

1 CHICO NATURAL FOODS COOPERATIVE
2 Board of Directors Meeting
3 Peace and Justice Center
4 August 26, 2015 5:30 PM
5

6 Attendees: President Julia Murphy, Vice President Olivia Peters-Lazaro, Secretary Phil Weintraub, Treasurer
7 Scott Richman, Board Members: Natalie Carter, Laurie Niles, General Manager: Liza Tedesco, Scribe: Joey
8 Haney.

9
10 Absent: Alec Binyon

11
12 Guests Present: None

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14 1.0 OPENING PROCEDURES

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16 1.1 President calls meeting to order at 5:46 pm.

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19 1.2 Check In, Kudos, Celebrations

20 Board members check in. They celebrate the Co-op serving food at events, the relocation forums, the special
21 election, and awning signs.

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23 2.0 PRELIMINARIES

24
25 2.1 Approve the Agenda

26 **MOTION:** Natalie moves to strike Relocation Marketing/Advertising from the agenda. Julia seconds. All
27 agree to skip this item for today's meeting . Julia moves to approve the [August Agenda](#). Olivia seconds. All
28 are in favor and the agenda is approved.

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30 2.2 Approve the previous months Minutes

31 **MOTION:** Julia moves to approve the [June minutes](#). Olivia seconds. All board members are in favor
32 and the minutes are approved. The Scribe emails the approved minutes to the MM.

33
34 2.3 Share written correspondence with board

35 No correspondence to share from email. Other correspondence will be shared during committee reports.
36 Olivia, Scott, Laurie, and Natalie share that they have had recent conversations with a number of people who
37 expressed the preference for the Co-op to remain located on the south side of downtown Chico.

38
39 2.4 Choose Process Guardian

40 Julia volunteers to be the Facilitator; Natalie volunteers to be the Process Guardian.

41
42 2.5 Comments from attendees other than board members (3 minutes each) - none
43

44 Julia reminds the Board of the Annual Owner Meeting. The meeting will take place at the Chico Women's
45 Club. Entreaties are made to help with set-up. A schedule will be made so the BOD can sign up to assist staff
46 with the set-up process.

47
48 3.0 WEGNER CPA TELEPHONIC REPORT OF 2014 AUDIT RESULTS

49
50 Wegner's representative describes the financial statements and the balance sheet included in the packets
51 observed by the BOD. CNFC is very liquid, and is in excellent financial shape to pursue a relocation. Sales
52 are fine, gross profit is fine, labor is fine. Net income is a bit low, but still positive, which is good.

53
54 Wegner recommends additional GM supervision of cancelled checks. They also recommend that a BOD
55 member oversees GM expense reimbursements. Other internal control recommendations made in the report
56 and reviewed on this call were the systematic review of CNFC vendors, a review process for HR verification
57 of payroll records, and a systematic reviewing of cashier ring statistics.

58
59 After the call there was a discussion of these recommendations, Rick is overseeing cancelled checks. Julia
60 has approved Liza's most recent expense reimbursement. Natalie raises the idea of retroactively looking over
61 past expense reimbursements. Wegner will be consulted on what time period will be reviewed.

62
63 Julia suggests that the Finance Committee takes on the responsibility of ensuring that Wegner's
64 recommendations are carried out.

65
66 The Finance Committee will verify by the January 2016 meeting that all of Wegner's internal control
67 recommendations are being carried out.

68
69 Scott moves that Natalie review the GM expense reimbursements. Julia seconds. All are in favor. The
70 motion passes. Natalie will do this by January 2016.

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72 4.0 BOARD EDUCATION

73 4.1 Committee Reports

74 **Finance Committee**

75 Scott discusses the written report from a meeting on 7/10/15. Ratios were established and reported on
76 to help ensure that the BOD effectively govern the store during the relocation process. The intention
77 is to adopt these ratios into the B.10 Relocation Governance Policy being developed.

78
79 Julia clarifies that the report relies on estimates of expenses made for the relocation process.

80
81 Natalie moves that the report is accepted for use in the policy. Phil seconds. All are in favor. The
82 report is accepted.

83
84 Rick will be in attendance at the next BOD meeting to discuss financials.

85
86 **Governance**

87

88 This committee did not meet since the last BOD meeting.

89

90 Julia brings up the daunting task of reviewing and revising BOD policies. This is a project that will
91 need to be conducted by the end of 2016. An appropriate time to begin is after the BOD elections.

92

93 Olivia suggests embarking on the task of revising policies during the next BOD retreat. The idea is
94 generally accepted.

95

96 Julia broaches the subject of creating a process for GM succession. Though none doubt Liza's
97 continued utility to the Co-op, Julia thinks it behooves the Co-op to have this process established
98 before it is needed.

99

100 **Outreach**

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102 Laurie will meet with Joey next week to discuss outreach. Natalie stresses the importance of
103 recruiting BOD candidates.

104

105 **Dev./Nom-Elect**

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107 Natalie and Julia have met to discuss the elections calendar. They are running a bit behind and want
108 more candidates. Everyone agrees that it is ideal to have more candidates than open seats. "Try and
109 find people".

110

111 Tabling is discussed. Laurie suggests tabling at the Saturday market to recruit BOD candidates and
112 advertise the Co-op more generally. Natalie is happy to facilitate that tabling sensation.

113

114 The first 13 pages of BOD manual and the "Hitchhiker's Guide to Running for the Board" are to
115 become the candidate handbook.

116

117 Natalie will have the Candidate Handbook finished by September 8, and include an opportunity for
118 review from the directors of the final draft.

119

120 **GMO Policy Working Group**

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122 Meeting occurred at Great State Coffee roastery. GMO-free meat is a goal of the local Non-GMO
123 folks. CNFC is functionally incapable of becoming entirely GMO free at this point in time. Alec's
124 presence as the point person for this meeting is sorely missed at this time.

125

126 **3.3 Brief Review: Tabling (6 min)**

127 Julia leads a brief discussion of board tabling, including the popularity of kombucha amongst membership.

128

129 **3.4 Check-in: Board Manual/ Final Draft**

130 Already covered this topic in committee report.

131

132

133 4.0 BOARD DECISIONS

134 4.1 Accept [GM Monthly Written Report](#)

135 a. [April owner report](#)

136 b. [April 2015 Prelims](#)

137 4.2 [Preferred Shares and Amendments planning document DRAFT 061715](#)

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139 **MOTION:** Julia moves to accept the GM Monthly Update Report. Phil seconds. All are in favor and the
140 GM Monthly Update Report is accepted.

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142 5.0 SELF-MONITORING -- BOARD MONITORING REPORTS

143 5.1 [Board Monitoring Reports](#)--10 min

144 Julia leads a review of the Board Monitoring Report. Julia is optimistic for the future of more effective
145 board work. Olivia suggests altering the way board monitoring occurs, including writing a plan for future
146 compliance of non-compliance. For example, 3 or below is non-compliant; 4 and above is compliant. In the
147 case when an item is non-compliant, the board must work to become compliant, either as a committee or a
148 board. Action Item: Julia will initiate an email conversation concerning the alteration of the board's process
149 or monitoring related to compliance and non-compliance. **MOTION:** Natalie moves that the Board
150 Monitoring Reports are accepted. Olivia seconds. All are in favor and the Board Monitoring Reports are
151 accepted.

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153 6.0 CLOSING

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155 6.1 Review: [Action Box Items](#), Decisions

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157 6.2 Upcoming Board Meeting: [Board Calendar](#)

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159 6.3 Debrief & Evaluate Meeting (+/ delta)

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162 6.4 Open Forum

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164 7.0 Adjourn Meeting

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166 8.0 **MOTION:** Julia moves to adjourn meeting. Scott seconds. All are in favor and the meeting is adjourned
167 at 7:25 PM.

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170 8.1 CLOSED SESSION

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