively working on getting new criteria and application packets together. They interviewed the applicants two weeks ago, to make sure that they are vested in Ever'man and to begin a two-way conversation about the requirements of the board, including answering potential candidate questions, etc. In a Closed Session following the meeting, the Board will continue to discuss the qualifications of the potential applicants. Dawn and Dave both separately thanked the committee for good work done, and asked that other people give information to people who might want to run in other elections.

Executive Committee: Dave discussed that the new Contract for William was approved during the Closed Session preceding the meeting. New Contract effective date was moved to June 2014. The Executive Committee will also be a standing committee from this point forward and will check-in quarterly with William to ensure that both he and the Board are communicating about the standards set by the Board.

By-law Changes-5.2: Dave stated that this is the third reading of the following recommended change to Article 5, section 5.2. "Officers shall be elected at the first regular board of directors meeting following installation of new board members and will serve for one year. In an election year, if results alter any board member status, then the

provisions of section 5.5 apply.” Lauren brought up a point of procedure, pointing out that by-law changes need to be read twice and then can be voted on following the second reading; the third reading before the vote is not needed. Dawn motion to approve and Lois seconded. **VOTE:** Passed unanimously.

Treasurer’s Report: Dawn Vorthmann reported that organization is 66% through the fiscal year and that the Board has utilized 66.53% of its budget to date. Dawn further reported the need to redo budget lines items with an extra \$1,000 that was previously unallocated. 401k has also been reviewed. In the Closed Session following the meeting, the Board will recap the budget and financials in more detail.

William presented an overview of the 401k resolution, asking that we increase the amount from \$66,000 to \$75,000 to maintain the match and profit sharing structure in place per employee. In response to a question from Dawn on the topic, William shared that, in previous years, approximately 2/3 of the money went to matching and approximately 1/3 went to profit sharing. Dawn then asked that we keep this among our considerations as we shop 401k plans or look at different types of plans. Dawn and William discussed the possibility of finding a plan with lower cost with better benefits and service; the question is the investment vehicle. Dawn voiced the desire of the Board for the money to be safe, growing, and in a more user-friendly plan. This will make the money work for us, and will require less guess work surrounding the matching amount at the end of the year. William asked if it would be okay for other companies come in to show them different plans. Dawn supported this suggestion because she foresees the current plan fees increasing this coming year. Dawn then asked if we can afford the extra amount for the match, and William said yes. Joy added that the match amount is being accrued monthly rather than in a lump sum at the end of the year to make it even more feasible to continue. Lauren motioned to accept the 401K resolution. Lynn seconded the motion. **VOTE:** pass unanimously.

Reorganization Committee- Dave asked about if they had a report, (Dawn, Frankie & Lauren). The present committee members, Lauren and Dawn, said that they have not met because they are working on their final charter and are not ready to report to the Board at this time. Dawn and Lauren agreed that they need to meet soon. William said he would help in any way needed.

Lois’ Discounts- Lois stated that she would like to see more military discounts at Ever’man. Lois says that what the military brings to this town is huge and we need to be more supportive of the military community. Lois references her experience as a military spouse, citing the rigors that these families go through with sudden transfer and hardships. Military spouses, in particular, encounter great difficulty keeping any licenses needed for careers (teachers, nurses, etc.). Lauren interjected, stating that there are many special fields to give discounts to. William agreed that the military contributes to the community but urged caution in addressing the military community, specifically. William referenced that there are many deserving communities (i.e. teachers, police officers, etc.) that deserve something but that it is not feasible for Ever’man to offer substantial discounts to everyone. William then referenced a coupon for \$5.00 of a purchase of \$30.00 that Kate placed in the Gosport over Veteran’s Day weekend. Despite the savings,

the store did not receive one coupon. William suggested that we weave discounts into our advertising but that it is not feasible to publish discounts for the Military all the time. Lois said that she spoke with the Chaplin at Corey Station about maybe giving a free membership. Lauren added that the newcomer's guide might be a great place to advertise our store's resources. William stated the membership fees are voted on by the board. Kate and William discussed that the Marketing and Membership Services team is actively working on identifying how to reach out to the military community purposefully rather than with advertising alone (Jennifer attended a health fair in front of the Base Exchange recently, etc.). Lois offered that she has a lot of military-related resources that she is willing to share with the team to help further their efforts. Dave stated that while he appreciated Lois' passion, the meeting needed to move on. Lauren said that maybe William can explore different ways give discounts to deserving groups. The Board will follow-up with this at the next board meeting.

F. Manager's Report

Dawn Vorthmann congratulated all staff for having all items in stock for Thanksgiving. William said the whole staff did a really great job, and stated that Thalia has planned many months in advance. William stated that the first year he was here, the day after Thanksgiving we had 179 empty spots on the shelf; this year we only had about 4 or 5 holes and most were warehouse out of stocks. Lois added that it was nice to be able to buy everything needed for the holiday meal in the store.

General Comments: William Rolfs reviewed that the employees had a potluck on the 21st for Thanksgiving for the staff. (Lois asked if we could include the Volunteers for the potlucks in the future, William stated that he normally tries to, but it was missed for this one). The managers' class series with Landrum Professional only has one session remaining. This last class will cover safety and will be held shortly after the first of the year. The classes have had great attendance with 13-14 people in each class. The Friday before Christmas, we will be having a Christmas Dinner for the employees, with a meal of their choice (four options were listed in the employee newsletter). William invited all Board Members and Volunteers that were at the meeting.

Sales growth continues to go well with fair increases and now we have rolled around to a full year of the two week cap ads and end-caps. Sales have been having a steady growth. Marketing has been really working hard, giving away two turkey kits on Hobie's Hotplate on Cat Country Radio. William, Dawn, and Lois then discussed the turkey kits and what was included with them. William stated we cooked one for the potluck that was really good. Dave congratulated Lynn & Belinda for several years of service.

B3: Business Planning and Financial Budgeting (tabled from September) William stated it was tabled last meeting because of the wording. After reviewing the report again, William said he phrased the report as he did because it was a report based on the future—and in the future we will be out of compliance if we do not adjust the ratios. The report contains an attachment from CE listing all of the ratios that should be changed to reflect the active expansion period and the time immediately after the expansion. Dawn went over the ratios that are to change and the amounts. Maria asked for a point of clarity: this matter concerns total equity and not inventory. Dawn asked to see the new proforma (William indicated he just got one the day of the meeting) before voting on it. Voted to

accept B3 as is, and will vote on CE changes for ratios at January meeting. Dawn motioned; Lois seconded, VOTE: All Accepted.

Global Executive: William explained the report he submitted to the Board and stated that he listed all principles and how each principle and policy was met. On the back of the report William listed what and when the Board approved in a table. Lauren stated that some of the reports were on time but some reports were tabled, and then accepted. Lauren would like to update the chart with this information; Maria suggested adding a column that stated why it was not voted on the same night the report was given. In the future, the Board agreed to add more notes (when it was received, the date the vote was taken, etc.) to the report, concluding that further notes could be added at the end, indicating why a report was not voted on during the meeting in which it was initially presented or discussed. Lois motioned to accept; Lauren seconded. VOTE: All accepted. ____

B10 Expansion: William offered a brief overview: this report outlines why an organization would go into expansion and that all criteria were met to be able to go into expansion. Information from members and employees was gained during meetings. Also, the Board held meetings with plans, outside professionals were consulted, and a membership survey was sent out. William stated that the board approved the loan and final plans. Lois motioned to accept; Dawn seconded VOTE: All Accepted.

Expansion Update: Discussion during the B10 Expansion report. William shared that around Jan 7th the complete plans for the expanded and remodeled store will be finished. William and the architects are working very hard to adhere to the budget. The Community Room is to start in right away, and will take 3 months; the store construction will take start in January and take approximately 8 months. William discussed the different phases of the project and discussed some of the strategies that the team is investigating to address any parking inconveniences, etc. Lauren, Lois, Dawn, and William suggested a few additional options to address any parking concerns.

Dawn asked for a point of clarity in section 4.4 of the report concerning the cyclical maintenance of the store to keep up with industry trends. William explained that the previous business plan for Ever'man did not include reinvesting in the structure of the store. William also discussed that we are taking steps to better insulate the building, promoting the environmental ends.

Johnny asked if there will be any period of time without a community room. William answered that if there's any break at all, it will be very brief and we will find an alternative space during that time if needed.

G. Open Forum

Hugh Ed stated that the Downtown Improvement Board/CRA stated in the PNJ that they asked Whole Foods/Publix about coming downtown. William stated that we have talked to them before that we (Ever'man) are that downtown grocery. William does not believe that Pensacola would be able to get a Wholefoods downtown, due to area. Dawn and Lauren asked that we make sure they know we are the downtown grocery.

Mary Taylor asked for us to carry refrigerated pet food. William said that he just received her request that day and that we would have to find a local vendor to ensure the

quality of the food. Mary also asked again for a BIG audit of Ever'man. Dawn explained an audit only assures that financial statements have been prepared in accordance with GAAP. There has been no indication an audit is necessary.

H. Adjournment

Lauren motioned to adjourn at 8:46 PM and Johnny seconded. **VOTE:** Passed unanimously.