

1 CHICO NATURAL FOODS COOPERATIVE

2 Board of Directors Meeting

3 Peace and Justice Center

4 March 30th, 2016 5:30p.m.

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6 Attendees: President Natalie Carter, Vice President Alec Binyon, Treasurer Scott Richman, Board Members
7 Seana Watkins, Yanabah Powers, GM Liza Tedesco, and Scribe Blake Ellis .

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9 Absent: Laurie Niles, Phil Weintraub

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0 Guests Present: None

1 1.0 OPENING PROCEDURES

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1 1.1 President calls meeting to order

3 Natalie calls the meeting to order at 5:44 P.M.

4 1.2 Teaching Point

5 Led by Natalie to review The Global Ends Report with regards to community engagement (Global Ends #3).
1 The community engagement ends states that CNC will improve the social, financial, and environmental health
6 of the community.

7 Global End #1

1 Living Cooperative. Attract, encourage, inspire, and develop empowered and engaged team members and
8 leaders.

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2 1.3 Check In, Kudos, Celebrations

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1 2.0 PRELIMINARIES

2 2.1 Approve the [Agenda](#)

3 **MOTION:** Alec moves to approve the meeting agenda. Scott seconds.

2 All are in favor and the agenda is approved.

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2 2.2 Approve the previous months [Minutes](#)

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2 **MOTION:** Scott moves to approve the February minutes. Alec seconds. All board members are in favor and

6 the minutes are approved. The Scribe emails the approved minutes to the MM.

7 2.3 Share written correspondence with board

8 No written correspondence to share at this time.

9 2.4 Choose Facilitator and Process Guardian

0 Natalie volunteers to be the Facilitator; Alec volunteers to be the Process Guardian.

1 2.5 Comments from attendees other than board members (3 minutes each)

3 3.0 EDUCATION

3 3.1 Committee Reports (10 min)

4 [Committee Charter QUICK LOOK](#)

5 **ACTION ITEM:** Governance Committee should update Committee Charters via email

6 a. Finance

3 Finance committee met last Wednesday for 30 min. Attendees: Phil, Liza, and Scott. One task was to
7 review the marketing budget. Liza and marketing team decided to keep previous marketing budget in
3 place. Scott felt that it was appropriate to not increase this expenditure until future plans are more
8 solidified. The committee received the latest draft of the Pro Forma and will be examining the revisions.
3 The finance committee will also be verifying that the financial ratios in the proposed relocation
9 monitoring policy conforms to the revised Pro Forma. The committee, along with the governance
4 committee, shall polish up the Relocation Monitoring Policy with the intention of recommending
0 approval at the April Board meeting.

4 Alec questioned the marketing budget decision. Liza decided to not increase the marketing budget due
1 to entrance of new competitors and dip in sales growth. The options for offsetting a significant increase
4 to the marketing budget would be to decrease labor costs or increase prices. Alec would like to be on the
2 record voicing disagreement with Liza's decision to not increase the marketing budget and does not
4 believe that it was the correct decision.

4 b. Governance

4 Governance committee met and discussed the relocation monitoring policies and the revised Pro Forma.
5 The relocation policies regarding finances has been drafted as informed by our Pro Forma and the
4 committee considered this appropriate, although also considered the possibility that the Relocation
6 Monitoring Policy may guide the Pro Forma.

7 c. Owner/Community Engagement

4 Seana clarifies that the Community Engagement committee did not meet but plans on meeting soon.

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9 Executive Committee did meet. They did not record minutes.

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0 d. Dev./Nom-Elect

5 Did not meet

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5 3.2 2. Board Study Topic - Orientation Pt. 2 : Intro to New Competitive Environment.
2 <http://library.cdsconsulting.coop/how-we-got-here-a-co-op-history/> (14min)

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4 4.0 BOARD DECISIONS

5 4.1 Accept [GM Reporting Package](#)

5 Liza wants to discuss the Monitoring Report because she reported noncompliance on B4- 3.2 as it was not in
5 compliance with one of the Financial Conditions (2.6% sales growth versus the 3% benchmark for the quarter)
7 which then contravenes other CNFC policies. Specific to the language, Natalie states that under this policy,
5 Liza must withhold member discounts. Liza has been operating as compliant under B4- 5.3 because
8 withholding member discounts may jeopardize the COOP. Natalie feels that the difference from the benchmark
5 is not significant enough to withhold member discounts because that would have greater negative
9 consequences.

6
0 Scott suggests a motion to allow Liza, the GM, to continue equity refunds and member discounts regardless of
6 minor financial conditions noncompliance.

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6 Natalie says that CNFC would be putting itself in greater risk if they removed discounts and equity
2 redemptions. It is the board's position to accept the noncompliance.

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3 Liza requests partial compliance because the slower sales growth is not leading to our debt/equity or other
6 critical ratios to be out of compliance.

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6 Alec raises a question about the Pro Forma: Based on the projections, is the increase in the California minimum
5 wage accounted for? Liza answers that it is taken into account, but not with the most recently proposed
6 increases and therefore the projections will have to be altered. The Pro Forma will have to be changed for any
6 major shift in the economy and wage inflation. If new minimum wage increases are passed, then the pro forma
6 will be changed before presented to the bank.

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6 4.2 [GM Monthly Written Report](#)

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7 a. [January 2016 Owner Report](#)

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4.3 [January 2016 Prelims](#)

MOTION: Alec motions to approve the GM Reporting Package. Scott seconds. All are in favor. Motion is passed

5.0 SELF-MONITORING -- BOARD MONITORING REPORTS

5.1 [Board Monitoring Reports](#)

#7 referenced Board Member hours worked and logged. Directors are to log their hours.

ACTION ITEMS: Scribe should include a link and reminder to do board monitoring reports and log hours when the agenda is emailed.

#8 Set-up annual goals with timeframes. Development committee should take on this task and add to it to the Development Committee Charter.

ACTION ITEM: Natalie assigns the development committee to review C2-8 and make recommendations on how to proceed with the setting of goals and also to create a physical document of goals to reference at all board meetings.

Agenda for board meetings should be posted visibly at the COOP a week before the meetings.

ACTION ITEM: Liza will follow up with marketing team to post agenda visibly.

ACTION ITEM: Governance committee should change the physical document to say “the secretary or scribe” on C4- 5 and rework the language.

MOTION: Alec moves to accept board monitoring report. Yana seconds. All are in favor and the motion is passed.

6.0 CLOSING

6.1 Review [Action Items](#), Decisions, Tasks, Assignments

6.2 Next meeting topics: review Board Calendar, monitoring schedule Agenda preview

6.3 Debrief/ Evaluate Meeting

6.4 Adjourn Meeting

MOTION: Scott moves to adjourn the meeting. Yana seconds. All are in favor. Meeting adjourned at 7:29 P.M.

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SUMMARY OF DECISIONS: .

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