

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

**Present:**

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

**Absent:**

Maria Pinochet– Director

**Employees:**

Joy Soper  
Kate Scanlon  
Lawrence Koehler  
Lyn Sparks  
Thalia Lawrence  
Kelley Terlip

**Members:**

Hugh Ed Turner  
Julie Mercer  
Steve Orlich  
Lee Magaha  
J.J. Stephens  
Mike Kilmer

**A. Come to Order**

Dave DeBlander called the meeting to order at 7:05 PM and thanked Dawn Vorthmann for her financial education to the board in the closed meeting.

**B. Approval of Agenda**

Frankie Cruz asked for space to be added to the end of the agenda for a collective to do list. Lois Stephens requested time to present her report on the military issue. It was announced that the next meeting should be in the new community room if the weather permits continued construction.

**C. Announcements/Centering**

Centering - led by Lynn Jackson.

Reading of Ground Rules and Ends – Lauren Southern-Godwin.

**D. Approval of Minutes**

Dawn Vorthmann asked that all documents this next month be added to Ever'board so that everything is in one place as she is busy with tax season. Lauren Southern-Godwin

will do this since William Rolfs will be out of town. Frankie Cruz requested the names of the members of the ad hoc reorganization committee be added to the January 2013 minutes. Lois Stephens motioned to approve the minutes as edited and Frankie Cruz seconded. **VOTE:** Passed. FOR: Dave DeBlander, Lauren Southern-Godwin, Lynn Jackson, Frankie Cruz, Lois Stephens and Johnny Ardis. ABSTAINED: Dawn Vorthmann.

### **E. Open Forum**

Dave DeBlander congratulated Lois Stephens, Johnny Ardis and Dawn Vorthmann on being re-elected.

Hugh Ed Turner reported that voting online for the board election was simple. He asked who is responsible for updating the deals area of the website as it is out of date. William Rolfs responded that Clever Ogre maintains the website at the moment but a new website is planned that will be maintained by Ever'man. Hugh Ed Turner noted that he received a store receipt with an erroneous time. He also complained that the bin tags for the refrigerated bulk items are difficult to read. The ingredient listing for the beet hummus is not ordered by volume. William Rolfs will attend to these problems.

Hugh Ed Turner is concerned about how the Affordable Care Act will affect Ever'man. He asked if there will be a reduction in the number of employees. William Rolfs reported that Joy Soper has attended a class in preparation of the new act. There shouldn't be many changes and any increase in costs would have occurred with time anyway. Employees will still have multiple plans to choose from and Landrum will adjust plans as needed. Dave DeBlander added that the bottom two plans for a single person will be basically free.

Mike Kilmer congratulated the re-elected board directors and thanked the board for its work. Lauren Southern-Godwin thanked him for his interest. Dawn Vorthmann told him he received more votes this year than the total number of votes cast last year.

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

#### **1. Board Self Monitoring:**

D6: Code of Conduct: This document is signed by all directors and kept on file. Dawn Vorthmann impressed that the bullet regarding complete loyalty to the interest of the ownership is the most important and set the standards for the board. Frankie Cruz stated that Ever'man is not yet reincorporated so there are no owners. Discussion: Should the word owners be changed to members now or after reincorporation? There are more shoppers than members and if reincorporated, Ever'man will have more members than owners. The work of the board is to members/owners and not to shoppers. Frankie Cruz motioned to amend bullet one by striking ownership and replacing with membership. Lauren Southern-Godwin seconded. **VOTE:** Passed unanimously.

Board Memberships: There was a discussion concerning lapsed mandatory board director memberships and how a director could be notified. It was suggested to have a calendar or have their account flagged 30 days ahead of expiration. Thalia Lawrence suggested directors prepay their membership for the duration of their term. Several board directors concurred. Discussion continued regarding board candidates with lapsed membership. Frankie Cruz proposed the nominating documents be read to be sure there aren't guidelines. Lauren Southern-Godwin stated the by-laws are vague and each

situation is considered on case-by-case basis. The committee has to bring each candidate to the board.

2. Fingerprinting: Joy Soper is making an appointment to speak to the state regarding updating the alcohol license. The officers of the board of directors and two other directors must be listed. The paperwork is due by May 30, 2013. This is why the board calendar was changed. Dave DeBlander stated that a special session to elect officers will be held if needed. Lois Stephens will be fingerprinted. Johnny Ardis and Maria Pinochet are not fingerprinted.

3. Committee Reports:

Nominating Committee: The nominating committee was thanked as was Kate Scanlon and Mikhy Koehler. This was the second year electronic voting was offered but there were fewer online votes this year. The online report said “vote for three” instead of “vote for up to three.” Voters were allowed to choose one, two or three candidates. There were a large number of paper ballots that cast votes for only one candidate. The electronic voting company will have a list of how many votes were cast each day. This will enable the committee to see how many members voted on the last day as well as correlate the number of votes with the e-blast. Paper ballots were mailed later than intended as they were delayed by the printer and then sent bulk mail. They will be mailed earlier next year. Lauren Southern-Godwin reported the committee will meet to work on packet description for the next election. William Rolfs stated that since the nominating committee is a standing committee, the packet should be reviewed quickly so those directors coming up for re-election are not on the committee.

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

Reorganization Committee: Chairman Dawn Vorthmann said the committee needs to review the charter. Dave DeBlander asked Dawn Vorthmann if her job would be too demanding during tax season for her to devote time to the committee. Lauren Southern Godwin stated she also hasn't had time to dedicate to the committee. Johnny Ardis is willing to serve on the committee. Frankie Cruz is on the committee and will take over as chairman if needed.

Lauren Southern-Godwin and Dawn Vorthmann have met with financial advisors and understand the finances of reorganization. Dave DeBlander stated the scope of the committee is reorganization to the legal structure of a cooperative. Lauren Southern-Godwin confirmed that some of the work has already been done but tasks need to be assigned.

Spring Meeting: The by-laws state the meeting will be held within three months after the close of the fiscal year. It has traditionally been held in May but will need to be held offsite this year due to expansion of the store. A suggestion is to hold it at Pensacola State College across the street. Johnny Ardis volunteers to chair and Lynn Jackson will serve on the committee. She resigns from the nominating committee to do this. Kate Scanlon will help. Due to Jennifer Dutton returning to college, it is uncertain if she can help. Joy Soper asked that the meeting not be held May 4, 2012 as that will allow her

only three weeks to ready the financial statement. Dawn Vorthmann motioned to hold the Spring Membership meeting on May 11, 2013 and Lauren Southern-Godwin seconded. There was no vote.

4. Bylaw Changes: There were no further decisions made regarding the language of the bylaw. Frankie Cruz suggested that if a director were removed from the board due to extenuating circumstances, the board could vote to appoint the director to the board. It was suggested a chart be kept for roll. Joy Soper mentioned the stipend checks show which directors were present. The second reading of the bylaw occurred 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.”

5. Active Duty Military: Can we help? Lois Stephens and Kate Scanlon are scheduled to speak to the chaplain at Corry Station Chapel in an effort to find ways that Ever’man can help the military. Pensacola is the cradle of naval aviation and draws a huge number of military families to the area. Lois Stephens wishes to give active duty free memberships. They will spend enough their first visit to more than offset the \$12 membership fee.

Lois Stephens motioned that Ever’man give free memberships to active duty military personnel. Dave DeBlander seconded. Discussion: Lauren Southern-Godwin supports the military but stated this proposal does not recognize other members of the community that are also deserving. In response to Dawn Vorthmann’s question, William Rolfs stated that no other cooperatives have a similar program. Giving free memberships is easier than giving discounts but giving free memberships means giving away voting rights. Lois Stephens suggested making free memberships nonvoting memberships. Several board directors replied this would be too difficult. Further discussion included ways to show appreciation to the military through special discount days and special new member packets with extra coupons and staples. Hugh Ed Turner asked what would happen to the membership when the service person left the area. Loins Stephens replied that the memberships would not accumulate because military personnel replace each other and the memberships would still be renewed annually. Thalia Lawrence stated that free memberships devalue the membership. **VOTE:** Failed. **FOR:** Lois Stephens. **AGAINST:** Dave DeBlander, Lauren Southern-Godwin, Frankie Cruz and Johnny Ardis. **ABSTAINED:** Dawn Vorthmann and Lynn Jackson. William Rolfs asked Lois Stephens to let him know what the meeting with the chaplain reveals. Lauren Southern-Godwin stated she wishes to recognize the military but not with free memberships.

6. Treasurer’s Report: Frankie Cruz, Dawn Vorthmann, Joy Soper and William Rolfs discussed how to present three year financials so that trends can be seen that are not affected by the expansion. William Rolfs will bring trends from CoCoFIST for comparisons.

The new demo coordinator, Kelley Terlip, was introduced. She attended culinary school in Scotland and has completed an internship in sustainable agriculture.

Lauren Southern-Godwin noted the board spent more on the election than this board budget report shows. Historically the board has spent less on the election than this

year. Also, there were expenditures associated with renting extra meeting room. She recommended the board invest more money into training. All of this should be taken into consideration when creating the new board budget.

William Rolfs recommended the board call Thane Joyal regarding the Cooperative Business Leadership Development training, CBLD 101. It would be cost and time efficient to bring the program to Ever'man rather than sending the board directors a few at a time. If the training is held here, Ever'man staff can attend as well. This could be done in addition to the board retreat. Or it can be held in place of the retreat and a team building program can be utilized from a local vendor. The board budgeted for two directors to attend CCMA. Lauren Southern-Godwin stated the whole board should attend. Dawn Vorthmann reminded the board that increased sales will allow a greater percentage of money to be allotted to the board budget thus allowing for more board training. Frankie Cruz, Lynn Jackson and Lauren Southern-Godwin wish to attend CCMA in June.

Dawn Vorthmann reported that even after the store loan is considered, one-half million dollars is uninsured. William Rolfs stated the bank recommended not putting the money into an investment account. There will be fees to consider if the money is moved. Bank of America is stronger than ever and has set more cash aside than before, more than required by the government. Ever'man bank balances are starting to drop leaving less money to insure.

Dawn Vorthmann, William Rolfs and Joy Soper discussed what is needed to create a new budget for next month. Joy Soper reported that New Leaf in Tallahassee has one line item in the budget and the board treasurer breaks down the board budget for the board. Dawn Vorthmann requested a chart of accounts regarding the board budget be emailed to her.

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

General Comments: William Rolfs reported that the Leadership Development classes with Landrum Human Resources have been completed. The "As Built" appraisal has been received for the property including the land, building and equipment. This does not include product. Sean Brown will be the landscaper. Mayor Hayward has been coming into the deli for lunch.

The first dialogue session has been scheduled for Wednesday, March 27, 2013 at 12:30 PM for the executive committee and management team. The marketing director from New Leaf Market in Tallahassee will participate. New Leaf Market is doing well and discussing opening a second store even though Whole Foods and Trader Joe's may be entering their market. Earth Fare opened in 2011 down the street from new Leaf Market and is not doing as well as when they first opened. The second rebranding meeting is Saturday, April 6, 2013. Community members are invited to attend.

Jennifer Dutton is returning to school.

Kate Scanlon reported the next newsletter will not have an article explaining the construction timeline as the timeline has shifted. At this time, the store is relying on e-blasts, social media and signage to notify shoppers. When the timeline is ready, an article will be included in the newsletter.

A grocery loading zone is being planned to assist with the parking challenges during expansion. After expansion the deli will increase its services and may be opened later.

B7: Emergency Management Succession: As last year, the succession plan is the team of Matt Reasoner and Thalia Lawrence. Both have attended multiple board meetings over the past year as well as management training classes and assisting in the preparation of reports. Matt Reasoner completed extra management courses this year. Thalia Lawrence attends shows and receives additional training there.

Discussion: Dawn Vorthmann stated both interim general managers should be present at each board meeting. Frankie Cruz said the policy does not define enough parameters. The limitation leaves it up to the general manager to determine what is sufficient. This is a good topic to discuss with Thane Joyal so as to not overstep operations.

Dawn Vorthmann motioned to accept B7 with the change that the two emergency general manager successors be present at each board meeting. Discussion: Joy Soper asked if it is fair to allow board directors to miss three meetings but not allow successors the same. William Rolfs stated the successors must abide by the Policy Register and he has reviewed this with them. The board meetings are basically the same each time. It is the reports that are different. Thalia Lawrence stated that attending each board meeting is not a requirement for the position. The position is about running the store day to day for a short period and not taking over the job of general manager. The successors know how to communicate with the board, know the limitations and how to write reports. Frankie Cruz thinks there is too little in the documents that outline who will take over if needed.

Dawn Vorthmann amended the motion to require one of the team of emergency general manager successors be present at each meeting. She stated this will provide consistency to the board-general manager relationship. Dave DeBlander called point of order. There should be two separate motions, one on the completed report and one for future changes to the limitation.

Lauren Southern-Godwin motioned to accept B7. Lois Stephens seconded. **VOTE:** Passed. FOR: Dave DeBlander, Lauren Southern-Godwin, Lynn Jackson, Lois Stephens and Johnny Ardis. ABSTAINED: Dawn Vorthmann and Frankie Cruz.

Frankie Cruz motioned that the emergency general manager successors be held to the same requirements as board directors and miss no more than three board meetings. Lynn Jackson seconded. Discussion: Dave DeBlander stated this is operational. Frankie Cruz withdraws the motion but requests B7 is added to the agenda next month. She will speak to Thane Joyal regarding the appropriateness of pursuing this.

Expansion Update: Construction on the community room has slowed due to rain. The most current completion date is March 20, 2013. The store plans have been sent to the city for permitting. The appraisal is good and the loan is near closing

The builder's latest timetable for store completion is greater than before at twelve months instead of eight to nine months. William Rolfs is discussing this with him. The first phase will be challenging with parking. It will include the west side of the building, entrance, green space and parking. Phase two will include the center of the store. Phase three will include the deli and new meat section. Phase four will include dairy and produce.

Lois Stephens inquired about grand opening plans and speakers. William Rolfs replied that specific plans have not been made. Kate Scanlon stated she would appreciate suggestions so she can get started on plans.

## **H. Adjournment**

Dawn Vorthmann motioned to adjourn at 9:20 PM and Lauren Southern-Godwin seconded. **VOTE:** Passed unanimously.