

Board of Directors Meeting
Monday, October 21, 2019
6:05pm open | 8:03pm adjourn

6:05 Opening (GL)

- Attendance: George Langford, Suzanne Keers, Norma Samame, Ally Young, Sean Shatto, Rebecca Reynolds, Sendy Soto (6:30pm). Absent: Brian Perea, Celeste Levitz-Jones. Owners: Gretchen Johnson (scribe), Nancy McClelland (accountant), l'Talia McCarthy (GM), Robert Curtis (staff), Jess Nimm (staff), Tatum Evans (staff).
- Rounds: how is everyone?

6:12 Meeting Agenda (GL)

- GL noted that Ends report discussion will be split between this meeting and next.

6:13 Owner comments (GL)

- Both staff members running for board introduced themselves: Jess Nimm, Tatum Evans.

6:15 September Operations Report (AY)

- Total sales were \$642K, up 9.3% from year prior. GL requested comparison vs. updated budget. AY will send this and full list of KPIs to the board.
- Total transactions up, average basket size up. GL asked RC if he had any insight into the increases; RC cited staff picks, paired endcap items, back to school push. NM pointed out that numbers aren't reconciled; off by \$28K. Might include taxes. Ratio of growth is the same.
- Ratio of sales to owners has increased, though not accompanied by a significant increase in new owners. \$500 below \$4K equity goal. IM will work with POS Coordinator on more specific data.
- Bank account below \$300K benchmark. NM explains that this is due to accounts payable is getting up to date. AP aged 61 to 90 days is cleared, local vendors being prioritized.
- September's focus was on wrapping up fraud claim and stabilizing operations, preparing to welcome new GM, planning for holidays.

6:32 GM Onboarding (GL)

- GL gave welcome to IM, stated that this is an informal check-in: how've first few weeks been?
- Onboarding is going great, diving into grocery/center store. Working on pricing image and holes on shelves. Using pricing strategy tree; before it was just 35% margin on everything. Looking at product mix; lacking ethnic foods, need new vendors. Auditing 2-3 aisles/week to update. GL asked about holes on shelves. IM responded that grocery manager needs more staff and also coaching. She sees a lot of inefficiencies in how staff is working, needs to lay out expectations.
- Just bought food-pricing program for deli, \$700/year. GL asked if everything underpriced in the deli, IM said that pricing hadn't been done correctly, potentially the main reason deli wasn't

hitting sales goals. IM will work with new manager to develop new recipes and a made-to-order sandwich program.

- Re-doing inventory process; IM will have accurate picture by the end of next quarter.
- Holiday planning: IM will hold merchandising meeting in November, planning 3 months in advance. SK questioned timeline. IM responded that staff won't have much input this time, but will plan together in the future. Moving these duties to POS coordinator.
- GL asked about structural accounts payable problems; IM said some vendors have said they won't send stock because they need payment. Also cited need for finance manager position.

6:45 Approve Board Candidate Slate (GL)

- Per bylaws, can only have 2 employees as directors. 1 seat already occupied, 2 staff running.
 - SSh: Could take employee with highest vote tally, propose it as policy that gets adopted.
 - AY agrees, adds that we could address this through ballot design or messaging.
 - RR wonders if we need to change that bylaw? GL says that we can have that discussion, but not enough time to include that amendment in this election. SSh notes that there's already been discussion around this in the policy committee. AY clarifies that we do not presently have employee representation on the board; staff sit as consumer-owners. IM shares that cap on number is common, and that many coops have moved away from having employees on their boards, created alternative channel for input.
 - AY proposes that both employees be included and marked clearly on the ballot, and that a disclaimer be added to the ballot itself that clarifies that top vote getters will win seats, but that only one additional employee may be seated on the board, per bylaws. All in favor. AY will work with SSh to implement on both electronic and paper ballots.
- Board needs to approve slate of candidates for the ballot and decide how to communicate needs of board to owners, ie financial expertise.
 - SK celebrates that we have 6 qualified candidates! SSh notes tight schedule.
 - Board approves slate with one abstention, NS (incumbent candidate): Victoria Birkbeck, Tatum Evans, Peter Frank, Jess Nimm, Norma Samame, Mike Strode.

7:01 A, Global Ends (GL)

- *5min given to independently read/reflect, 15min to discuss, with focus on interpretation.*
- GL: are we in agreement with interpretations?
 - SSh: yes, broadens scope of work.
 - AY notes important change: previously interpretation of "the DPFC" has been executive management or the store itself, whereas here the co-op is defined as groups of actors: primarily owners and board, then staff, etc. SK asks for clarification on policy governance system as applied to mutual membership organizations. AY explains that owners have responsibilities as well as rights, must be active participants in success of the co-op-- but she's interpreting for the sake of our oversight system that management must create the conditions for owners to act.
- GL asks directors to put on a critical hat: do we think this what our owners want us to enact? For example - positive environmental impacts, not just neutral? Cited some other things in the

equitable economic impacts section. We are moving toward becoming a board that's making change, what are barriers to that conversation?

- RR: report is too jargon-y. AY clarifies that “codetermination” means workplace democracy and that “gain-sharing” means that employees share equitably in profits through a bonus system or similar. “Deontological ethics” bit emphasizes that if we meet these Ends but aren't in compliance with our Means policies, we're not successful.
- SSo suggests highlighting main points in report; it's very long.
- SK is concerned about aspirational interpretations because we might not meet them.
 - AY: Right; previous management set bar lower and focused on demonstrating compliance, whereas I believe that the Ends interpretations are what allows management to lay out a bold vision and to lead from that. Peer co-ops are moving in this direction.
 - RR: If goal is focusing on progress, on aspirational visions...IM: I've never seen a coop report compliance on their ends - should always be striving.
 - NS: Some of these aspirations may have been a gleam in our eyes, may need to rein it in a bit, what did we really mean? AY: we have to write policies that allow for reasonable interpretation by our GM.
 - GL, SSo, IM discuss interpretation of positive environmental impact; hold that “net positive” is not realistic.
- SSh concerned that prioritization of plans outlined is big work. AY: Yes! Also, plans have no timelines attached because they're recommendations for new management. IM will review and highlight areas that are realistic, should be prioritized.
- AY thanks directors for feedback and flexibility, will make changes and resubmit for next month.

7:36 B12, Environment (GL)

- IM submitted report in new format to show compliance: not binary, on a scale. Feedback?
 - RR: Loved it. SK: correct date on header. SSo: Requested description next to dot scale.
- SK: Where are the interpretations? Unable to monitor using decision tree.
 - IM: I can include interpretations, but have previously found they're not really necessary.
 - GL: May need to streamline. RR: We do spend a lot of time on interpretation. GL: Thought we could give this type of report a chance unless we find it deficient, could ask for changes in the future.
 - SSo: Would we benefit from having reports submitted along with last year's? RR: Past reports would provide context without extra work. GL: I find that many reports have been undersourced.
 - SK: From data, it's clear she interpreted it; we could ask ourselves what's missing. AY: Right, but why reverse engineer an interpretation when we can request one? Within the PG system, this is the only link we have between policy and practice.
 - NS: I don't think we should abandon the system entirely, just open it up to options.
- IM: Everyone okay with follow up dates? GL proposes to accept B12 as written. All in favor.

7:57 D4, Monitoring GM Performance

GL proposes moving D4 to next meeting, using new process for discussion. All in favor.

7:58 November Agenda, Upcoming Month (AY)

- Scheduled decisions: approve annual calendar for next cycle, seat officers.
- AY will resubmit Ends report, considering feedback.
- IM will submit written operations report, BI report.
- Board will monitor D4 policy verbally during meeting.

8:03 Checkout (GL)

- Rounds: how does everyone feel like tonight's meeting went? A bit clunky, but productive.
- GL will make sure everyone gets materials sooner, encourages more critical reads of reports.
- AY will follow up on feedback.
- First board meeting for IM! Excited to welcome her to the position.
- Last board meeting for SSh, will continue to serve on the Finance Committee.
- Last board meeting for SK, will continue to serve on the GMED Committee.