

OKFC Board Meeting

July 31<sup>st</sup>, 2011

Epiphany Church 4:30pm

Attendees: Chelsey Simpson, Bob Waldrop, Eric Lyons, Quentin Bomgardner, Jacki Morton, Lisa Weissenbuehler, Dawn Mahiya, Kara Joy McKee

Guests: Adam Price, Deb Willis

Agenda and Minutes:

- **Adoption of Agenda**

Chelsey-Do we need an item to discuss procedure for approving expenditures over a certain amount?

-management/ treasury team can decide this.

Missing Item discussion from notes last month- What is the deadline for reporting without a fee?

-management can set this.

- **Amendments proposed**

Jacki-grants update under old business

Deb- Lisa Lusby's reimbursement under new business

Anne- Financial manager compensation rate under new business

Lisa- Should we change site visit fee changed to New producer processing fee such that new producer fee would be charged at orientation as decided by the board?

Deciding about the CIO

**The amendments were approved unanimously**

- **Approval of the consent docket** (accepting new members/issuing stock and approving minutes of the previous meeting.

**Consent Docket approved unanimously consisting of new members and issuing stock only.**

- **Introduction for any coop members present, and any member presentations to the board.**

- **Financial report**

- "We are down cash wise for the year but up new members. In terms of looking at year to date we are scheduled to be over on some items and under on others. The budget amendment is being crafted will come up next month. Spending \$10,000-\$12,000 over our original budget is likely. It is awkward to estimate because the employee situation is still in development and there are some line items with no budget pending plan. Kara Joy and I will keep working on fleshing this out. So far we have \$8,000 cash difference

for July-December. Our employee plan so far will be reducing work cred it budget by \$5,000 and adding some new expenses in the form of wages and payroll tax.”- Anne N.

- Bob- will it eventually make sense to take our payroll in house
- Anne- dealing with IRS and accepting liability if it is off may be worth the expense to have someone else deal with payroll.

- **Standards report** (new producers)

- **Hendrix Farm**- standards and producer care recommends that they be approved to sell Eggs, fruits, vegetables and frozen chicken. They are using D. A. R. P. as their processing facility and we appreciate that kind of producer cooperation. Deb- “I like their set up, their chickens look happy and they are recycling and trying to do other good things. They grow grapes for a local vineyard and perhaps someday they will consider growing table grapes for the co-op.”

Bob moves to approve and Jacki seconds. Unanimous approval

**Chadwicks**- Standards voted to recommend that this producer be approved to sell pound cakes with one member dissenting. Producer care had reservations about Chadwick’s use of conventional dairy because some commercial produced dairy contains bovine growth hormone. Producer care will make sure that they are reminded that there are conventional dairy sources without bgh and that we prohibit the sale of products that contain bgh on the co-op.

Bob moved and Lisa seconded. Anne N. abstained and all others approved. With the motion passing 7-1.

**Cheese factory**- Standards and Producer Care members unanimous recommend we reject this producer application for gourmet blended cheeses. This producer uses various sources of out of state bacon for their Bacon cheddar cheese. They buy most of their dairy products from out of state and they have no way to prove that they are bgh free. Basically they are cutting up chunks of cheese and adding other ingredients. Russell Gift did the inspection and found that they also weren’t in compliance with food safety regulations in their kitchen, their labels are not written correctly and while they provided sources for their spices they had very little info on the dairy.

Bob moved that the board accept the recommendation of standards and producer care and to not accept Cheese Factory application to sell gourmet cheese. \_\_\_\_\_ seconded and the board unanimously rejected the application for the following reasons:

- the products containing meat did not use meat sourced from Oklahoma farmers or Oklahoma aggregators thereby raising concerns over violating the standard regarding the use of meat products from Confined Animal Feeding Operations

- the milk used to make the cheese was not confirmed as free of bovine growth hormones thereby raising concerns over violating the standard regarding the use of products from animals treated with bovine growth hormone

Discussion:

Should we inform producers of why they are rejected?

-Management team plans to explain the issues that led to the rejection of this application to the Cheese Factory.

Also, we should probably refine our application to ask where any producer gets the milk that they use.

- **Strategic plan review**

- Board structuring, grants and new building plan are in process. Routes- getting coolers off the floors at all sites needs to have some progress this month. Required member fee/service proposal needs to get started. Get thoughts together on how this would work and be ready to propose it to the membership for the annual meeting.

(Who is drafting a 1st version of this proposal?)

- **Old business- Jacki**

- Loan-\$18,800 with 3-5 year grace period. (There seem to be conflicting reports on whether it is 3 or 5 years and Jacki will check.) We may not want to spend all of this but it gives us options
- Grant-\$ 98,500 food desert grant. We have 7 pick up sites in food desert regions and we want to add 3 more. The grant would pay for new sites, our plan to move to twice a month in those regions, route expenses, a fulltime communications manager, outreach, regional meetings. Our current food desert pick up sites are Chickasaw, Op center, Stilwell, Stillwater, Tahlequah, Broken Arrow, Tulsa, and Enid, Watonga, Madill would be our new food desert sites.

- **New business**

- Proposed amendment to meeting rules- so that we don't make things up in board meeting and do so much last minute.- Bob
  1. Proposals from management to the board, or proposals that are initiated by officers or board members, shall be submitted in writing by noon on Thursday before board meetings, so that they can be included with the notice of the board meeting sent to the membership.
  2. If proposals have a fiscal impact, that impact must be calculated and reported in the proposal. The proposal must include the text of any motions relating to the proposal.

3. While amendments may be made to motions at the meeting, all such amendments shall be written out at the board meeting and submitted to the secretary in writing. Before the board votes, the secretary will read the motion, and the text of the motion shall be included in the minutes of the meeting.
4. The board expects that management, officers, and other board members will raise proposals to the board in advance of the deadline for written proposals, in order to give board members a chance to have input on the proposal.
5. A 2/3rds vote to suspend the rules is required to allow a vote on any motion not submitted to the board in writing before the deadline for sending the meeting notice to the membership. This does not apply to votes to set the agenda or adopt the consent docket. This amendment to our meeting rules shall be included in the policy manual.

FISCAL IMPACT: This proposal does not have a direct financial impact.

Bob Waldrop

Bob moved and \_\_\_\_ seconded. The motion was approved unanimously

- o Lisa Lusby reimbursement- she is asking for reimbursements for site visits from '08 and '09.- Deb

Her request came in after the deadline and she missed the announcement during the time that she was away due to deaths in her family.

Due to extenuating circumstances the board is approving issuing \$182.50 to Lisa Lusby for producer inspections that took place in 2009 and 2010. Eric moved to approve, Lisa seconded and the vote unanimous.

**The following motion should be tabled -**“ I move that the inspection fee be renamed the Producer Application Fee and be a non-refundable \$20 charge due when management sends an email saying that we will review their application and begin the collection process.” This needs a written procedure.- Bob moved \_\_\_\_ seconded and it was unanimously approved that we table this motion.

**Discussion:**

We need to make sure we are receiving the payment at the right time. Etc.

Bob will work with Deb on this and KJ will submit the proposal with the GOM report.

**Financial manager-** Should this person be contract labor or employee?

Anne N. moved that the new financial manager become a formal employee position authorize additional expenditure of \$1008 to convert their status. \_\_\_\_\_ seconded and the motion was **unanimously approved.**

**Bob moved that we** suspend the new proposals rule to vote on the above item.

**Deciding about the CIO discussion:**

**Chelsey-** These positions need very professional qualifications. Do we want the CIO board position to also be doing routine tasks? Let's avoid potential burn out and messy lines of management.

**Bob-** there used to be a cio and a info manager and when Greg was hired he took on both.

**Jacki-** I think that having both would be the best plan.

Let's find the CIO first and let that person help us set up a team approach.

**Committee to select our new CIO:** Bob, Lisa, Kara Joy

**Treasurer search committee:** Anne N. and Lisa W.

**Executive session**

- **Board questions regarding reports**
- **Remarks of the president**
  - “What might the co-op want politically? The governor’s task force have zeroed in on local food as a growth area that they would like to encourage. I have been asking the producers for input. Communications team is working with Kathy Moore to write a small column with local food policy updates. The initial idea is that she will give us government updates and not that she will be advocating to the government on our behalf. She wants to eliminate sales tax at farmers markets and I told her she would have to bring this and anything like it to the board for approval before she put anything out to the general public or the government on our behalf.” – Chelsey
- **Remarks of the general manager**
  - “Our problem producers from last month showed improvement but still need monitoring. The management team held a meeting prior to the board meeting and is enthusiastic about our plans for this fall. The delivery day 10am team meeting and pep talk seemed to take care of the theft issue and improved moral. The delivery week plan worked very well in spite of the heat and I was impressed by how well we were able to manage some last minute technical disasters. The meeting with our property managers went very well and Eric Lyon will be assisting with scheduling a meeting with the

property manager and the building search team to view other sections of the warehouse connected to our current operations center. ” –Kara Joy

\_\_\_\_\_ moved that we adjourn at \_\_\_\_\_ pm and it was unanimously approved.