

Annual Ownership Meeting
Monday, October 26, 2020 via Zoom
6:00pm | 7:45pm adjourn

Directors: Peter Frank, Mike Strode, Celeste Levitz-Jones, Rebecca Williams, Victoria Birkbeck, Paul Williams. Absent: Don Washington.

Owners: estimated 95 in attendance.

6:00 Opening Remarks (VB, Director)

- Welcome, thanks and gratitude expressed to all owners in attendance; review of meeting agenda; introduction of PollEverywhere tool to be used for interactive polling & Q/A during meeting;
- Invited attendees to participate in the first poll “How has the Dill Pickle been a source of support for you this past year?”

6:07 Election Info (VB, Director)

- Voting is open and closes on October 28th at 11:59 pm.
- Offered an explanation of why there are 5 vacancies being filled during this election including the conclusion of three seats with a 3 year term, one with a 2 year term, and one with a 1 year term.
- Four candidates (Teresa Meza, Troy Martin, Brock Auerback-Lynn, and Whytnee Bush) introduced themselves and what excites them about joining the board
- Introduced proposed Bylaw amendment on the ballot which involves changing the equity structure to allow one share at \$100, remove “fully vested” with full ownership rights at one share, and increase the maximum number of shares to 10.

6:14 Operations/GM Report (IM, General Manager)

- IM announced breaking news about signing of IWW union contract with DPFC staff. 16 hourly staff voted in favor of the contract with 1 staff member opposing out of 42 staff members who were eligible to vote on the contract.
- Another challenging year in store and community with recovery from embezzlement, navigating health department closure, working through personnel & management dispute, and ongoing pandemic.
- Introduced our Global Ends statement: The DPFC will sustain a thriving community that has: equitable economic relationships, positive environmental impacts, and inclusive practices grounded in cooperative values.
- Thriving Community: Gained 290 owners with \$46,141 in paid equity. Stakeholders include owners, employees, customers, neighbors, local vendor, larger Logan Square neighborhood, and city of Chicago. There was a 55% staff turnover with 28.3% of staff opting to become owners.

Extended all health benefits to both part-time and full-time staff. Safety is a high priority and no COVID-19 cases have been reported at the store. Providing safety education materials to customers and staff. DPFC rapidly adapted to many of the changes required for social distancing including curbside pickup, Mercato, bi-annual Virucide treatment, and glass barriers. Looking forward to building ownership, deepening engagement, and continuing to be the safest place to shop over the coming year.

- **Equitable Economic Relationships:** DPFC offers multiple paths to ownership with majority coming through a \$10/month payment plan. Bylaw proposed change simplifies equity structure to allow full ownership privileges with one share at \$100 dollars. IM expects this to broaden the benefits of ownership to more customers. Starting wage was raised to \$15/hr above the state minimum. Hazard pay of \$2/hr was extended to all employees between March and October in response to Covid-19 amounting to \$47,316 for employees. \$76,630 in health benefits were provided to staff and matching 401k contributions of \$25,106 which should increase with union relationship. Employee discount totaled \$35,519 which means more staff are shopping in the store. Expanded Co-op Basics program to ensure availability of affordable, conventional produce. Applying for WIC (Women Infants & Children) supplemental program and seeking to relaunch LinkMatch program to make the store more accessible to community members using those benefits.
- **Positive Environmental Impacts:** COVID-19 has increased environmental impact due to increased usage of PPE. More than a 1,000 local products in store. More than 4,000 organic products in store. Produce department includes 30 to 60% local products (by seasonality) and 55% organic. 35,000 lbs of food rescued and redirected to local pantries (typically not retail quality, mispicked, or near date items). 2,580 gallons composted. 64,200 bags saved through Pickle Nickel program which was retired with launch of round up at register program. Bulk purchases were also impacted which now make up 4.92% of total store sales.
- **Inclusive Practices:** 80% of staff live within the neighborhood. 65% of staff identity as BIPOC. The Board of Directors and Management Team have committed to participating in the Abolitionist Challenge with LaDonna Redmond to advance inclusive practices and abolish racism within cooperative spaces. Increased EBT sales in store to over \$60,000. IWW union contract was finalized and GM excited to move forward in their relationship. New human resources practices were adapted including hiring of a dedicated HR manager who has been improving their internal processes.

6:32 Treasurer's/Finance Report (PF, Treasurer)

- Review of fiscal year (July 1, 2019 - June 30, 2020)
- Very difficult year with sudden changes to our business model and enormous risks including closures, reduced hours, shopping restrictions, increased labor costs, sales fluctuations, etc.
- Key measures of basket size and customer count reflect transformation in how people shop at the store. Far fewer shoppers in the store with an increase in the amount people purchase per visit.
- Monthly sales reflect growth prior to COVID-19, a spike in March due to panic shopping, a drop in May due to store closures and hours reduction, and finally a recovery between June and September.

- PF commends staff, GM, management team, and broader cooperative community for creative adaptations to serve the community in better and safer ways (online ordering, curbside pickup, delivery, restructuring cafe).
- Profit and Loss statement reflects how coop performed over past year: excellent sales growth of 11%; gross profit shows a 34% margin which is in line with budget, but could be better; net operating income lower than budgeted, but still positive and work is being done to improve this number; negative net income is expected because of depreciation and some of this was accounted for in budget. Report reflects that business is growing and operational improvements are continuing such that we were able to withstand multiple crises in a single year.
- Balance Sheet shows us what the coop is worth: cash was low at the end of June 2019 which is reflected in current assets; our expensive assets are being depreciated which contributes to a decline; current liabilities has increased due to member loans coming due; long-term liabilities continues to be paid down from expansion loans and member loans not yet due; member equity reflects a growing membership; total equity will continue to be negative as we work on paying down debt, increasing member equity
- Owner Loans for 2017 expansion raised over a \$1M: some have matured and some were frozen in September 2019 due to cash constraints; board negotiated loan extensions and communicated with owners whose loans are due; members who expressed hardship concerns were paid back; goal is to be current on all member loans before end of calendar year.

6:46 **President's Report (CLJ, President)**

- Board spent early part of the year onboarding new GM and began crisis management after March which exposed governance gaps that board is working to improve.
- Upcoming Board Priorities include:
 - improving director retention - high turnover including 5 directors leaving before end of term; hiring board administrator;
 - board education and training - new training in finance and policy governance for directors;
 - technology, community, and archiving - improving virtual meetings and organizing our documentation;
 - quarterly financial reporting and business planning - seeking to be more nimble and adaptive with setting and meeting short term planning goals;
 - commitment to anti-racism - all board and management attending the Abolitionist Challenge to examine our position in a gentrifying and multi-racial neighborhood;
 - staff serving on the board - Policy Committee will be revisiting proposals on an elected staff seat on the board and conflict of interest limitations;
 - improving owner linkage and growing membership - committee and newsletter were reactivated to expand opportunities for owners to get involved.
- Moment best summarizing past year was Sunday May 17th on 5th day of store closure. IM called to say Dill Pickle basement was flooding and store needed fans. We were able to round up fans and a wet vac which enabled us to successfully clear basement and pass an inspection the next day.
- CLJ expressed thanks to board members, GM, management team, staff, and owners for protecting the institution over the past year.

6:55 Owner Linkage PSA (MS, Secretary)

- Owner Linkage is excited to connect with owners every first Thursday of the month. All owners are welcome to join.
- The Brine Monthly Newsletter includes updates on the board's work and store projects.
- Owner Forums provide a chance for owners to provide feedback, voice concerns, and share ideas.
- Owner Orientations happen every fourth Wednesday for new or prospective owners who would like to gain a refresher on the cooperative principles.

6:57 Q&A (VB, Director)

- Opened floor to owners via Poll Everywhere link for question and answer period

7:25 Engagement Polling (VB, Director)

- Imagine the Dill Pickle in 2030. What do you see?

7:30 Adjourned