

ONEOTA COOPERATIVE BOARD MEETING
SPECTRUM NETWORK
October 27, 2009

Board members present: Lyle Luzum, Toni Smith, Joan Leuenberger, Georgie Klevar, Steve Peterson, Onita Mohr

Absent: None

GM present: No

Twelve co-op member/owners were present.

President Lyle Luzum called the meeting to order at 5:01

Agenda Review and Approval: Onita asked that there be an additional agenda item to change the signature authorization for the bank accounts and Co-op credit card. Steve P. moved to have the board go into executive session if there are personal comments or attacks on current or former Coop staff members. Toni seconded. Discussion. Steve P. said that member/owners were free to criticize board members, but not staff members. The board takes this action to protect current and former staff members, who have no forum to defend themselves. Approved unanimously. Georgie moved to accept agenda as amended. Toni seconded. Approved unanimously.

Board Statement: Lyle read a statement from the board about the financial and structural impacts that the expansion has had on the OCC. In 2005, when the board was considering expansion, it engaged in a visioning process and created a document outlining the purpose and concept of an expansion. Those ideas were used to create the current version of OCC.

There were financial risks, either in going ahead with an expansion or choosing not to do so. The expansion looked feasible given the reasonable financial assumptions that were made. However, first year sales were below target by \$450,000. The OCC has debt of \$1.2 million, all local, including \$357,000 in member deferred loans. Monthly loan payments are \$10,000. Missing the first year sales target put OCC in a hole that it will take time to climb out of. It requires cost controls, efficient operational systems and extra efforts to increase sales.

The structural implications of the expansion were harder to forecast. How does an organization ramp up operations to run a store that requires almost double the sales volume to meet the expected financial goals? It soon became clear that cost controls, especially labor, were vital. Because this directly affected people, it caused pain and dissension. The board firmly believes that had action not been taken just in time last year, OCC would not be financially viable today. The situation was that dire. Cost control will continue to be a management priority for years to come.

Another structural challenge OCC had to confront was how to expand its definition of community to bring in the very people who were needed to make the store a success. Every expansion requires more members, more member sales, and more non-member sales. Bringing new shoppers into the store requires a welcoming, non-threatening environment. People are at different places in their food journey. They should be able to choose from a wide selection of good food at OCC. Members join OCC for different reasons. That diversity must be recognized. The board believes that for the expansion to succeed, OCC must take an inclusive approach to the larger community.

As the membership diversifies, so does the responsibility to assure that operational procedures do not favor any one segment of the membership, since all members are equal. Larger financial operations require new levels of expertise, formality and procedural systems. Boards and their responsibilities also change. As the business becomes more complex, part-time boards cannot be expected to run operations. They are charged with oversight, visioning and asset trusteeship. Managers are hired to apply their expertise to running operations. Boards and managers each need to understand and respect their roles and relationships.

OCC has had several managers. Whether collective or general, permanent or interim, all managers have had strengths and flaws. All have been dedicated servants of the Co-op, doing their sincere best with the hands they were dealt. To all of them, the membership and board owe a debt of gratitude and respect.

Respect and civil discourse have been diminishing, though. The Co-op has seen a dark and destructive pattern of behavior emerge in relation to each GM or interim GM that has been hired in the past two and a half years. General managers have been undermined and publicly attacked. The board is entering its third GM search in as many years. It struggles with the idea of how it can, in good conscience, bring another GM into this environment. The board wants to be clear that it did not ask Troy Bond to resign. He left to be reunited with his family, who had moved back to Des Moines after deciding they could not make a home in Decorah.

There are standards of fairness in a workplace that everyone deserves, including the GM. That is why organizations operate under policies, both at the operational level and the governance level. This allows everyone to know the rules. Everyone concerned should be able to count on decisions being made based on standards that are known up front. That is why the OCC has an employee grievance procedure, so that complaints can be evaluated by a neutral third party after hearing the conflicting claims. That is why the board has had a governance policy since 1996 that equates the manager's performance with the Co-op's performance. There should be no hidden agendas in the GM's evaluation, and no surprises.

OCC has a diverse membership that shares a common love for the Co-op. Its members can pursue a path that focuses on differences, where everyone insists on his or her own view, or they can pursue a path that recognizes common ground and understands that an imperfect co-op is better than no co-op.

In spite of everything, the Co-op is seeing success. Sales are up. Membership is up. The goodwill of the community abounds. The board asks members to focus on the common ground and help the Co-op be a success.

Steve P. read a statement from the board about staff treatment. The board acknowledged that it has said it thought staff surveys were a good idea. It still stands by that statement. However, it is not seeking a staff survey this year for several reasons. First, many coops who do staff surveys do them every other year in order to assess long-term trends rather than short-term problems. Second, from staff comments, the board is already aware that there are disagreements about the store climate. The board is looking at many aspects of staff treatment, including evaluation, training and grievance resolution to get a more complete picture. Third, the board thinks that a staff survey at this time would reinforce some mistaken ideas about how to address staff treatment issues. Many people already think the way to address these problems is to "tell the board" or "tell the members to pressure the board" so the board will do

something about it. The board thinks this is the wrong way to deal with complaints about staff treatment.

The board wants to direct people back to the grievance procedure. A grievance report is the board's main external report regarding fairness issues. The grievance procedure is important because it is based on fact, not opinion or anecdote, where both sides are allowed to present evidence to support their claims before a neutral decision-maker outside of the realm of political pressure. The board is ill-equipped to investigate such workplace complaints. It does not have the time, and it, too, is subject to political pressure. The board believes that its own direct involvement in workplace complaints would be detrimental to the long-term interests of the Co-op.

Delegations, Petitions, Communications (member comments):

A member advised that the articles of incorporation in the front desk board binder was not the most recent version. This should be corrected. Georgie agreed and the most recent version will be inserted.

There was a comment about the proposed bylaws change to the treasure's role. The member thought this was a significant change which should be considered by the membership.

The member also thought the Co-op was at risk with the IRS because services from one vendor were paid for by an OCC gift certificate. The Co-op has an obligation to report this through a form 1099 at the end of year. The member also thought the fair labor standards act needed to be strictly observed with respect to overtime pay. Staff should be clocking in all of their work hours and the Co-op should pay overtime to any hourly staff member who qualifies. The member thought the Co-op might also have a problem with the working member discount program. Volunteer work time is compensated. There could be a problem since the compensation is less than minimum wage.

There was a comment about the recent inventory that was done by an outside service. The counting was being done during store hours. The member thought the POS system was not prepared to handle that. It could cast doubt on integrity of inventory numbers.

The member also commented that OCC sends financial information to CoCoFst, where other cooperatives have access to quarterly data that OCC's membership do not have. The member wanted OCC members to have access to full quarterly financial information. The summary statement that was provided to members at this meeting does not show whether cash flow was up or down and does not show margin. Members cannot evaluate financial performance without this information.

Lyle interrupted and reminded the member that the three minutes was expired.

Another member commented that the board was rude to the first speaker and that this attitude will not help in building bridges.

Approval of Minutes: Steve P. noted that there were some misspelled names. Onita advised the board that those had been corrected already. Steve P. moved to approve minutes. Georgie seconded. Approved unanimously.

CONSENT AGENDA: Policies L5, Financial Condition, L2, Staff Treatment, D4, GM Performance,

and G2, Board Job Description were on the consent agenda. Joan moved to approve the policy monitoring reports. Toni seconded. Approved unanimously.

Summaries of reports from the consent agenda:

Policy L5, Financial Condition. Troy Bond provided a written report. Third quarter sales were over \$821,000, up 8.5% from third quarter 2008. Year-to-date sales are up 5% over last year. Net income was negative \$21,223. Although 3rd Quarter net income appears to be worse than the first two quarters of 2009, it would actually be consistent with them if the medial spending adjustment in the first quarter and the tax refund in the second quarter were removed. Cash on the balance sheet is about the same as second quarter 2009, at \$73,000. Measures of liquidity and solvency are reported below (3rd Quarter Abstracted Financial Report). Troy reported compliance with the other sections of Policy L5, including no new debt incurred, no real estate acquired or disposed of, no late tax payments or other payments, no unauthorized use of restricted funds, and adequate financial record keeping.

Troy reported that he had begun using a private inventory service because there were some questions as to the reliability of the internal inventory count. Margin was down in the third quarter for a number of reasons. Wellness had a POS error that resulted in supplements and body care items being priced well below their targets. That has been corrected. There was shrinkage in the inventory, possibly from theft. There will be monthly inventories to monitor these areas more closely.

Policy L2, Staff Treatment. Troy Bond provided a written report. The overall policy statement is “with respect to relations with paid and volunteer staff, the General Manager will not cause or allow conditions that are unfair, unsafe, or unclear.” Policy L2.1 contains a prohibition against harassment among staff or discrimination base on other than allowed business reasons. Interpretation. The personnel policy manual (PPM) is the source document for all rules regarding staff. Data. The PPM is comprehensive and current. Supervisors receive training so that the policies and procedures are effective. All new hires receive training. Personnel policies are reviewed periodically and as needed on the following schedule: by the GM annually or as needed, by an outside HR specialist every 3 to 5 years, and by legal counsel following major revisions. Compliance reported.

Policy L2.2 contains a prohibition against operating without written personnel policies that clarify rules for staff, provide for effective handling of grievances, protect against wrongful conditions, establish communication, provide job descriptions and evaluations. Interpretation. Policies provide working conditions that: are not arbitrary, capricious or tending to favoritism; are comprehensive, comprehensible and in compliance with the law. A staff survey will be administered by an HR consultant every other year. Data. Since January 2009, no grievances have been filed. Compliance reported.

Policy L2.3 regards the safeguarding and retention of personnel records. Interpretation. Personnel decisions and records will be adequately documented, secured and retained. Data. Written and electronic documents that must exist and be retained are secured in locked or password protected storage. Only designated staff may have access to them. Data. All conditions have been met but they have not been verified by an independent third party. Compliance was not reported due to the lack of external verification. Remediation timeline: Carolee Coulter will perform an audit in 2010.

Policy L2.4 regards abiding by workplace laws. Interpretation. All state and federal workplace laws,

as well as grocery and food service industry specific codes governing safe food handling must be strictly adhered to. Data. No violations have been reported and the Co-op's HR efforts continue to keep staff apprised of workplace laws and standards. Compliance reported.

Policy L2.5 contains a prohibition against promising or implying permanent or guaranteed employment. Interpretation. There is a disclaimer to this effect in the PPM and on the employment application form. Data. The disclaimer language was provided. Compliance reported.

Policy D4, Monitoring General Manager Performance. Lyle provided the written report. The overall policy statement is, "Monitoring of General Manager job performance will be solely against the only expected GM job outputs: organizational accomplishment of Ends policies and organizational operation within the boundaries established in Executive Limitation policies."

Policy D4.1 states that monitoring will be done to determine the degree to which board policies are being met. Information unrelated to board policy is not monitoring information. Interpretation. The Co-op, in accordance with bylaw 5.1, operates under policies created and maintained by the board. It is the board's responsibility to monitor the extent to which the GM is complying with those policies. The GM's expected job outputs are to conduct operations in a manner that works toward achieving the organization's ends while refraining from violating executive limitations. Policies seek to bring clarity to the expectations of board and management. There should be no surprises. The GM's performance will be equated with the co-op's performance.

Data. This is the first year that policy monitoring has been used as the sole basis for the GM evaluation. For policies in which the GM reported noncompliance, remediation plans have been proposed, and the board monitors them on an ongoing basis until the the co-op comes into compliance. If a policy is reported by the GM to be out of compliance, the board monitors the proposed remediation, even though that policy may not be scheduled to be monitored at that time. The board accepted the GM's interpretation of many policies. By such acceptance, the board indicated it agreed with the operational implementation of such interpretations. The board will not, then, use member/owner or board member differences of opinion about specific operational details as the basis for negatively evaluating the GM. The board has not found reason to change policies to shift the boundaries of authority between the GM and the board. On the contrary, despite some member demand that the board intervene on behalf of specific employees or against the GM on certain issues that were clearly operational, the board has made it clear that it would not insert itself into operational decisions. Compliance reported.

Policy D4.2 says the board may acquire monitoring data by one or more of three methods, by internal report, by external report, or by direct inspection. The board received internal reports in the form of GM monitoring reports. There was an external report in the form of a financial audit review, the first one ever for the Co-op. There were no direct inspections. Compliance reported.

Policy D4.3 states that the standard for compliance will be "any reasonable General Manager interpretation" of the board policy being monitored. The board is the final arbiter of reasonableness, but it will always judge with the "reasonable person" test, not with interpretations favored by individual board members or the board as a whole. Interpretation. The concept of "any reasonable General Manager interpretation" is often misunderstood. It does not mean the board cannot question anything the GM does. Rather it applies the same test of reasonableness that is used in the legal field. The

“reasonable person” standard holds that each person owes a duty to behave as a reasonable person would under the same or similar circumstances. It is not the board's role to approve every operational detail or insert its limited knowledge of store operations into the management process. The board has delegated that responsibility to the GM and holds him/her accountable for that performance. Data. The board received monitoring reports that included interpretations of the meaning and operational implications of policies. The board accepted the interpretations as reasonable. Thus in the context of the ongoing GM evaluation, performance was acceptable. Compliance reported.

Policy D4.4 states that all policies that instruct the GM will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but it will ordinarily follow a schedule. Interpretation. The board is responsible for determining when and in what manner the GM will provide monitoring reports. Typically, policies are monitored annually, except that financial condition is scheduled to be monitored quarterly. Data. The board has established a monitoring calendar and has used it to the degree possible. Certain policies have been monitored on an ongoing basis. Compliance reported.

Policy D4.5 The board's annual evaluation of the GM will be based on a summary of the monitoring reports received from October 1 through September 30. The board will make its decisions concerning evaluation, the employment contract and compensation adjustment no later than November. Interpretation. The GM evaluation is not a random or mysterious event but operates according to the schedule outlined. Data. The process of evaluation was scheduled for the past two years, but due to GM resignations, the actual evaluation process has not been completed. Compliance reported, given the circumstances.

Policy G2, Governance Process. The overall policy statement is, “The job of the Board is to represent the member-owners in ensuring appropriate organizational performance.” Interpretation. The board interprets “appropriate organizational performance” as meaning to communicate with members about board business and learn what values are held by the membership regarding the Ends of the Co-op; operate with clearly written policies that lay out expectations for both the board and the GM; monitor compliance with those policies regularly; reflect on whether the policies are sufficient to ensure both efficient operation and movement toward accomplishing the organization's purpose; and have a clear process for recruitment, orientation and perpetuation of a well-run board. Data. The board has developed a board policy register for Governance Process, Board-GM Delegation and Executive Limitations. It began work on Ends policies more than a year ago, but its attention has been diverted by other issues, including GM turnover. The Ends policies are on the board's agenda and will be finalized in due course. The board has monitored its own and the GM's performance through regular monitoring since April 2008. It has engaged in training and professional development and has improved its recruitment and nomination process. Compliance reported.

REPORTS:

3rd Quarter Abstracted Financial Report: Joan reported. In year-to-year third quarter comparisons, the Co-op was more profitable in 2009 than in 2008 by \$44,000. Sales were up 8.5% Many co-ops have seen flat or negative sales growth. Labor costs were down \$16,000 from last year's third quarter, 25% of sales in 2009 compared to 29.5% in 2008 . This savings was offset by the cost of goods increasing by a similar amount. Margins were similar, 36.7% in third quarter 2009 compared to 36.2% in 2008. The quick ratio was .32, up from .22 in 2008. The current ratio was 1.02, unchanged from 2008. The

debt to equity ratio was 3.59, down from 3.82 last year.

Compared to second quarter 2009, the ratios changed only slightly. In summary, OCC is making slow progress from last year. It is paying off debt and slowly increasing cash. If the Co-op were to be less diligent on cost controls, or have weeks of depressed sales, or large unplanned expenses, it could easily be in trouble again.

Steve P. commented that the big shortfall in sales last year created problems that OCC will have to work on for a long time. Troy talked about meeting weekly sales targets in the mid \$60,000 range in order to make progress.

Member question: If OCC had not received a tax refund, what would its cash situation be? How are operations doing as far as generating cash? Joan said that tax refunds are income and count as cash. The board did not have available at this meeting an analysis of the cash generated strictly from operations. The member said that the Co-op had paid down a lot of accounts payable in third quarter 2008. The member did not think the Co-op was in such a bad cash position at the end of 2008, and to say OCC was at risk of financial collapse before the layoffs was not accurate.

Steve P. suggested the member provide some written questions. The member offered original handwritten documents. Steve P. asked that the member make a copy for the board, as he did not want to be responsible for the originals.

Georgie said that after the NCGA audit in October 2008, knowledgeable people were telling the board that cash flow would be depleted in the next 6 months. The board needed to pay attention to that.

Steve P. and Joan said the financial ratios show the Co-op is still in a cash tight position. For now, OCC has had three quarters of increasing sales, but it is not out of the woods.

Member question: Where is OCC with respect to the profit goal?

The profit goal for the year is \$64, 812. Third quarter net income is negative \$21,233. The net income goal will not be met for the year.

Member question: Whose responsibility is that?

Steve P. said it is ultimately the board's responsibility. The board hires a GM to run operations and it holds the GM accountable. Right now OCC does not have a GM, so the board accepts the responsibility. Georgie said the budget was created at a time when the full impact of the recession was not known. The board has been aware that the net profit goal would not be met.

Member question: Concerning the sales shortfall last year, how could the board have been more proactive in adjusting expectations and working with management at that time to change goals or expectations or to try to control costs so that the shortfall did not affect the store like it did.

Joan said part of the issue was that OCC needed new systems for monitoring and taking action, systems that would allow OCC to be more responsive to changing circumstances. Financial reports were not completed as quickly last year as they are this year, so the GM and board did not know the true picture

as soon as they should have. The situation looked all right for the first two quarters of 2008, but the cash infusion from the sale of the old building masked underlying problems. The board supported Christopher DeAngelis' efforts to educate himself, seek outside advice and try to implement changes. There was institutional inertia to be overcome. After the NCGA store audit report came in October 2008, Christopher resigned, and the board knew it would need to seek a manager with financial turnaround skills.

Steve P. said the board could not be expected to know how to operate and control labor at the departmental level. The board is transient. The GM did advise the board during 2008 of the adjusted expectations as to year-end sales, but the GM and management staff were unable to implement the operational systems that would allow them to successfully adjust expenses, especially labor costs, to meet the scaled-back sales projections.

Lyle said that the people who planned for the opening of the store did the best they could with the knowledge they had. No one can foresee everything. He did not want to get into blame games. No one entered the expansion process with a lack of integrity. Everyone is doing their best to understand the situation and deal with it, and do it in a way that attracts customers and maintains the health of the current membership. People can ask, "why weren't labor costs controlled," but when action was taken to control those costs, there were consequences and there was resistance.

A member commented that controlling labor costs has other impacts. The member did not think the board had the whole picture of what the staff perspective has been. The grievance process can work when the complaint is about another employee, but it may not work when the complaint is about the GM. Criticism of operations is different than criticism of an employee. The member thought there needed to be a way to step above the GM in order to be able to criticize what is happening in the store.

Lyle responded that nobody sees the whole picture. Nobody can. Most people work within some type of organization with similar issues. It is a familiar and difficult topic. Steve P. said OCC needs to figure out way to deal with this. One way would be for people to come directly to the board, but he did not think that was a good way.

Lyle recommended that the board move on to the next agenda item. Toni moved to accept the finance report. Steve P. seconded. Approved unanimously.

ACTION ITEMS:

Bylaw Change Recommendations: Toni recommended that under bylaw 2.7, ("Nondiscrimination") the term "handicap" be changed to "disability."

Member comment: The change in the Treasure's role in bylaw 6.2 is substantial and should not be done by the board alone.

The proposed change would remove from the "Treasurer Role" the responsibility to oversee the financial affairs of the Co-op. Instead, the treasurer would oversee the Co-op board's budget. Joan responded that if there were any items that were controversial, they should be removed from the proposed changes.

Steve P. said that all board members are responsible for the financial welfare of the Co-op, not just the board treasurer. Georgie said there is no guarantee that the board will have a CPA or someone with special financial skills to fill the office of treasurer. Lyle said Article V of the bylaws gave financial responsibility to the whole board. The board cannot delegate its responsibility to oversee the Co-op's finances to one board member. He wondered if it might be a statutory requirement for financial responsibility to be vested in the board as a whole.

Toni moved to change "handicap" to "disability" in bylaw 2.7. Steve P. seconded. Approved unanimously. Joan moved to leave the Treasurer's Role unchanged for now and include that change in the list of other bylaw changes that will be submitted to the membership. Georgie seconded. Approved, 5 votes in favor and one (Lyle) against. Georgie moved to accept the second reading of the bylaws amendments. Steve P. seconded. Approved unanimously.

Clarification of Member in Good Standing Definition: Georgie reported. Her prior recommendation for determining if a member was in good standing was based on current practice, which is to have membership share installments due on the anniversary of joining the Co-op. In making that recommendation, she had reviewed the bylaws and the board policy register. She had not reviewed the articles of incorporation. Article VII requires that installment payments be made between January and March of each year. Minimum annual payment of \$20 is to be assessed at the January meeting of the board and paid on March 1.

Georgie would like to talk this change over with the front end department. If someone joins in December, they will have another share payment due by March 1. Toni said the Co-op will need to educate members about this change. A member suggested changing the articles of incorporation. Georgie responded that an amendment could not be done in a timely manner for this election cycle. The board needs to implement the March 1 due date. The board will need to add an item to its calendar to assess share installment payments each January.

Georgie moved to rescind the August motion and comply with the requirements of Article VII. Toni seconded. Approved unanimously.

Clarification and Reiteration of Board Election Process: Steve P. reported that the board needs to approve a method of balloting for the next election. Past practice has been to put the ballot in the Scoop. The Scoop no longer goes to just the membership, so ballots cannot be sent that way. The ad hoc committee that reviewed the election process recommended mailed ballots, with a privacy envelope for return, and a shorter balloting time. Ballots will be mailed on March 1 and the deadline for return will be at the end of the Co-op's business day on March 29. The privacy envelope will need to be signed by the member and the "good standing" status will be reviewed at the time votes are counted.

Member question: Can members become ineligible during the balloting period between March 1 and March 29?

Georgie responded that last year, members could vote if they were in good standing or in the grace period. People who join the Co-op between March 1 and March 29 will be able to vote.

Georgie moved that the election process include mailed ballots with an extra envelope, that three

members verify member signatures on the envelopes against the Co-op membership list, that the voting period be from March 1 to March 29, that members who join in March be eligible to vote, that ballots be mailed to members in good standing, and that balloting be finished by end of coop business day on March 29. Toni seconded. Approved unanimously.

Ends Policies: Steve P. gave an overview of the changes that have been made as a result of member comments so far. There have been discussions and requests to have the principles of cooperation enumerated in Ends policies. The board added the reference to principles of cooperation as being the source of our commitment. The Ends policies also delineated the primary and secondary stakeholders. The board added and reworded some of the specific Ends that it would like the Co-op to achieve.

Toni asked if there should be anything in the Ends policies about the Co-op wanting a continued existence as an end. Steve P. thought that was understood. Georgie said she was not in favor of making the document longer or more detailed than it is.

Member comment: The Ends use the terms “sustainably produced” and “affordable” These seem to be mushy.

Lyle agreed that they have a certain mushiness, but he did not think that meant the Ends policies should not use them. There is a new national definition of “sustainable” Georgie commented that even “organic” has some mushiness as a definition.

Member comment: Are the items in the first numbered sentence ordered according to priority? Should “affordable” be further down the list?

Member comment: It is important to enumerate the cooperative principles to educate people about cooperatives. If the principles were set out in the Ends policies, people would not have to take the extra step of looking them up on their own.

Lyle thought that to embed a free standing document (the cooperative principles) in the Ends policies would be repetitious.

Additional comment: The net effect of replacing the current Mission Statement and Vision and Values Statement with the Ends policies will be to diminish the Co-op's mission. The proposed document is set out in passive language, and that diminishes the strength, purpose, and intent of the mission. If you are going to go through this process, then enumerate the cooperative principles. The language is important. Please state the policies in an active voice, rather than passive.

Member comment: Should “affordable” be in the Ends policies? Is that one of the primary criteria for what is offered at the Co-op?

Steve P. responded that “affordable” was not a limitation. It is open to interpretation by the GM. The term was derived from existing documents, in the Mission Statement, and from the board's thought process. Cost is a consideration. Georgie said “reasonably priced” was the language in the Mission Statement. Joan thought it was better to have one word than two, if they mean about the same thing.

Georgie moved to move “affordable” to the end of the first numbered sentence and accept the first

reading with that change. Joan seconded. Approved unanimously.

Member question: Does the revised version become a first reading at the next board meeting because there is a language change?

The board's position was that the next reading would be the second reading, even though changes were made. Toni said the revised document from this meeting would be posted and the changes could be highlighted.

BANK SIGNATURE AUTHORIZATION: Onita moved to authorize Michelle Campe to be a be an authorized signer on the coop bank accounts and credit cards, and to remove Troy Bond. Toni seconded. Approved unanimously. The specific process for changing the name on the credit card needs to be identified.

Next Month Monitoring: Board report on Policy G3, Agenda Planning. GM report on Policies L5, Financial Condition (ongoing) and L7, Asset Protection.

Next Meeting: November 24, 2009, 5:00 pm at Spectrum Network.

Executive Session – Personnel: Georgie moved to go into executive session for personnel issues. Toni seconded. Approved unanimously. The board entered executive session at 7:17 p.m.

The board discussed personnel issues including an interim GM employment agreement and the search process for a new GM.

Georgie moved to leave executive session. Joan seconded. Approved unanimously. The board left executive session at 8:02 p.m.

Adjourn: Toni moved to adjourn. Steve P. seconded. Approved unanimously. Meeting adjourned at 8:03 p.m.

Respectfully submitted,

Onita Mohr, board secretary

Rachel Breitenbach-Dirks, scribe

Documents reviewed:

Agenda

Minutes, September 22, 2009, regular meeting and executive session

Minutes, October 10, 2009, special meeting, regular and executive session

Policy L5 report, Financial Condition (quarterly report)

Third quarter Profit and Loss Statement and Balance Sheet

Third quarter summary financial statements

Policy L2 report, Staff Treatment

Policy D4 report, Monitoring GM Performance

Policy G2 report, Board Job Description

Draft bylaws revisions
Draft “member in good standing” statement
Draft ends policies