

Board of Directors Meeting
Monday, February 15, 2021 via Zoom
Facilitator: Rebecca Reynolds | Minutes: Madi Kay

Directors: Victoria Birkbeck, Peter Frank, Mike Strode, Teresa Meza, Whytnee Bush, Troy Martin, Brock Auerbach-Lynn. Absent: Robert Montoya. **Owners:** I'Talia McCarthy, Nancy McClelland, Madi Kay, Rebecca Reynolds, David Nobel, Laura Botwinick, Robert Curtis, Michonne Proulx

6:00 Opening, Check-in

- Healthy habits that we've adopted during this time?
 - D. Nobel: I've been going to the gym.
 - T. Meza: Recently worked with DiscardDisco Fashion Show, telling my friends that I love them.
 - T. Martin: I've been reading magazines, listening to audio books, meditating, practicing self awareness.
 - W. Bush: I've started swimming at the YMCA.
 - V. Birkbeck: I've been reading My Grandmother's Hands and enjoying simple pleasures every day, which has been helpful.
 - M. Strode: I've been cooking more at home, which was difficult before the pandemic.
 - B. Auerbach-Lynn: I've been running a lot lately, and eating Belgian Style Waffles.
 - P. Frank: I've been doing yoga every day and playing chess, making time for non screen time.
 - I. McCarthy: I've been cooking a lot and getting better at baking. And burning through series on Netflix.
 - N. McClelland: No matter what the task, my husband and I meet on the porch at 5:15pm for a wine down at sunset.

6:10 Meeting Agenda

- V. Birkbeck proposes to approve the agenda; all in favor.

6:15 Owner Comments

- M. Strode: We are working to improve process with owner comments.
- There are no owner comments.

6:20 Operations Report and Q&A

- N. McClelland: I appreciate Teresa and Josh being proactive and communicative about clarification of data details.
- P. Frank: I'm so excited about the sliced bread company and all of the exciting marketing things on the horizon!
- T. Martin: I love the Wellness Wednesday posts!

6:30 Update: Financial Situation (Discussion: I'Talia, Peter)

- Reviewing: Financial information requested by lenders, cash flow projections next 3 months, owner loans and Equity update.
- I. McCarthy: We've had big payments this week (loan payment, big UNFI payment, payroll). We're still at around 20-30k in our account every day with us still paying out bills as much as possible.
- N. McClelland: It's important that we are initiating this big Financial clean up project now.
- P. Frank: We are in a serious cash crisis, and the board is working with staff to turn it around. We're overall doing well and have a positive trajectory. We've identified some strategies to infuse cash. Among them: talking to our lenders to ask if we can defer payments (3 main lenders are CCLF, Shared Capital, LEAF)- they are open to helping but not eager. We are also attempting to talk to the landlord to see if we can defer rent payments- I will need backup from the board.
- N. McClelland: Props to our team because the loaners were very impressed! We also now have permission to apply for an EIDL (Economic Injury Disaster Loan) which we previously did not have.
- V. Birkbeck asks if we know when we'll hear back? Or do they want us to talk to the landlord first?

- T. Martin: What's the process with asking the landlord? Do the lenders want something in writing from her saying no if that's her decision? And if no, what's the plan to get back to the loaners?
- N. McClelland: They were able to provide examples of people who were able to negotiate and how (highlight things we've already done/attempted, costs incurred due to COVID, communicate with other people you've asked). They provided a coop who successfully did this who can help with language.
- R. Reynolds: We are at time, but V. Birkbeck requests 5 more minutes for action planning; all in favor.
- N. McClelland: They didn't say they need a written rejection but they want the board to be a bigger support in this.
- B. Auerbach-Lynn: What if we offer to pay back plus a little more? Would it be worth it to up the benefits to her?
- V. Birkbeck: I've heard situations in the news where there are deals like one third deferred, one third forgiven, one third paid? This could be a possibility?
- P. Frank: I think we should make a mini committee with me and I. McCarthy... any volunteers? (B. Auerbach-Lynn, T. Meza and T. Martin volunteer to be involved).
- L. Botwinick: [In chat] I wonder if the landlord herself has accessed business loans from the COVID relief. I wonder if there is a way to find that out and use that as part of the argument.
- V. Birkbeck: I am wondering where this leaves us with seeking owner loans etc?
- B. Auerbach-Lynn: I made a to-do list for the process of Owner Loan communications... we all have access to this document. We need to first reestablish connections.
- T. Meza: I created a welcome letter and sent out to everyone who joined in Jan and Feb... included is an ask to increase equity if possible. From there, who have we never contacted before? It's unclear how and when communication to new owners happened.
- B. Auerbach-Lynn: On top of the message from the store, there can be communication from the board with a more aggressive ask for a loan. On the owner loans side, we're effectively trying to get a handle on the documentation- I. McCarthy has a lot of these documents. I'm working with M. Kay to create a more established way of: keeping in touch with people who previously gave us a loan, to stay ahead of the game on the way people are reached out to when a loan rollover is coming up, and I'm working with P. Frank for future loans.
- P. Frank: I'm very hesitant to reach out and ask for more loan money.
- B. Auerbach-Lynn: I hear what you're saying and I'm happy to take the equity approach.
- T. Meza: SMS Coordinator and I are working on securing physical records of equity, as some reads zero on our current records.
- T. Martin: I like the equity conversation versus a direct loan ask.
- N. McClelland: Good point to bring up- why would somebody be more inclined to give equity rather than lending? If a company declares bankruptcy, lenders have a claim- equity investors do not have a claim. All existing money will go out to loaners.
- M. Kay: Can we change the loan amount of a minimum of \$1,000?
- P. Frank: The administrative burden for less than \$1,000 isn't worth it. And to answer another question, the people who at one point said they could lend us money if we signed a contract with the Union are now not interested.
- T. Meza: [In chat] I have always framed equity to owners as this (credit goes to Chris Roland of Sugar Beet) - your equity doesn't get you more when you pay more in, but it puts money in the bank so the coop can leverage against it for loans. It helps make the coop more competitive against other big players in the grocery world. This is what I talk about when people ask me what's the point of maxing out. A surprising amount of people are sold on this.

6:55 PM **Discussion: Strategic Owner Linkage Plan**

- M. Strode: Current areas of activity: the Brine newsletter, Owner Orientation, Owner Forum, conversations around owner education, we have an event in April that we're still developing, annual meeting and elections (Owner Linkage Committee will be planning), we've had some conversations around bagging shifts/contact clean up with the HOO Program (we now have an intake form). Those are the ways that OLC is operating now. Important things to keep in mind: transparency, cognition (staying in the know)- this is all info for us to reflect upon. Let's have a Round Robin so folks can weigh in on the Owner Linkage Strategy.

- V. Birkbeck: It would be great to get a visual representation of the board in the store! To include basic education about who we are, how the store works, just as a way to communicate. The goals should be a better election and better general knowledge.
- T. Meza: I'm working on making our Owner Packet similar to the Owner Manual that was sent out. I was thinking about how there is no "Owner Communications" department. Similar to how we have communication to the board, should we have Communication to Owners? It would be great to build this into us institutionally so that when somebody leaves not everything starts over or gets dropped.
- I. McCarthy: One of the first things I wanted to do was the Board Board... I had a ton of big ideas but everything has gotten in the way, so excited that we're still working on this and I look forward to the Board Board!
- B. Auerbach-Lynn: I think we're doing a ton of important communication and outreach and catching up, let's also think of ways to engage them beyond communication. We're a community of owners who share interest beyond just financial. 1. Basic communication 2. Engagement beyond 3. Potential to build community

7:10

B7: Communication to the Board

- R. Reynolds confirms that everyone has seen the report.
- B. Auerbach-Lynn: Can you elaborate on not getting reports in on time?
- I. McCarthy: We've always struggled with getting reports to NCG- since I've been here they've always been turned in late (due to not having a strong AP team). However I am very confident with what we've put in place with Bill.com that this will improve, and I've made sure to have this discussion with Tony and Michelle of NCG.
- N. McClelland: We've been struggling with this for years, but it has improved- it's easier when we have acceptable data.
- R. Reynolds asks if there are any questions or concerns about the policy or data provided; all respond no. Any interjections or is it okay to accept?
- T. Meza: There is no scenario regarding exclusions for when a board member is also a staff member. The policy states that the GM needs to not discriminate when giving information to the board, but we don't have anything that specifies details about an instance where a staff member is a board member and there is information that the staff member can't be privy of. In this case, the GM would not tell the board/staff member said information.
- R. Reynolds: Should we pass this along to the Policy Committee to write something regarding staff/board member exclusions?
- V. Birkbeck: I have been told that the Board President is the liaison to the GM as part of the job, but it's not written anywhere. If the bOard wants that to be an obvious duty of the President, I think we should write it somewhere? Maybe in the officer's roles policy.
- T. Meza: I'd love to see the whole Policy considered because I think the staff member/board members have not been very well considered in the policies.
- M. Strode motions to have the whole Policy reviewed by the Policy Committee as a path forward; all in favor.
- V. Birkbeck: I love the argument that policy governance is supposed to work for the Board, not the other way around.

7:25

Approvals

- W. Bush clarifies that in the Finance Committee Meeting minutes we delegated the Policy Committee to include QuickBooks access for Board members in the policy, and T. Martin suggests that we should include a more broad description of our banking platform since we may not always use QuickBooks.
- T. Meza: In the January Operations Report, the Owner Repurchases information for Tim Stephans was not accurate. It should be \$250 instead of \$80. (M. Kay to make proper adjustments).
- V. Birkbeck moves to approve consent agenda and approvals; all in favor.

7:30

Upcoming Items, Next Agenda

- M. Strode: We removed B9 this month, I'd like to ask I'Talia or anyone where they think it should be moved to?

- V. Birkbeck: 2 of 3 people in the succession plan are no longer at the store, which is why we wanted to revisit it. If l'Talia wants to give us just an update on the succession instead of a full policy review, that would work?
- V. Birkbeck and R. Reynolds bring attention to the fact that we have Global Ends twice in one year, and that is only because Global Ends was pushed to January this past year.
- P. Frank proposes moving B9 to May; all in favor.
- I. McCarthy agrees to give the Board a list of names for the succession plan.

Board Attendance Review

- M. Strode: This is the 3rd missed meeting for Don Washington. The policy states that if a board member misses 3 meetings, they forfeit their seat. Don Washington has forfeited his seat.

7:40 Meeting Assessment

ROSE & THORN:

- V. Birkbeck: I liked that we slimmed down this meeting- a great gift we gave ourselves. Thorn- meeting came together late. Please consider long term when and how we meet... the power is in our hands!
- W. Bush: Great that we had the owner put comments in the chat- I feel that we had so much more to cover, but as we get more efficient we will be able to cover things.
- R. Montoya: Two new faces I've yet to see which was nice, and I like the ability to extend the meeting when necessary. I have nothing really negative to say.
- T. Martin: I feel like we're a lot more strategic in the way we're approaching things- the meeting was efficient. One area that we can fine tune over time is the way we approach reviewing different things. As we evolve we'll know where certain items fit better and how to prioritize.
- P. Frank: I appreciate support from non board members- makes our job easier. Evening meetings can be tough.
- M. Strode: A rose is that we clearly over-prepared for pushback that never showed up. Still a strenuous meeting.
- T. Meza: Thorn- popcorning between us can be hard with no physical indicator.
- I. McCarthy: Meeting went well- meetings have improved tremendously since I got here. I wish we had more owners attend!
- B. Auerbach-Lynn: I enjoyed the discussions!

7:45 Adjourn

- V. Birkbeck motions to end the meeting; all in favor.