



Board of Directors Meeting

Monday, August 16, 2021 6-8pm via Zoom

Facilitator: Rebecca Reynolds Minutes: Madi Kay

Board of Directors: Victoria Birkbeck, Whytnee Bush, Brock Auerbach-Lynn, Troy Martin, Peter Frank, Mike Strode

Owners: David Nobel, Rebecca Reynolds, ITalia McCarthy, Sharon Hoyer, Madi Kay, Bill Gee, Laura Botwinick, Jessica Dickerson, Brekke Bounds, Aoife Sweeney, Robert Curtis, Melissa McEwen

6:02 Opening, Check-in

- R. Reynolds: Let's do roses and thorns!
- V. Birkbeck: Rose: We've had a great time at the farmer's market- 2 owners joined us! Thorn: sales aren't great right now!
- B. Auerbach-Lynn: Rose: return of the bulk department! Thorn: UNFI issues!
- T. Martin: Rose: visibility of DP expanding- a friend saw a billboard on the South Side. Thorn: Still figuring things out!
- W. Bush: Rose: Recent positive interactions with staff- great attitudes! Thorn: Low sales!
- P. Frank: Rose: Seeing the building across the street is nearly complete- the month of September has a lot of potential! Thorn: UNFI issues!
- M. Strode: Rose: I'm picking my mother up from the airport to visit! Thorn: I should have taken off work!
- I. McCarthy: [in chat] I was told a delivery is for sure coming tomorrow, however, I do not want to hold my breath. They called me at 10pm last night to tell us that all NCG coops would not be receiving there orders

6:07 Meeting Agenda

- W. Bush motion to approve the agenda; all in favor.

6:07 Owner Comments

- V. Birkbeck: While we had a moment I just wanted to bring some positivity- I didn't mean to be grumpy during the check-in! I'm so stoked that we are still alive- the community support has been great!
- Laura Botwinick: [in chat] Owner here, to join to observe. I support you all and believe you can take us through to success. Wondering about the electricity promotion have you done due diligence on them?
- B. Auerbach-Lynn: 1. Making sure they had a connection to store 2. Making sure they wanted to partner with the store 3. Making sure they're legitimate

6:13 Operations Report and Q&A

- I. McCarthy: Any specific question before I do an overview?
- W. Bush: How is the digital owner packet? Do y'all need any support from the board with that?
- I. McCarthy: It's basically done- I'm happy to send it along to you to get feedback.
- W. Bush: Did new July owners get physical packets or digital packets?
- I. McCarthy: Emilie has continued to use the physical packets until the digital packet is approved by me for release.
- I. McCarthy: Brief overview of Operations Report
 - exciting updates for Center Store- new manager + asst manager! Resets specifically in wellness
 - PF working on new hires!
 - Produce faced a lot of staff shortages- just had to let go of manager but we've had to let go manager
 - We continue to struggle with vendor payments and OOS issues
 - Marketing is working on promotional material for new housing in the neighborhood
 - Team is focusing on merchandising and gaining new customers.
 - David will have the packet ready to distribute to new developments by the end of the month.
 - Regarding cost cutting- we're of course still paying insurance etc but we're only paying COGs...Brittany and I have cut costs everywhere else possible
- P. Frank: Cash??

- I. McCarthy: We've gained about a month and a half- 4-6 payrolls left! I had a conversation with NCG this morning- he's going to push Shared Capital to give us the bridge loan. If Shared Capital doesn't give it to us, NCG will give us 200k or more! And we're able to enter our most profitable quarter!
- W. Bush: How are we looking with Holiday vendors??
- I. McCarthy: We're locked in for our holiday pre-orders. We're not in bad standing with our turkey people or Local Foods so that is great.
- W. Bush: Is there a reason why Helen was replaced?
- I. McCarthy: Not sure, but I'm excited to work with the new person!
- M. Strode: What's up with the owner contact reach out project? And the "Perks" page on the website?
- I. McCarthy: That would be Emilie- she can get in touch with you. And David can create a Perks page!
- T. Martin: How has community reception of re-opening the cafe and the revamp of the Prepared Foods been?
- I. McCarthy: People want to see more but we're hesitant because of the Delta variant
- V. Birkbeck moves to accept the report; all in favor.

6:40 **Turnaround plan updates and next steps**

- B. Auerbach-Lynn: Capital raised through community funding, loans, etc! Potentially publicizing our sales structure? We've talked about a green/yellow/red scale to show where we're at? We need to remind the public that raising funds is great but we need higher sales. It is slightly atypical to publicize sales data but it could have a powerful impact! I'd like to open it up to thoughts on short term and long term changes? Obviously we're getting things settled with the NLRB and unfair labor practices... Once we get things settled, we will hopefully unlock sales from people who have been conflicted? The hope is that we can take care of this stuff in quick order so we can add momentum to our sales. Any idea about turnaround?
- I. McCarthy: [in chat]: I spoke to the CEO from NCG and we need to have a goal of \$160k a week.
- Laura: Italia- It's good to know about and have that \$160K a week goal!
- I. McCarthy: Currently we're doing 130-140k... pre-COVID we were at about 150k a week. I know it's something we can get back to! Currently I'm reworking the WSR, which is something that has fallen off, but I will have it back up and running soon- I'm hoping to publicize it to our owners. Hopefully it doesn't get back to our competitors but it would be worth the risk. We're also working with Brittany on our margins and sales strategy.
- V. Birkbeck: Is there anything we can do as board members to receive ERC as fast as possible? Paylocity has sent in the paperwork to the IRS. It's a waiting game now! Other than reaching out to Durban's office, I think that's all we can do for now!
- P. Frank: Any response from the EIDL?
- I. McCarthy: I've called Maria and sheee said it's still in review. Maria usually doesn't hear back from her SBA contact for a week or two. I attended Kamala Harris webinar with the city of Chicago... It was not helpful. I'm still chugging away...
- P. Frank: Wanted to offer some healthy skepticism- these deals are not done until they're done. They could fall through and we could be back to square one.
- I. McCarthy: I want to be transparent- raising sales will be really difficult given our UNFI situation. We did not receive an order today- this will be rough for us in the next couple of weeks with sales. It's a very unfortunate scenario that we're in right now.
- M. Strode: When we can get back those local vendors, how much of the store will be from UNFI?
- I. McCarthy: Probably 80% of our Center Store. Non center store is where we shine in local. We make our margin from UNFI purchases-- we don't get great deals from local vendors. UNFI doesn't do any distribution of alcohol.
- T. Martin: Net terms had recently changed as a result of our cash position- is that something that's negotiable?
- I. McCarthy: Joint Liability Fund Risk Committee from NCG gets to decide- this committee assesses our ability to make payments. About 6 months ago they decided that they didn't trust us and our terms went from 21 to 14... if the invoice is on the weekend they pull it 3 days before. That means a lot of our payments are actually 11 day terms- they also are automatically pulling these payments from our account. If we were to receive a loan, that is something we can negotiate terms about. They're aware of the position that we're in and I doubt they'd say we have to pay it back immediately.

7:02 **B12: Environment**

- M. Strode: There are just a couple of editing issues.
- R. Reynolds: Should it be re-reported?
- V. Birkbeck: No, just fixed and added to the next packet.
- P. Frank motions to accept B12 report; all in favor.

7:04 **B4: Ownership Rights and Responsibilities**

- P. Frank: General B4 question- I'm wondering if this covers the accuracy of financially reporting to owners/members?
- I. McCarthy: My personal opinion is that it is covered in the Policy but I would need interpretation from the entire board.
- P. Frank: I think it should be added as a sub policy because it seems a stretch to fit it into the existing policy.
- W. Bush: Wouldn't it be baked into the coop values?
- I. McCarthy: I'm part of the old school thought when reporting for GM's.. I think it would be good to have the specific sub policy that Peter is talking about. I don't know if I have any say in these matters, but I will leave it to you. We do have a clause about the risk about investing in the coop, but I think we should add it in.
- R. Reynolds: I'd like to add that GM has a responsibility to share more about financial issues....Are there any other potential flags or things people want to add?
- I. McCarthy: B4.4 says compliance where you meant noncompliance... I just want that in the records.
- P. Frank: Maybe we should be freezing repurchase owner equity for this moment....That could be a way to save cash?
- I. McCarthy: This is the first time I've reported on this policy... I don't recommend doing that right now, but it is in your jurisdiction to suspend them .
- P. Frank: I can bring it up at the Finance Committee Meeting- it could only be a couple thousand dollars.
- V. Birkbeck: We don't want to squash dissent and it doesn't seem like it wouldn't make a huge difference.
- I. McCarthy: We can add to the Operations Report the reasoning why they are withdrawing their shares?
- V. Birkbeck: I'd like an overview! [Brock agrees]
- M. Strode: I move to get a rewrite on 4.4 and move that the Policy Committee rework this policy considering these conversations; all in favor.

7:15 **Proposed Bylaw Amendments**

- Proposal re: Employee Directors
 - M. Strode: In order to approach conflict, we wanted to name responsibilities that we think the board members should not hold. Are there any questions about the bylaw amendment on the table?
 - B. Auerbach-Lynn: I think it's clear and captures what we tried to piece together.
 - V. Birkbeck: I hope it will make things move smoother going forward.
 - P. Frank motion to send Proposal re: Employee Directors to lawyers... all in favor.
- Proposal re: Employee Ownership
 - V. Birkbeck: This would allow coop ownership as part of benefits packet. Right now it's just something that they were eligible for after 6 months of service- but it's still something they chose to do, not an automatic enrollment. I wrote this pretty fast, so I'm not sure what people think?
 - P. Frank: In terms of process, this is the first time we're talking about it. Can we share thoughts now and see language next month?
 - I. McCarthy: I just want to make sure we're following the laws of purchasing shares in the state of Illinois- you can't purchase shares unless you're an Illinois state resident, and I'm still unsure if gifting ownership is allowed. P. Frank, maybe you have a better sense of that? Before we propose this do we have all our ducks in a row? I'm in favor, I just want to make sure we can do it- I'm just not an expert.
 - P. Frank: I can look through the Cooperative Act. Part of the process will be sending it to attorneys before anyways.
 - V. Birkbeck: I essentially copied it from another cooperative.

- T. Martin: A lot of corporations do the same kind of thing but it's called profit sharing. Maybe we want to have a time limit? I think it brings a level of synergy from a cooperative standpoint. But we also want to make sure we don't get sued in the process!
- R. Reynolds: [in chat] Love that It is both open and voluntary!
- V. Birkbeck: Suggested path forward is to run it by a lawyer and bring it back for September approval. All in favor.
- Bill Gee: [in chat] Have to drop off, but I'm always impressed by the quality of this board and of the hard work Italia and her team have been doing in this time of crisis. Hang in there and keep your focus on the business. Have a good night, Bill

5:25 **Annual Meeting and Board Elections**

- M. Strode: If you're looking at the meeting outline- what could be better? What could be improved? Link events happening in the coops to get people excited! Quick round on what our feelings are?
- I. McCarthy: I'm feeling very nostalgic about the hype around the annual meeting: getting to know candidates who are running to be on the board- they would be canvassing, bagging, volunteering, etc. I want to see stuff like that- I loved seeing that growing up. We would have our owner meeting before the election, nominees would come to speak.
- B. Auerbach-Lynn: I like that! My thought was more functional. I think one big thing is getting tactical feedback about how we can improve. The annual meeting is best opportunity to get feedback. It can happen fast but I think it's the most engaged people can be- I think we can put forward ideas about how to grow sales and raise funds. We'll likely be in some form of crisis but we can use that to get user research.
- I. McCarthy: [in chat] Engaging people with specific skills we need
V. Birkbeck: I suggest the same agenda. Historically the annual meeting has been in the middle of the election.
- R. Reynolds: [in chat] Feel like the bylaws are in the way of this... but could be wrong...
- W. Bush: I liked the ideas of candidate slides or videos- I would love to bring that back.
- T. Martin: That was a nice amount of ideas. Engaging people with specific skill sets is an amazing idea. Maybe a slideshow presentation... everything said was pretty good so far!
- P. Frank: We gotta find folks with strong finance skills. I feel good about the upcoming meeting!
- I. McCarthy: [in chat] I loved having a business owner on the board
- WHY: [in chat] From Section 4.3 under article IV: "Directors shall be elected by owners at the annual meeting."
- M. Strode: Still feeling like this is a good outline- looking for advice from owners, specific outreach...
- M. Strode: Re: Board Recruitment- if you have anyone you're thinking of, now is the time! Feedback- improve the application! Consider communication about what the board is seeking candidates for. Does anyone have questions about the election process?
- I. McCarthy: I have one! I think I've given her info to Troy and Victoria. She's part of the cheese culture coalition, part of the coop, grew up in a coop community, runs a nonprofit... She is extremely interested in being invested in making sure our store is sustainable.
- T. Martin: Specific person we should direct board interest to?
- R. Reynolds: [in chat] Lisa Junkin Lopez has been expressing interest
- M. Strode: The Board Interest form is in the OLC channel. We also need a 2021 Election site going.
- P. Frank: Interest and ability to rerun- I intend to continue, but if my babies can't go to school I will need to take a leave of absence. Otherwise I would love to continue.
- V. Birkbeck: If we're going to update the application it would be a good place to write skills we're interested in and ask what they have. With the virtual resources from NCG I don't want people to feel like they can't be a part of it.
- M. Strode: For example, I hadn't been on a board!
- V. Birkbeck: Wanna make it clear that yes we're looking for skills but also we're open.
- M. Strode: A lot of this is summarized in the slack thread. I'll be sending specific tasks to the board channel. If you think we need specific things on Board please add.
- V. Birkbeck: Should we choose a date today? Generally 4th monday after board meeting... it would be October 25th.
- V. Birkbeck proposes October 25th for Annual Meeting; all in favor.

8:00 Upcoming Items, Next Agenda

- M. Strode: We have C1 gov style...
- R. Reynolds: We used to do B1 or B2 before the annual meeting?
- I. McCarthy: Y'all gave us permission to not report on those because we're reporting on them every week. We're taking B1 and B2 off.
- I. McCarthy: Now that Rob is my succession plan we can do B9.
- M. Strode: Also for September- we will bring bylaw language back from the lawyer to approve. 21-22 officer nominations- should that still be here?
- V. Birkbeck: Yes because we need a plan for that...
- M. Strode: Board Development CBL 101- Highly recommended course, especially for potential board members.

8:05 Meeting Assessment

- M. Strode: Race + distance but I'm not exhausted.
- P. Frank: For us, probably being at the bottom of the turnaround, this feels like we were honest and transparent. We worked productively.
- W. Bush: Thank you everyone!
- V. Birkbeck: We got into the knitty gritty details of the store!
- T. Martin: Definitely productive, the feeling that knowledge is expansive- makes a 2 hour meeting productive!
- B. Auerbach-Lynn: I echo all sentiments- we have lots of work to do but we have the right people to do it!
- R. Reynolds: Impressive board!

8:07 Adjourn

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



Diversity, Equity, and Inclusion Committee Charter

June 2021

PURPOSE

The purpose of the Diversity, Equity and Inclusion Committee will guide and hold the organization accountable of integration of diversity, equity, and inclusion into all aspects of the work at the Dill Pickle Food Co-op.

STATUS

Pending. Charter in development June 2021.

DUTIES

The committee will guide the work of diversity, equity, and inclusion at DPFC through the following:

- Assessing the implementation of the Diversity, Equity, and Inclusion Strategic Plan
- Monitoring the development, implementation, and evaluation of standards for cultural competence for employees and Board of Directors (BOD)
- Providing input on institutional policies and procedures to address diversity, equity, and inclusion issues
- Focus on institutional policies and procedures to address diversity, equity, and inclusion issues and make recommendations when appropriate
- Evaluating and recommending solutions where institutional inequities exist
- Informing and consulting with customers, employees, owners, and BOD regarding diversity, equity, and inclusion initiatives
- Ensuring the maintenance and dissemination of best practices for diversity, equity, and inclusion in institutional policies, teaching, training, hiring, and retention of employees, BOD and owners
- Serving as a resource for guidance and consultation regarding diversity, equity, and inclusion issues for all DPFC stakeholders
- Disseminating information about ongoing professional development training around diversity, equity, and inclusion for employees, board members and Hands-On Owners
- Seeking regular feedback from community and employees to inform decision-making and understand opportunities for improvement
- Sharing the work of the committee with the Dill Pickle Food community

COMPOSITION

Meetings will be facilitated by the General Manager (when present) or the BOD, with all initiatives escalated to the General Manager and BOD for final approval. The committee will be composed of the General Manager, the Marketing Manager, Human Resources Manager and Board of Director. The committee shall make a conscious effort to include at least one entry level staff member, one lead level staff member, manager and any engaged owners who would like to participate.

MEETINGS

The committee will meet once a month for regular monitoring and reporting. The committee will also host a quarterly meeting to discuss more in-depth DEI initiatives.