

**Willimantic Food Co-op
Meeting of the Board of Directors
May 3, 2018**

Directors Attending: Kirk Begg, Linda Brock, Alice Rubin, Kathleen Krider, Johnnie Walker, Wendy Jakoboski, Joanne Todd, Charlotte Ross

Absent: Raluca Mocanu

Others Attending: Patty Smith, Roxana Mocanu (scribe)

Call to Order: 7:09 pm

| Agenda Item | Resolution |
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| Members Speak Out | |
| Board Bulletin Board: <ul style="list-style-type: none"> • None Members Speak Out: <ul style="list-style-type: none"> • Bryan O'Hara voiced his concerns about the bylaws revision voting process: <ul style="list-style-type: none"> ○ Prior to the Annual Meeting, the bylaws revisions were published in the newsletter at the "last minute" and without proper explanation. As a result, the members did not have a clear understanding of what they were voting on. Members were asked to contact the Board with questions and concerns, but by then it was too late, as there was no time to address them. ○ At the Annual meeting, the revisions were not thoroughly presented. During the discussion, it became evident that there was a lot of confusion and not enough time to clarify. Given the situation, Bryan made a motion to have the vote delayed: 26 members voted in favor of delaying the vote, 31 members voted in favor of going ahead with the vote as planned. ○ Bryan feels that the fact that the bylaws revision vote went ahead anyway, despite the fact that many members were confused and would have benefited from additional time for clarification, may be detrimental to the Coop's goal of being inclusive of the membership. ○ Bryan's suggestions: <ul style="list-style-type: none"> ▪ the proposed bylaws revisions should have been published in an earlier newsletter to allow sufficient time to address members' questions and concerns ▪ posting a bulletin board in the store to share information with members and to allow members to ask questions (similar to when we were purchasing the new property). ▪ a membership meeting would also be helpful in addressing members' questions/concerns prior to the voting ○ Board's response: The following statement was | <p><i>Action: Steve Murphy to post Kathleen's statement on the website</i></p> |

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| <p style="text-align: center;">read by Kathleen Krider on behalf of the Board: "On behalf of the BOD I am sorry.."</p> | |
| <p>Approve Minutes</p> | |
| <p>April Board meeting minutes Discussion: none</p> | <p><i>April minutes approved</i> (moved: Joanne; second: Linda)</p> |
| <p>Annual Meeting minutes Discussion:</p> <ul style="list-style-type: none"> • need to add a statement that "quorum was met" and a headcount • the minutes need to be further reviewed and edited, prior to presenting them to the Board for approval | <p><i>Action: Roxana to consult with Linda on the changes that are needed to the Annual meeting minutes</i></p> |
| <p>Parking Lot review</p> <ul style="list-style-type: none"> • first item on the list needs to be reworded (suggested wording: "GM succession plan: joint project between Board and GM") | <p><i>Action: Linda to update the parking lot list</i></p> |
| <p>Subcommittee Reports</p> | |
| <p>By-laws Revisions:</p> <ul style="list-style-type: none"> • The bylaws revisions vote was finalized during the Annual meeting: the proposed revisions passed. • Further work is needed, particularly in clarifying the wording. The bylaws subcommittee will continue to meet on a regular basis, and will report at the monthly Board meetings (the goal is to report at every meeting; no more than one meeting shall pass without reporting). • Alice will join Linda, Patty and Johnnie on the subcommittee • Future consultations with the attorney should be done through email whenever possible to avoid some of the misunderstandings and confusion which occurred during the phone conversations. • Further discussion/clarification on the concept of "proxy" voting, and how it applies to the Coop: <ul style="list-style-type: none"> ◦ the previous version of the bylaws allowed balloting by mail (section 3.5), but did not allow proxy voting (section 3.4: "Proxy voting shall not be permitted."). However, it is important to understand that in legal terms, by default, "proxy voting" refers to voting by "<i>general proxy</i>": i.e the law assumes that the person representing the member is permitted to choose on behalf of the member what vote to submit. ◦ the process we followed for the bylaws revisions vote was NOT a general proxy, but a <i>directed proxy</i>, i.e. the member provides a written proxy authorization stating what the member's vote is on each issue; the proxy does not have the | <p><i>Action: Bylaws subcommittee to review the shortcomings of the recent bylaws revisions voting process and come up with a set of guidelines and recommendations to be used for future revision work</i></p> <p><i>Action: Bylaws subcommittee to contact David Swanson (attorney with Cooperative law experience) to review the recently-approved bylaws and provide feedback</i></p> <p><i>Action: Bylaws subcommittee to report at the next Board meeting</i></p> |

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| <ul style="list-style-type: none"> power to choose or to change the member's vote <ul style="list-style-type: none"> ◦ WFC is incorporated under the "CT Non-stock Corporation Act", and the directed proxy voting process is consistent with this • the bylaws revisions voting process was a learning experience; going forward, look for opportunities to build/restore trust between members and the Board | |
| Board Policy Monitoring Reports | |
| <p>Policy D.5: Director's Code of Conduct Discussion: item 7 will need to be updated to reflect the fact that directors are elected by the membership and thus directors cannot remove a director. The following documents will need to be signed annually by all directors:</p> <ul style="list-style-type: none"> • Code of Conduct • Conflict of Interest • Letter of resignation (preemptively) | <p><i>In compliance</i> (moved: Joanne; second: Kirk; abstained: Joanne and Linda)</p> <p><i>Action: Kathleen</i> to add the following statement to the Conflict of Interest form: "I agree to abide by the policies adopted by the Coop in Policy Governance"</p> <p><i>Action: Joanne</i> to review the Code of Conduct document before it is presented to the Board</p> |
| General Manager Reports | |
| <p>GM Policy B.3: Financial Condition (1st quarter) Discussion:</p> <ul style="list-style-type: none"> • item 10: "NCG is now requiring all members to have a Financial Review done each year." The cost of the review is \$7,500. Having an annual review/report from an accountant is important in providing more oversight and protecting members. How much would a full opinion audit cost? • item 7: check fraud resulting in issues with electronic tax payments; in the future, consider using the "positive pay program" to prevent fraud. • item 2: adequate net income: The budget is an estimate/best guess based on past experience and future plans. Recently, we have experienced net income in excess of the estimated amount; this is due to higher than anticipated income, and/or lower than anticipated expenses. We will need to come up with a process for distributing the excess income back to the members earlier in the year instead of scrambling at the year's end. | <p><i>In compliance</i> (moved: Linda; second: Kirk; abstained: Alice)</p> <p><i>Action: Alice</i> to find out the cost of a full opinion audit.</p> <p><i>Action: Alice</i> to look up info on the Positive Pay Program</p> |
| Old Business | |
| <p>Expansion Policy:</p> <ul style="list-style-type: none"> • will be discussed at the next meeting | <p>Action: Alice to send out the Expansion Policy</p> |

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| <p>Patronage Rebates & Incorporation under CT law:</p> <ul style="list-style-type: none"> • on Feb 20, Joanne forwarded to the Board an email send by Erbin Crowell, containing a summary of the proposed amendments to the CT Co-op Statute • Patty recently spoke with Lexa, GM of the Fiddleheads Food Coop, about collaborating on this issue | <p><i>Action: Joanne</i> to ask Erbin for permission to share the memo with Fiddleheads</p> <p><i>Action: Kathleen</i> to contact Lexa to start the conversation on the Coop Status memo and inquire about what Fiddleheads plans to do about patronage rebates</p> <p><i>Action: Kathleen</i> to keep this item on the agenda.</p> |
| <p>Expansion Planning:</p> <ul style="list-style-type: none"> • The Building Committee is meeting on a regular basis. • The process being created consists of the following steps: <ul style="list-style-type: none"> ◦ defining the prepared foods program ◦ defining the kitchen design ◦ defining the energy usage ◦ creating the RFP (Request For Proposal) • Alice is working with Nicole Klimek (CDS consultant) on the conceptual kitchen design. • Status of the new property: <ul style="list-style-type: none"> ◦ the lot has been cleaned up to remove rubble ◦ flowers will be planted in large planters ◦ the remaining building has several issues that will need to be addressed: asbestos (GEI quote for asbestos removal and remediation: \$33,475), water in the basement, as well as rot and mold. Paul Torcellini and the architect both advised that tearing down and rebuilding may be the best option. Cost to tear down (leaving the foundation but filling it in): \$43,700. | <p><i>Action: Alice</i> to check the cost of asbestos removal and remediation with other contractors.</p> <p><i>Action: Kathleen</i> to keep this item on the agenda</p> |

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| New Business | |
| Changing the date for the July Board meeting <ul style="list-style-type: none"> the date will remain unchanged (July 5) | <i>Action: none</i> |
| Set date for Board Retreat <ul style="list-style-type: none"> Sunday Sept 23, 8:30 to 3:30 | <i>Action: none</i> |
| Ends Policy: <ul style="list-style-type: none"> will be discussed at the annual retreat | <i>Action: Kirk and Joanne to discuss the process of accomplishing the ends policy work</i> |
| Net Adequate Income: <ul style="list-style-type: none"> the information included in the GM report (B.3) provides a starting point for the discussion need to allocate a significant amount of time during the next Board meeting for this discussion | <i>Action: The study group (Linda, Johnnie, and Kirk) to summarize what they've learned on this topic, including the information from GM report B.3, and then forward to Roxana (to be sent out with the agenda and package of information for the June meeting)</i> |
| Elect Officers for the Executive Committee: <ul style="list-style-type: none"> Kirk: president Kathleen: vice-president Linda: secretary Joanne: treasurer | <i>Motion to move on the slate of proposed candidates (motion: Joanne, second: Linda). Election results approved.</i> |
| Store Update <ul style="list-style-type: none"> Wendy is the new produce manager | <i>Action: none</i> |
| Executive Session | None |
| Meeting adjourned | 9:10 pm |