

1 **BRIARPATCH COMMUNITY MARKET**
2 **Board of Directors Regular Meeting**

3
4 **MINUTES – SECOND DRAFT**

5
6 **MARCH 31, 2008**

7
8 **Date: Monday, March 31, 2008, 5:30 p.m.**

9 **Place: Nevada City City Hall, 317 Broad St., Nevada City, CA.**

10
11 **Directors Present:**

12 Quorum present: Rod Bedayn, Malaika Bishop, Marshall Goldberg, Joseph
13 Guida, Arthur Katz, Mike Pasner, Debbie Plass, Eddy Sitzer, Alan Weisberg.

14
15 **Directors Absent:** None

16
17 **Managers Present:** Paul Harton, General Manager; Mark Warner, Finance
18 Manager; Jose Martinez, Operations Manager; Heather Wright, Human
19 Resources Manager.

20
21 **Others Present:** Guests, about 15-20 employees, members and others. (Please
22 see Attached Sign In Sheet.)

23
24 **1.0 Call to Order:**

25 The regular meeting of the BOD was called to order at 5:31 p.m. by Marshall
26 Goldberg, Vice President of the Board, meeting Chairperson.

27
28 **Opening Statement:** Marshall Goldberg presented the following quotations:
29 “Cooperation exists when we have the capacity to link our will with the
30 purpose of others.” By Woodrow Wilson (slightly paraphrased).
31 “The benefits of an enterprise do not outweigh the need for us to learn to work
32 together.” Author unknown.

33
34 **2.0 Approval of Agenda:**

35 Arthur Katz noted that in the past there has been some confusion about
36 whether Board Members are considered to be personnel. Addressing this
37 issue, he presented the following statement:

38 “During the month of March, 2008, Director Katz consulted with attorneys
39 from two separate law firms. Both attorneys, Mark Foster (a specialist in
40 legal issues related to corporate governance) and Michael Callagy

1 (independent private practice with considerable experience in organizational
2 governance), have concurred that the members of the Board of Directors
3 serving at BriarPatch . . . would not be defined or classified as ‘personnel’.”
4

5 Arthur Katz reminded the BOD that it has been a very long time since it was
6 agreed to have an informational session on the subject of ERRORS AND
7 OMISSIONS INSURANCE FOR DIRECTORS. He asked whether anyone is
8 responsible for making this happen. Arthur expressed concern that more
9 business of the Board gets deferred than gets conducted. He suggested that in
10 the future we have a section of the minutes devoted to “UNFINISHED
11 BUSINESS” showing the titles and dates of the agenda items deferred.
12

13 *[Note: The Recording Secretary has included in this document a section*
14 *entitled “Unfinished Business”.]*
15

16 Arthur Katz also pointed out that By-laws section 7.10 states: “ All meetings
17 of the Board shall be conducted according to ‘Robert’s Rules of Order’, unless
18 decided otherwise by a majority of the Board.” He suggested that a training
19 program be offered for the Board members in the application of Robert’s
20 Rules of Order (both editions).
21

22 Mike Pasner stated that Richard Burton is a local attorney who agrees that
23 Board members are not personnel.

24 Mike Pasner also stated his opinion that the Board should have a meeting
25 during April in addition to the Open Forum scheduled for April 28, 2008.
26 Marshall Goldberg responded that having two meetings per month does not
27 work for many of the Board members, and the Board business for April will
28 be the Open Format meeting.
29

30 Malaika Bishop gave copies to the Board of the “Addendum to Merchandising
31 Policy”, Draft, 10-24-07. She also gave out copies of minutes for two
32 meetings (March 5th and March 12th) of the Resolution Committee.
33

34 **Debbie Plass moved to approve the Agenda, Alan Weisberg seconded,**
35 **and the motion passed with 8 in favor and one opposed.**
36

37 **3.0 Approval of Minutes:** Changes requested included:

38 P. 3, line 26, change the name “Julie” Jordan to “Joey” Jordan.

39 P. 3, line 28, add the name “Joseph Crain”. (The application from Joseph
40 Crain was received during the meeting and was not included in the list.)

1 **Joseph Guida moved to approve the minutes as amended, Eddy Sitzer**
2 **seconded, and the minutes were approved unanimously.**

3

4 **4.0 General Manager’s Report:** Paul Harton highlighted the important issues
5 of the month: New Training Program; Financials; Contingency Plans;
6 Department Manager Reorganization; and Vacation. Details of these issues
7 are shown in the “General Manager Report – March 2008”, and “Training
8 Classes” (see Attachments).

9

10 **5.0 Nominations/Elections Committee Report:** Eddy Sitzer presented copies
11 to the BOD of the “March 17 Notes from Elections Committee Meeting” (see
12 Attachments). She gave additional information, including:

- 13 • Gregory Diaz will be keeping the key to the ballots.
- 14 • Voters may obtain their ballots at Customer Service.
- 15 • Paul Harton will manage information copies and keep them current on
16 the tables.

17 When asked if candidates could use the copy machine, Eddy Sitzer said she
18 would check on this.

19 Eddy Sitzer noted that there are 15 candidates on the roster at this time. They
20 are (in alphabetical order):

21

22 Joseph Crain	Mark Fenton	Bruce Frazier	Jeff Gold
23 Marshall Goldberg	Julie Hubbard	Paul Jaffe	Louise Jones
24 Joey Jordan	Robert O’Brien	Mike Pasner	Debbie Plass
25 Missa Sampley	Lew Sitzer	Peter VanZant	

26

27 Marshall Goldberg suggested that Eddy, having heard all the concerns
28 expressed, should notify the candidates by email of any decisions that are
29 made. Eddy agreed to do this.

30

31 Joseph Guida and Marshall Goldberg expressed appreciation to Eddy for all
32 her work.

33

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35 **6.0 Statement by Meeting Chair:** Marshall Goldberg extended a belated
36 welcome to the audience, and proceeded to the issue of addressing comments
37 from the audience at the last meeting. Briefly, comments and responses
38 included:

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Comment: We need a better tone in our meetings.

Response: We are actively working on this, and I hope it is becoming noticeable that our real motivation is for the betterment of the Co-op. We appreciate the feedback we have received.

Comment: Public Comment should be a two-way dialogue.

Response: Public Comment is a time for feedback for the use of the BOD. We will have a two-way dialogue session at the April 28th meeting.

Comment: We need a class for new members of the Co-op.

Response: We agree that a class would help new members to understand what a co-op is all about, and we are working on that.

Comment: We need better access to financial data.

Response: We are working very hard to make every piece of information available in the newsletter, in the meetings, statements, reports, minutes, attachments, and through personal questions.

Comment: The Board is not on top of the finances.

Response: This is not true, although we all have different levels of understanding the financial situation. Please contact the Board members and ask those questions if you are not hearing the whole story.

Comment: This is a time of huge change.

Response: We agree with you. And now the election is coming up, and that will mean even more change.

Marshall Goldberg thanked everyone for their comments and concerns.

7.0 Public Comment: Marshall Goldberg gave a brief introduction, reminding the speakers of the rules for public comments. Four people had signed up to speak and they were given 5 minutes each. Following comments are a partial representation of the points made. (All comments can be heard on cassette tapes and/or digital recording. Ask Debbie or Mimi or Paul Harton for details.)

- I would like to suggest that we have an overhead projector, so that the audience can follow along better with what is being said.
- I support agenda item 8.1; we want to know the true costs. And this would allow departments to feel more pride in their productivity.
- I also support item 8.2 (the Director of Finance shall report directly to the Board).

- 1 • Web site has a lot more current information now and the responsible
2 staff persons deserve the credit for a good job well done.
- 3 • An overhead projector would be very helpful.
- 4 • The process described in item 8.1 would be a tremendous amount of
5 work for very little information.
- 6 • One of the first items the new Board should have is a financial
7 workshop.
- 8 • It is not a good idea to have the Finance Manager report directly to the
9 Board (item 8.2).
- 10 • How do we reconcile the use of non-organic packaging material with
11 our vision statement?
- 12 • Do we have solar panels? What is the plan regarding solar panels?
- 13 • The Board should be very involved in the finances.
- 14 • What has happened to the Resolution Committee? Some things seem to
15 get started, then they just evaporate.
- 16 • The Board should be very influential in the financial accounting
17 procedures.
- 18 • The newspaper article on the front page of today's paper about the
19 BriarPatch Fish Department was a good promotion for the services the
20 BriarPatch provides.
- 21 • We should continue working on our own strengths, e.g., putting our
22 energy into educating people regarding food.
- 23 • The new Board should have a financial workshop.
- 24 • I oppose both 8.1 and 8.2: we have enough change for now; people
25 know what is working and what is not working.
- 26 • Article by Sharon Boivin (a Nevada County Planner) written in
27 February 1977 was read aloud, and is included herein (see
28 Attachments).

29
30 Marshall Goldberg expressed thanks to everyone for the feedback.

31
32 **8.0 Finance Manager/Committee Report:** Alan Weisberg presented the
33 meeting notes of the Finance Committee Meeting of March 18, 2008,
34 and spoke briefly about the finances of the store. Please refer to the
35 Attachments to view a detailed coverage of the Finance Committee
36 Meeting.

37
38 Mark Warner arrived at 6:30 and pointed out the highlights in the
39 "February Financials" file. This file, which is attached herewith,

1 contains 7 pages of narrative together with various financial statements
2 and graphs. Mike Pasner commented that the \$26,000 loss shown for
3 February is inaccurate, since the overpayment to PG & E (refund of
4 \$10,000) has been accruing over the last ten months. Therefore, only a
5 fraction of the loss would be directly attributable to February Financials.
6

7 Mark Warner noted some of the major issues covered in his report,
8 including:
9

- 10 • The store is experiencing what has been expected and projected to
11 happen in the opening of a new store.
- 12 • The real trends of the store financials are not clear yet, due to the
13 weather and the recession. Information as to the steady state
14 operating expenses is not available because of the many
15 perturbations.
- 16 • The cash flow has been stable during the last two months.
- 17 • There are no long-term plans or extrapolations because of January
18 being such a problematic month.
- 19 • A good source of revenue for the store is the food tent operation.
20 We could make \$20-25 thousand per month. We do need a truck.
- 21 • The big question is whether the recession will be a short-term
22 recession, or turn into a depression.
23

24 Mark Warner's recommendation was that, since we are dealing with
25 some extreme fluctuations in finances now, it would be better if we
26 wait until the financial picture is more stable before embarking on
27 any large expenditure projects. He had more conclusions, which are
28 given in detail on page 7 of his "Narrative for February Financial
29 Statements" (see Attachments).
30

31 Arthur Katz pointed out that financial reports should be labeled
32 clearly to indicate whether they are audited or non-audited, so that
33 the readers would not be misled. He offered to review the
34 terminology of reports (prior to publication) with the newsletter
35 staff/or the Financial Manager in order to provide more clarity for the
36 non-accountant audience.
37

38 **8.1 Action: Arthur Katz moved that the Board of Directors direct**
39 **the General Manager to provide financial reporting to the Board**

1 **that segregates all overhead and applies these cost allocations to**
2 **all income producing departments. Mike Pasner seconded the**
3 **motion.** Arthur Katz asked to give a presentation that could impact
4 the decision on this issue, and, after a brief discussion, the Board
5 agreed to allocate 10 minutes for Arthur's presentation and an
6 additional 10 minutes for discussion and voting on items 8.1 and 8.2.
7 Arthur Katz gave his presentation in which he explained the reasons
8 for following the accounting principle described in item 8.1, above.
9 He pointed out that it would not take that much more work, and he
10 volunteered to help. (Malaika Bishop also offered to help him with
11 the task.) More important, it would provide a more accurate picture
12 of the profitability of the income producing departments. To
13 illustrate his points, Arthur used a copy of the Profit and Loss
14 Summary as of January 31, 2008, a Whole Store financial statement
15 for January 2008, and a final page showing the sum of \$224,000 for
16 expenses not allocated to operating departments (see Attachments).
17 Mike Pasner noted that if this procedure had been used in the
18 financial reporting, the managers would have known 6 months earlier
19 about the potential for the \$30,000 loss in the Meat Department, and,
20 possibly, the loss could have been averted.

21
22 **When the vote was taken, there were two yeas (Arthur Katz and**
23 **Mike Pasner), six nays (Rod Bedayn, Marshall Goldberg, Joseph**
24 **Guida, Debbie Plass, Eddy Sitzer, and Alan Weisberg), and one**
25 **abstention (Malaika Bishop). The motion did not pass. Vote**
26 **Tally attached.**

27
28 **Adjournment:**

29 The meeting was adjourned at 8:27 p.m. to go into closed session.

30
31 Additional Minutes of the BOD Meeting March 31, 2008, as reported by
32 Marshall Goldberg.

33
34 9:40 pm -- closed session ends, reopen Board meeting

35 M. Goldberg stated the Board will be having a special "closed" session
36 meeting on Tuesday, April 15, 2008 at 5:00 p.m. to complete closed
37 session business related to the General Manager performance evaluation.
38 He also confirmed the next Board meeting, a community dialog and
39 forum, is scheduled for April 28, 2008, at the Nevada City City Hall, as

1 announced at the last meeting and contained in the February meeting
2 minutes.

3
4 M. Pasner discussed the need for a second Board meeting in April to
5 complete pending items scheduled before the Board. M. Goldberg stated
6 he planned to put as many pending and tabled items as possible on the
7 Board's May agenda. There was no consensus on whether there should
8 be a second meeting in April. Malaika Bishop made a motion "to have a
9 second meeting, a 1.5 hour Board meeting on Tuesday, April 15, 2008 at
10 5:00 pm, moving the closed session to 6:30 pm". The motion was
11 seconded by A. Katz. A vote was taken, the motion did not pass – 4 in
12 favor, 5 opposed.

13
14 9:48 pm -- meeting adjourned

15
16 **Decisions Summary:**

- 17 1. The BOD decided to not pass Action item 8.1. P. 6, lines 35-40
18 and P. 7, lines 1-22.

19
20 **Summary of Assignments/Commitments:**

- 21 1. P. Harton will manage info copies on tables. P. 3, lines 15-16.
22 2. E. Sitzer to check on use of copy machine. P.3, lines 17-18.
23 3. E. Sitzer to notify candidates by email. P. 3, lines 27-29.

24
25 **Unfinished Business:**

- 26 1. Information session on Errors and Omissions Insurance for
27 Directors. P. 2, lines 5-8.
28 2. Finance Manager to report to Board. Action 8.2 on Agenda.
29 3. BOD to retain independent legal counsel. Action 9.1 on Agenda.
30 4. Directors to be present to vote. Action 9.2 on Agenda.
31 5. BOD to approve Addendum to Merchandising Policy. Action 10.1
32 on Agenda.

33
34 **NEXT REGULAR MEETING WILL BE HELD MONDAY, APRIL**
35 **28, 2008 at 5:30 P.M. LOCATION: Nevada City City Hall, 317**
36 **Broad Street, Nevada City, CA.**

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38 Minutes prepared by Mimi Malthan on April 6, 2008.

39 **APPROVED BY:**

DATE:

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ATTACHMENTS:

- Board Meeting Agenda for March 31, 2008
- Vote Tally Sheet (1)
- Sign in sheet (1)
- General Manager Report, March 2008
 - Training Classes
 - March 17 Notes from Elections Committee Meeting
 - Finance Committee Meeting March 18, 2008 -- Meeting Notes
 - Narrative for February Financial Statements, March 28, 2008
 - P&L Summary
 - Balance Sheet
 - Payroll Trends – graph of Gross Payroll
 - Sales per Month – graph
 - Projected vs Actual
 - Iterations
 - Projection
- Arthur Katz Presentation
- Addendum to Merchandising Policy – Draft 10-24-07
- Resolution Committee Minutes March 5, 2008
- Resolution Committee Minutes March 12, 2008
- Message from Sharon Boivin

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(The ATTACHMENTS are fastened to the Minutes Draft and posted on the bulletin board, lower left hand corner. The bulletin board is near Customer Service, in the front of the store.)