

Board of Directors Meeting
Monday, May 16th 2022
6:03 PM Open | 7:20 PM Adjourn

6:03 Opening

- Attendance: Brock Auerbach-Lynn, Mike Strode, Troy Martin, Christine Bucheit, Suzanne Keers, Victoria Birkbeck, Peter Frank, Whytnee Bush
- Owners: Lisa Junkin Lopez, Tracy Bugh
- Staff: I'Talia McCarthy (GM), Robert Curtis, David Nobel, David Culpepper, Jessico Dickerson, Alexis Figueroa

Introduction Question: What inspired your name?

6:10 Meeting Agenda

- Brock: Just for context, this meeting is going to be live as normal and we're going to do an executive session at the end to discuss executive business. It's for all of the board members and Italia(GM)
- Troy: Do we approve the changes made to the agenda?
*Everyone thumbs up.

6:14 Owner Comments

- Mike: We have five minutes for owner comments today. We will have it on for them in July if you have any other things you would like to discuss.
- Tracy: : I've been an owner for a couple of years and I love the co-op. I'm just curious about how stocking decisions are made.
- Italia: the last few years starting has been increasingly difficult due to Covid and our main supplier UNFI being out of stock. Also, employee staffing issues contribute to this. We have the second worst rated UNFI warehouse. The NCG co-op is our parent co-op and they dictate what we can carry. We have had a lot of out of stock issues recently. We have a buying contract with all of the other co-ops around the US so we have buying power. It gets us way lower prices. So we can be more competitive. We try to buy from them as much as possible but they have so many out of stocks.
- Tracy: Even before Covid how was this decided?
- Italia: we have a policy in our governance that dictates how we should be doing product selection. It's governed by the board and I report on it every year. We try to focus on locality, sustainable products, and diverse purchases. There are many factors to contribute.
- Tracy: Do you look at profit margins?
- Italia: yes we do. Our main focus has been on trying to battle the prize perception we are currently having in the store. We are seen as a very high-priced store. So we try to incorporate more conventional lower priced items that everyone can afford.
- Italia: I can send you the last B policy report if you leave your email in the chat.

6:21 Board To-Do List

- Brock: I wanted to add this in as a quick stocking of items so we don't forget about them. We can go through them quickly to see if we have or have not done them yet.
- The first one is going through and asking old board members if they would like to fill the 9th board seat. We ended up not doing this because we got David Culpepper's application.
- The second was capturing responsibilities for the executive roles. What responsibilities do the executive members have? Does anyone have any questions?
- The next price is around the list of to do's from the board retreat.
- Suzanne: should we figure out a way to mark the ones that are done.
- Brock: we can find a way to pull this onto an editable version on a Google doc that we can just go through and edit as we go.
- Alexis: After every meeting I can go in and update the document.
- Brock: Has there been any update on the ERC status?
- Italia: we haven't received another IRS letter indicating that we'll be having a check coming. I'm reaching out to paylocity. I have all the IRS related papers they sent. I'll call the IRS this week but when I called last they weren't taking voicemails anymore. I will continue to call them. I suspect it's going to take a bit longer.
- Brock: Do you know the status of the audit from Wagner?
- Italia: I received a management letter from Elizabeth and Brian earlier this week. I'm still looking it over. I'm having Nancy and Linda look it over. I'll be signing it probably by the end of the night or early tomorrow morning. That means the audit is completely finished.
- Brock: Italia can you give us a heads up when the audits are finished?
- Italia: yes of course.
- Italia: just as a heads up Victoria Peter and Mike should receive an email from Wagner because they are on the account.

6:30 Operations Report

- Lisa: Are there any questions that anyone has for Italia? *None.
- Italia: would you rather an update on May because May has been kind of crazy?
- I posted it in Slack that we had our freezers go down. It was the compressor. Our refrigeration and frozen units were bought used. We only saved \$33,000 buying used equipment rather than new equipment. We should have just bought new equipment. We are repairing the compressor but we are going to have to look into replacing the equipment soon.
- Rob: Basically everything that wasn't custom built for our store was bought used. The amount saved doesn't compare to the amount we have had to spend repairing these issues. I'm currently looking into what it would cost to replace some of these units but chances are it's going to be even more than we initially paid since costs have gone up. We seem to be losing a compressor once a year. We have 3 and one seems to go a year. We are looking into getting smaller units that don't have to be on such a large grid. Those that We have seem to not go down as often, especially if they're newer. It's just very up in the air right now. I am talking with Brent, our rep from zone , about what it would take to replace some of the more dire equipment.
- Italia: I posted in Slack the quote zone gave us it was a little over \$5000 not including labor to replace the compressor. We cannot continue to repair old equipment. Eventually they're going to say this equipment isn't good anymore.
- Victoria: Are you having more employees cross trained in different departments?
- Italia: yes. We have several employees who want more hours and we have part-time holes and other departments so they asked to split their shifts between 2 departments. We're going to try and cross train everyone in every department.

- Peter: When might we expect to see quotes on new equipment?
- Italia: Edwin just paid the last bill from zone so I expect quotes pretty soon. Within the next week. I already asked for a quote on the new wet rack. They are repair and suppliers. We might be looking into working with a new company because we haven't been happy with zone. We work with them because they are the only people who will repair equipment because they installed it. It's their system. We will be looking into replacing the system. We will be getting more quotes.
- Christine: Do people sign up for the wine tastings?
- Italia: No people are not signing up for it. we have a demo sheet that each person that comes in to do the tasting we ask them to fill it out and they basically put a checkmark every single time someone picks up a bottle and leaves with it after the tasting and then also our merchandise manager as well Phil will do a movement report on the wines that were tasted that night and they look at how much they sold. Phil said the average bottles he sells a night are 30 above and most of the tastings the bottles are \$30 and above. This is a huge increase for our wine department.
- Christine: how are they being publicized?
- Italia: things are being publicized by David in our email blast as well as our social media page and then the actual wine distributors that are doing the tasting they promote it on their page too so that they can attract customers to follow them. And they come and do the tastings now too and we already kind of had a following beforehand when we used to do wine tastings and we kinda cut them off during the pandemic and it seems like a lot of people are starting to catch on to it and we had quite a big line last last Wednesday for our wine tasting and I've told a couple of other vendors that we have wine tasting Wednesdays and they want to do demos now which is kind of cool we have a pizza guy he's gonna come and demo his pizza going on during the same time as the wine tasting.
- Christine: David can you give us an update on the owner drive progress?
- David: So as of today we're at 16 owners. I will know tomorrow as far as what comes in online but in store 16 owners have signed up. With online sign ups we already exceeded our expectations with no real promotion. I have Facebook ads going and Google ads going so people are interested and I think the owner bonus will probably be getting more from the farmers market this Sunday.

6:44 Policy Monitoring B11: Community Responsibility

- Lisa: Are there any clarifying questions?
- Italia: I just wanted to talk about accessibility in our store for Mercado. We're not doing great in Mercado sales and sales have been dipping pretty low for every coop it's not just us. People just they wanna go shopping now and then. That's totally fine. I love them coming into the store but there is a few associated with Mercado and I know that. I have made it. I think it's an important part of this report as far as being accessible to the broader part of Chicago. As well as accessible to people with disabilities who can't make it into our store. I just like to encourage all of you to think about that in my specific report and I would like to ask you to give me your thoughts at the next meeting. Is it important to keep.
- Brock: Could you give us some context about The cost structure of Mercado.
- Italia: Edwin already has a report ready to go. I will have him send that information over to you to review.
- Are we in compliance?
*Everyone thumbs up.

6:51 Policy Monitoring C8: Governance Investment

- Brock: I think we're very prudent with how we use resources. Last investment we pushed was yamm the mail merge.

- Italia: unfortunately the yam account was denied because it was a company from Denmark and liberty does not accept transactions from other countries. That's the reason it kept being declined. But we have Chase Bank now so that shouldn't happen anymore.
- Lisa: Do we need to make adjustments to the policy?
- Brock: maybe just better data collection around it.
- Lisa: Are we in compliance?
*Everyone thumbs up.

7:01 **Approvals**

- Meeting minutes for March
- Meeting minutes for April
- Finance committee notes
- We won't approve the policy committee notes because they need further discussion.

7:15 **Upcoming Items**

- B6 Policy Review
- B1 Policy
- B2 Policy

7:20 **Motion to Adjourn**

- Live meeting adjourned at 7:20
- Board moves to executive session.