

Board of Directors Meeting
Monday, February 18, 2019
6:00pm open | 7:49pm adjourn

Call to Order & Check-in

6:03pm, Discussion (GL)

Directors: George Langford (chair), Sendy Soto, Sean Shatto, Norma Samame, Celeste Levitz-Jones, Ally Young, Rebecca Reynolds, Suzanne Keers, Brian Perea (by phone).

Staff: Sharon Hoyer, Miguel Silva (interim GM).

Owners: Gretchen Johnson (scribe).

Rounds question: temperature check?

Consent Agenda

6:09pm, Decision (GL)

- File January meeting minutes and owner correspondence
- Approve new owners and share repurchases
- Approve GMED committee report, updated funds allocation, updated GM job description
- Approve Election committee report, appoint Suzanne Keers to vacant 2019 board seat
- File signed confidentiality agreements
- Accept GM operations report

All items accepted with consensus.

Meeting Agenda

6:10pm, Decision (GL)

C2 and C3 board monitoring items moved to consent agenda for March.

Revised agenda adopted with consensus.

Owner Comments

6:12pm, Listening (GL)

- **Daniel Cappy:** one of the organizers of the recent Chicago Cooperative Economy Summit, interested in following up on the worker ownership question presented on the food co-op panel. Looking for materials to help Austin community co-op pursue a multistakeholder model. AY will share resources.

Monitoring Executive Limitations: BI, Financial Condition

6:55pm, Decision (GL)

Given that board is reviewing draft numbers, this item will be used for feedback ahead of resubmission of final report in March instead of formal monitoring. SH states that debt-to-equity ratio will likely continue to be low, but the rest of the final numbers should be close to what is reported as draft here.

Global interpretation: AY submits that global policy cannot be reported as in compliance unless all sub-policies are in compliance. GL calls for vote on proceeding with this logic applied to all monitoring, passed with consensus.

Suggested revisions:

- BI.1: include planned year over year growth percentage alongside industry standard
- BI.4: update path to compliance given that Q2 equity goals were met, and/or add ownership training and benefits revision plan to BI.5 section.
- BI.7: adjust interpretation to be more specific about “timely fashion” and add data on AP balance aged over 30 days to help board understand scope of late payments, assess risk position.

SS presented draft plan for final round of capital campaign, will update timeline and metrics.

- Taking a more holistic approach, recognizing need to build up owner engagement and confidence in leadership transition ahead of next round of fundraising.
- SS will connect with CCLF about their expectations for outstanding \$74K, need to make sure lenders are comfortable with extended timeline. (See BI.5 report; will not default April 2019)
- Cash crunch will hit in Summer 2020, need to see a successful loan campaign ahead of that juncture. NS concerned about kicking the can, sees need for strategic discussion soon.
- GL will take the lead on scheduling first quarterly strategy meeting with board + staff lead team.

Board Edu: Competition Monitoring

7:07pm, Discussion (SH)

SH gave presentation on current and future competition with recommendations, fielded questions.

Board Annual Plan

7:24pm, Decision (GL)

GL gave overview/update on board priorities for the remainder of this cycle, including the need to more actively connect with owners, increase owner participation in governance, and to improve the co-op's financial position. After brief discussion, plan adopted with consensus. GL will propose changes to Annual Calendar as necessary.

BP, AY, CLJ, SS expressed interest in working on relationships with owners.

GL asked on thoughts about limitations around voter turnout. SH response: lead time. NS raised point about disconnect between what owners think board does and what board actually does, and need for ongoing educational campaign. CLJ seconds co-op governance education. AY spoke to importance of owner orientation program, suggests programming serve dual purpose of owner/board education. GL is interested in creating matrix of possible activities to direct board focus.

GM Search

7:31pm, Discussion (CLJ)

CLJ gave update on GM search committee activities:

- Selected two staff members, Michael Gorka and Lily Baker as staff representatives from pool of applicants linked to recent staff survey on GM qualifications.
- Matrix of qualifications complete. Committee members will complete additional personality survey to be incorporated into interview questions.
- Currently waiting for list of candidates from search firm.
- Established capped budget with search firm; additional funds from board allocation will be going to CDS consultant who will assist with hiring/interviewing. Currently limiting search currently to 25 miles from store; allocated additional funds for travel fees in case it is necessary to go further.
- Estimated timeline: hope to select finalists at end of March, conduct interviews at the end of April, though if we get good candidates it could be faster. CLJ will share updated timeline with board shortly and send time poll to allow full board to be present for final interviews.
- DPFC has posted job, search firm is using direct recruitment method within grocery store pool. Suggestion on equity in hiring practices, consideration given to how/where job is posted.

Action Items, March Agenda, Announcements

7:39pm, Decision (AY)

March Meeting Agenda:

- Board Monitoring:
 - GL will report on C4, Board Meetings
 - AY will add reports NS report on C2, Governance Style and SSo report on C3, Agenda Planning, to the consent agenda.
- GM Monitoring:
 - MS will report on B5, Treatment of Consumers, and B10, Product Selection.
 - MS will submit updated report on B1, Financial Condition, to the consent agenda with final numbers and suggested revisions.
- Director photos!

Committees:

- GMED: meeting weekly on Monday evenings, working on GM search.
- Finance: working on new capital campaign timeline and cash flow updates.
- Policy: meeting moved to first Monday of Q4. AY will submit data on local living wage for board education ahead of B6 monitoring in April.

Announcements:

- Tue 2/26 IL Stewardship Annual Meeting @ The Plant
- Wed 2/27 Ownership Orientation @ co-op cafe, 6-7:30pm (combined with \$5 Dinner event)

Meeting adjourned at 7:49pm.

Executive Session: additional discussion on leadership transition following, adjourned at 8:05pm.