

OKLAHOMA FOOD COOPERATIVE

BOARD MEETING

Operations center

May 2, 2010

Board members attending - Deedra Hovey, Ann Young, Dawn Mahiya, Kara Joy McKee, Robert Waldrop, Paulette Rink, April Harrington, Leah Aufill, Greg Parker, and Walter Kelley.

The meeting was called to order by President Robert Waldrop at 4:50 p.m.

The agenda submitted by Robert was amended to move the election of a new President to the end of the meeting and was then endorsed by the Board.

The word "birds" was replaced by "items" in the Standards Committee report for the March meeting. The minutes for both the March and the April meetings were approved, as amended.

Rules of order

Walter said that he needed feedback from the Board on what type of rules of order members want to use for Board meetings in the future, so he distributed a list of questions for discussion. It quickly became clear that members want a more informal set of rules than Robert's Rules of Order. However, in case it is necessary to bring more order to a portion of a meeting, there should be a mechanism for putting in place additional rules to organize debate. There is also much agreement that reports should be submitted in advance, perhaps by the Wednesday before the Board meeting. These could be attached to the minutes if they are in PDF form. Voting should be done by show of hands with the President not voting except to break a tie. The minutes should report the vote totals. If the vote is not unanimous, the minutes should say which members voted which way. Elections will be conducted by secret ballot with the President voting. The minutes should also summarize Board discussions. Walter will bring a draft of informal rules to the next Board meeting.

Policy manual

Robert had sent to Board members via email the text for section 1 of the policy manual, which is a collection of general policies. The amended text is in Attachment 1.

Motion (Greg, Dawn) The text of section 1 of the policy manual is adopted by the Board. This text will appear in the policy manual.

The motion passed unanimously.

CIO report

Greg had sent the following report to the Board:

- 1) Still having a problem with producer reports by product after orders close but prior to delivery day. Item quantities are being misreported. I will be watching a couple of particular producers during this next order cycle to isolate what the problem might be.
- 2) After having a virtual meeting with the accounting staff on April 20, we will begin looking at correcting some adjustment and reporting issues pertaining to producer item outages on delivery day. We will be developing a way to maintain some sort of producer history.
- 3) Electronic Storage Corp., which is a software development company in Tulsa, has offered to donate their software products for use by the Co-op. They specialize in document management products. The retail value of the software is approximately \$30,000.
- 4) Reinstating producer applications with suggestions from Standards.

Regarding number 3 above, Greg said that he wants to use LASERVAULT, a document management system, and also CONTENT EXPRESS. However, we will need to move to a new server; he has started tests on the new server, and all is well so far. This new dedicated server will cost \$219 a month, slightly more than the old one, but it has a faster processor. The software will belong to us, and he will be training some people to use it. Dawn said that he should consider putting this agreement into a contract.

Management report

Since there had been an operations meeting prior to the Board meeting, Kara Joy gave only a few of her activities that might be of interest to the Board. The Fundraising Team is now in place. She is working on a new policy for left-behind items. The duties of the Standards Committee and the Producer Care Committee have been separated and written down. Also, management teams in other areas - outreach, financial, etc. have been organized.

Financial report

April distributed a suggested budget for 2010 that she and Kara Joy had worked out. The handout also compared the budgeted amounts to actual totals for January and

February in each category. The Board unanimously passed the following motion:

Motion (Leah, April) The Board adopts the 2010 budget, as submitted.

April also gave out Profit & Loss and Balance Sheet statements through March 2010. The Co-op experienced a loss of about \$1700 for March, but there were many expenses that month.

Taxes are not yet finished, but they should be completed soon.

Standards report

The Standards Committee submitted a revised text for standards for processed, prepared, and co-packed products. (The text is given in attachment 2.)

Leah asked why these standards allow co-packers if the producer is not growing any of the ingredients. Robert said that the Co-op is in the business of supporting the local food industry, including commercial manufacturers, and the use of a co-packer allows a producer to offer a bigger variety of products. The label on a product must reveal where the product is produced. Leah said she believes that we should at least require the co-packer to use some Oklahoma ingredients. Deedra reported that the Standards Committee took the approach of making the system as transparent as possible and of letting customers decide which products they want to purchase. April said that she has heard from members that it is hard to figure out what some products really are and that we should consider using icons to designate desirable characteristics of products. Kara Joy also has noticed that members don't really understand our standards; management can work on the icon idea. Walter is concerned that the Co-op has no effective way of checking that ingredients meet our standards if a co-packer is used.

Motion (Deedra, Ann) The Board approves the new standards for processed, prepared, and co-packed products.

The motion failed with 0 members voting "yes", 7 members voting "no", and two abstentions (Greg and Deedra)

The Compliance Committee is in charge of keeping producers apprised of changes in standards. The Standards Committee will continue working on standards for processed, prepared, and co-packed products.

The Board went into Executive Session from 6:30 until 6:45 to continue discussing standards issues.

Membership report

Dawn asked how much money remains in the donations for memberships account.

The current total appears to be \$475. We are continuing to receive a large number of new memberships, including 103 for April. The following motion was approved unanimously:

Motion (Dawn, Leah) **The Board approves the new memberships for April and issues an appropriate amount of stock for them.**

VP for Customers

Chelsey missed the meeting due to business travel, but she submitted a report, text given in attachment 3.

Election of the President

With the resignation of Robert Waldrop, the Board will elect a new President to serve until Robert's term expires next January, when the membership will elect a new President. Chelsey had expressed her interest in serving by email prior to the meeting. At the meeting, Leah nominated Dawn for the position. Dawn said that she would be willing to serve but was not interested in running for a full term.

The Board went into Executive Session from 6:55 until 7:05 to discuss the candidates.

The Board then voted by secret ballot, and the result was:

Dawn - 6 votes

Chelsey - 4 votes

so Dawn will serve as president until the Annual Meeting next January.

The meeting adjourned at 7:10 p.m.

Submitted by Walter Kelley, Secretary

Attachment 1

TEXT FOR PROPOSED SECTION 1 of the Policy Manual.

1.0 General

1.100 The Policy Manual shall be made available to all members of the Cooperative by publishing it at the coop's website.

1.100.1 Unless otherwise specified, all policies become effective when properly enacted/reviewed by the competent authority for that policy and published to the coop's website. All policies must be written.

1.100.2 This Policy Manual contains all the policies of the Oklahoma Food Cooperative, including policies established by the Board, the Officers of the Coop, the General Manager, Standing Committees, other Committees established by the Board or the General Manager, or other Managers for their area of responsibility. Each policy is identified as to its source, and if available, the date of enactment.

1.100.3 Policies may be changed by the Board, the GOM, a Standing Committee, other Committees established by the Board or the General Operations Manager, or other Managers for their area of responsibility, as appropriate to the authority-source of the individual policy. Each policy shall state its source of authority. The Board may review non-Board-established policies.

1.101 Chairpersons and members of the Standing Committees specified in the Articles of Incorporation of the Oklahoma Food Coop shall be appointed by the President of the Cooperative, with the advice and consent of the Board of Directors. (Ed note: Appointment by the president is specified in the Articles of Incorporation, consent of the board has been our practice to date.)

1.102 Throughout these policies, "staff" refers to both employees and volunteers holding defined positions in the cooperative.

1.103 Supremacy. In all questions of policy, the Articles of Incorporation and actions of the board of directors or an annual or special meeting of the cooperative are supreme.

1.104 The Standards Committee is responsible for compiling/posting the policy manual.

1.105 Any board action intending to make a change or addition or deletion to this policy manual must include a statement to that effect in its text.

1.106 The Annual Meeting of the Co-op shall be held on the last Saturday in January each year.

Attachment 2

TEXT OF PROPOSED CHANGES TO PROCESSED, PREPARED, CO-PACKED PRODUCTS

Version 1.3.1

1. In order to sell a prepared food product, a coop member must apply for and be approved as a Prepared Food Producer, using the application published by the Compliance Committee at the coop's website. No producer may sell Prepared Food Products without applying for and being approved as a Prepared Food Product producer. Existing producers of prepared foods are grandfathered in as Prepared Food Producers, but they must complete the application form and send it to the Compliance Committee. Existing producers, not presently producing or selling prepared foods, must apply to become a Prepared Food Producer if they desire to add prepared food products. Products sold by a Prepared Food Producer must be made by the Producer, or his or her household, or employees.

a. In order to sell a prepared food product, where the production is carried out by a co-packer, a coop member must apply for and be approved as a Prepared Food Producer Using a Co-packer, using the application published by the Compliance Committee at the coop's website. No producer may use to co-packer to prepare foods for sale through the Oklahoma Food Cooperative without applying for and being approved as a Prepared Food Product producer. Existing producers of prepared foods using co-packers are grandfathered in as Prepared Food Producers Using Co-packers, but they must complete the application form and send it to the Compliance Committee, and their co-packed products must meet these standards. Existing producers, not presently producing or selling prepared foods using a co-packer, must apply to become a Prepared Food Producer Using a

Co-packer if they desire to add prepared food products that are made by a co-packer.

b. If a producer rents a facility to make a prepared food product, and the labor is done by the producer, his or her household, and/or employees, this is not considered co-packing under these standards.

2. Definition: A Prepared Food Product is any food that has been prepared in a manner which changes the food from its original state, but which does not require a Processing Authority Letter from an agency that issues processing authority letters. This does not include primary food products like raw meat, vegetables, grain, etc., nor processed meat products like sausages, meats, charcuterie prepared by a USDA or ODA licensed processing facility.

3. The existing standards for prepared foods as of the date of the adoption of this standard, remain unchanged. These standards are in addition to those standards.

4. All prepared food products sold through the Oklahoma Food Cooperative must comply with all applicable laws and government regulations, and the producer warrants to the Coop that the prepared products to be sold by the producer comply with the relevant laws and regulations. For the purposes of this standard, cured meats, sausages, luncheon meats and other charcuterie, offered by producers, prepared by a processor that is licensed by the USDA or the state of Oklahoma, are not considered to be "co-packed" or "prepared foods", but they must comply with the Coop's requirement that all ingredients be listed in the product description.

5. Requirements for co-packed products, if none of the ingredients are produced by the producer or sourced directly from Oklahoma producers:

a. The recipe(s) must be the unique creation of the producer and not simply a new label on a standard product run produced by the co-packer: it is specifically against our standards to use a standard product run from a co-packer that simply has the producer's name on it as the only differentiation between other units of that product produced by the co-packer. A producer may seek professional assistance in developing a unique recipe that can be produced in commercial quantities. (For example, a producer may consult with FAPC at OSU in developing their recipe and the cooking methods for producing it.) The producer shall submit a notarized statement from the co-packer confirming that the producer provided the recipe and that it is not part of a standard product run of the co-packer bought by other customers.

b. the co-packer must be located in the state of Oklahoma.

c. The present Coop standards regarding the use of meat, poultry, and eggs in prepared products also apply to co-packed products.

d. Producers using a co-packer must mention that in the description of their products, including the name and location of the co-packer, e.g., Zucchini-Cheese Casserole. Ingredients: zucchini, cheese, noodles, basil, herbs. Co-packed by the Desirable Foods Company, Bug Tussle, Oklahoma.

6. Requirements for co-packed products incorporating ingredients produced by the producer or sourced directly from Oklahoma producers.

a. Co-packed products incorporating Oklahoma ingredients. In situations where the producer is furnishing a defining ingredient(s) of the co-packed product, or sourced ingredients from Oklahoma producers, the requirements of #5 apply, except that a standard recipe may be used, as long as all of the product being sold through the coop contains the defining ingredient produced by the producer or sourced from Oklahoma producers. For example, in a casserole containing meat, if the producer is actually producing the meat, a standard recipe may be used. These products may include the phrase "(ingredient) sourced from Oklahoma producers" or "using (ingredient) from my farm" in their product description.

For example: Zucchini-Cheese-Hamburger Casserole. Ingredients: zucchini, cheese, noodles, hamburger, basil, herbs. Made with hamburger and zucchini from my farm. Co-packed by the Desirable Foods Company, Bug Tussle, Oklahoma. Or. . . Zucchini-Cheese-

Hamburger Casserole. Ingredients: zucchini, cheese, noodles, hamburger, basil, herbs. Made with hamburger and zucchini sourced from Oklahoma producers. Co-packed by the Desirable Foods Company, Bug Tussle, Oklahoma.

7. All applications for co-packed products must include a copy of the contract(s) with the co-packer. However, any proprietary information included in such contracts may be inked out to avoid disclosure of such proprietary information.

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PROPOSED REVISION IN STANDARDS FOR PROCESSED FOOD PRODUCERS

These standards are in addition to #s 6 and 7 of the "Products that may be sold through the Oklahoma Food Cooperative" standards.

1. In order to sell a processed food product, a coop member must apply for and be approved as a Processed Food Producer, using the application published by the Compliance Committee at the coop's website. No producer may sell Processed Food Products, as defined herein, without applying for and being approved as a Processed Food Product producer. Existing producers of processed foods are grandfathered in as Processed Food Producers, but they must complete the questionnaire and send it to the Compliance Committee. Existing producers, not presently producing or selling processed foods, must apply to become a Processed Food Producer if they desire to add processed food products. Products sold by a Processed Food Producer must be made by the Producer, or his or her household, or employees.

a. For the purposes of this standard, a Processed Food Product is a food that requires a Processing Authority Letter issued by an agency that issues processing authority letters to be legal for sale. All processed food products, as defined herein, sold through the Oklahoma Food Cooperative must comply with all applicable laws and government regulations, and the producer warrants to the Coop that the processed products to be sold by the producer comply with the relevant laws and regulations.

2. In order to sell a processed food product, where the production is carried out by a co-packer, the producer must apply for and be approved as a Processed Food Producer Using a Co-packer, using the application published by the Compliance Committee at the coop's website.. No co-packed processed food products, as defined herein, may be sold through the Oklahoma Food Cooperative unless the producer is approved as a Processed Food Producer Using a Co-packer. Existing producers of co-packed products are grandfathered as long as their products meet these new standards (unique recipe, using an Oklahoma co-packer), but they must also complete the new application form.

a. For the purposes of this standard, a Processed Food Product Using a Co-packer is a food that requires a Processing Authority Letter issued by an agency that issues processing authority letters to be legal for sale, that is produced by a business separate from the producer, his or her household, and/or employees. All processed food products, as defined herein, sold through the Oklahoma Food Cooperative must comply with all applicable laws and

government regulations, and the producer warrants to the Coop that the processed products to be sold by the producer comply with the relevant laws and regulations. For the purposes of this standard, cured meats, sausages, luncheon meats and other charcuterie, offered by producers, prepared by a processor that is licensed by the USDA or the state of Oklahoma, are not considered to be "co-packed".

b. If a producer rents a facility to make a processed product, and the labor is done by the producer, his or her household, and/or employees, this is not considered co-packing under these standards.

3. All applications for a Processed Food Producer or Co-packing Producer must include the number(s) from the Processing Authority Letter(s) documenting that their food processes have been approved by the appropriate authorities.

a. After initial approval, the producer must supply appropriate Processing Authority Letter numbers for any new Processed Food Products, as defined herein, added to the producer's product line.

4. Requirements for co-packed products, if none of the ingredients are produced by the producer or sourced directly from Oklahoma producers:

a. The recipe(s) must be the unique creation of the producer and not simply a new label on a standard product run produced by the co-packer: it is specifically against our standards to use a standard product run from a co-packer that simply has the producer's name on it as the only differentiation between other units of that product produced by the co-packer. A producer may seek professional assistance in developing a unique recipe that can be produced in commercial quantities. (For example, a producer may consult with FAPC at OSU in developing their recipe and the processes for producing it.) The producer shall submit a notarized statement from the co-packer confirming that the producer submitted the recipe to the co-packer and that the co-packed product is not part of a standard run of a product made by the co-packer and sold to other customers of the co-packer.

b. the co-packer must be located in the state of Oklahoma.

c. The present Coop standards regarding the use of meat, poultry, and eggs in processed or prepared products apply to co-packed products also.

d. Producers using a co-packer must mention that in the description of their products, including the name and location of the co-packer, e.g., Strawberry jam. Ingredients: sugar, pectin, strawberries. Co-packed by

the Desirable Foods Company, Bug Tussle, Oklahoma.

5. Requirements for co-packed products incorporating ingredients produced by the producer or sourced directly from Oklahoma producers.

a. Co-packed products incorporating Oklahoma ingredients. In situations where the producer is furnishing a defining ingredient(s) of the co-packed product, or has sourced such ingredient(s) from local producers, the requirements of #4 apply, except that a standard recipe may be used, as long as all of the product being sold through the coop contains the defining ingredient(s) produced by the producer or sourced from Oklahoma producers. For example, in a fruit product, if the producer is actually producing the fruit, a standard recipe may be used. These products may include the phrase "using some Oklahoma ingredients" or "using some production from my farm" in their product description. For example: "Strawberry jam. Ingredients: sugar, pectin, strawberries. Co-packed by the Desirable Foods Company, Bug Tussle, Oklahoma, using strawberries from my farm." Or, "Strawberry jam. Ingredients: sugar, pectin, strawberries. Co-packed by the Desirable Foods Company, Bug Tussle, Oklahoma, using strawberries sourced from Oklahoma farmers".

6. All applications for co-packed products must include a copy of the contract(s) with the co-packer. However, any proprietary information included in such contracts may be inked out to avoid disclosure of such proprietary information.*

Attachment 3

Things I have done this month:

- We have done several outreach booths this month, mostly around Earth Day. This is a short mention, but it took a lot of coordinating on my part and I hope a volunteer coordinator or an outreach-specific event coordinator can take over this task very soon. In the future I want to be more proactive with outreach rather than reactive. I have gotten so busy at times dealing with simple things another volunteer could do that larger planning tasks have been neglected.
- A producer contacted me about underwriting our KOUS underwriting, but she wanted to include her farm's name in the message. KOSU was fine with that, so I put the call out to other producers, and we now have at least 6

producers who plan to pay for a month of underwriting promoting the co-op. I also looked into KGOU again, but they are much more expensive.

- I have finally found a few volunteers who I think I can count on to make new member welcome calls. Ann, I haven't forgotten your offer and will call you if I need you!
- Once the logo is chosen I plan to meet with the people who have expressed interest in working on our website (Matt Williamson and Ben Lindesmith). I will assess their ideas and skill levels and then make a recommendation to the board and probably invite one or both of them to the next meeting if needed. I have already started working on the content to fill the new site, so hopefully the process will move quickly. I also have an outline created and a sketch of how the content should be organized, which I will run by everyone after brainstorming with the designer.
- I finally heard back from Rodney Holcomb at FAPC yesterday regarding the member survey, which I will attach also for review. This is only a draft and they are still working on the producer survey. I haven't been able to look at it in depth and compare it closely to the ideas we had about what the survey should do. Just to jog your memory, here's part of what I sent to Rodney several months ago to communicate our question goals:
Here are the questions we came up with, which I think were framed as multiple choice answers relating to why members chose to stop ordering:
 - 1. Prices of items I wanted to order were higher than I expected.
 - 2. The products I wanted were not listed.
 - 3. The products I wanted were out of stock.
 - 4. Items I ordered were not as I expected them to be.
 - 5. I don't like only being able to order once a month.
 - 6. It's too far to drive to the closest pick-up site.
 - 7. The time for picking up my order was not convenient.
 - 8. I don't like having to sort through coolers.
 - 9. Most of the items I wanted are available at the Farmer's Market or Health Food Store.
 - 10. I started my own garden for fresh produce.
 - 11. I contacted producer(s) regarding an issue and never received a return answer.
 - 12. Refrigerated product was delivered damaged or not cool enough.
 - 13. Frozen product not frozen when delivered.
 - 14. Non-cooler item damaged when delivered.
 - 15. Item(s) I ordered not delivered.
 - 16. I had difficulty understanding the invoice.
 - 17. I had difficulty ordering online.
 - 18. Packaging of item(s) ordered not adequate.
 - 19. Items ordered were not as advertised.

- 20. I am unable to spend as much at the OK Food Coop due to current economy.
- Logo contest: I will have to send this file later as the deadline isn't until tonight. I'm not going to send every entry to the board as some of them are clearly a "no." The second phase of this contest is a vote by the members, but I strongly suggest we only send logos on to the members that we would be 100 percent happy with, even if that means they only vote on two. But I think we have some good entries. Remember also that small things can be adjusted on all of these logos, so if we like something but want different colors or other changes, we can tell the designer that.