

Board of Directors Meeting
Monday, July 22, 2019
6:00pm open | 8:38pm adjourn

Call to Order & Check-in

6:01pm, Rounds (GL)

Directors: George Langford, Sendy Soto, Sean Shatto, Norma Samame, Ally Young.

By phone: Celeste Levitz-Jones, Rebecca Reynolds. Absent with notice: Brian Perea, Suzanne Keers.

Owners: Gretchen Johnson (scribe).

Staff: Miguel Silva, Robert Curtis, Marelyn Garcia.

Opening rounds question: Chance the Snapper vs. The Heat as smalltalk topics.

Consent Agenda

6:06pm, Decision (GL)

- *June meeting minutes filed.*
- *New owners and share repurchases approved.*
- *Finance Committee report from SS approved.*
- *GM Search Committee report from CLJ approved.*
- *C7 Report on Board Committee Principles from NS approved.*
- *B9 Report on Succession Planning from MS approved.*

GL proposes bumping Owner Linkage Committee Charter approval to August, AY seconds. Consensus.

Meeting Agenda

6:10pm, Decision (GL)

AY thanks NS for C7 report, asks that action items be verbalized during close of meeting.

Meeting agenda approved with consensus.

Owner Comments

6:11pm, Listening (GL)

- Mike Strode, attending as interested owner and potential board candidate.

Operations Report

6:12pm, Listening (MS)

Another recent compressor failure and freezer outage due to heat;; insignificant loss due to quick thinking from management team. Compressors on roof replaced. GL asked about filing insurance claim; MS said he will proceed with that but unlikely to receive payout. AY asked about their level of service; MS said company is responsive but company doesn't offer long term solutions, recommends changing companies in the future. Current unit was made for more freezers; mismatch causes issues.

Implemented wage increase for entry level staff and wage compression increase for all other employees.

June sales up 9.5% from year prior, still 6.9% below plan. Customer count up from prior month. Cash still strong but less than prior month due to effort to decrease AP aging. Equity in over plan.

Taking a slight hit in \$5 Dinners program; patios are the draw in nice weather.

GL asks about morale in front end department; RC responds that it's improving, now fully staffed. Retention has increased, updated communication system, made a lot of progress over the last few months. GL asked about customer wait time at dinner rush; issue of only 4 registers. Planning to better utilize customer service desk to help decrease wait times and better promote programs and ownership.

New Interim General Management Team

6:22pm, Discussion (GL)

MS has announced his departure on 8/1 and organized 3-person IGM Team outlined in B9 report: Robert Curtis will lead store operations, Marelyn Garcia will lead HR and finance, Ally Young will lead communications and board reporting, with organization-wide decisions made as a single unit.

GL asks about process for documenting decisions made collectively, MS responds that minutes will be taken at IGM Team meetings.

SSh concerned about mapping additional tasks onto employees who already have full time jobs. MS responds that yes, team will be stepping up, but largely already filling these roles.

SSo asks if board can assist in any additional capacity, MS responds that monthly check-ins with President should continue. AY adds that weekly sales reports should be submitted to the board for close review and as a way to keep regular line of communication open during this transition. GL adds that board holds responsibility of keeping owners informed.

GL requests that IGM Team plan to present at the Annual Ownership Meeting in October.

Monitoring: B3, Asset Protection

6:34pm, Decision (AY)

Global interpretation not accepted.

NS: block. Risks, maintenance not entirely addressed.

AY: block. "Insurance" alone doesn't speak to the spirit of this policy, especially public image.

Board will move through full decision tree for the sake of review and provide feedback.

Global data insufficient to determine compliance.

NS: Great strides, but lacking detail ie security plan. MS clarifies that an emergency binder is kept in all departments and situationally updated.

SS: block. Concerned about B3.6 data.

AY: block. B3.6 does not speak to labor relations or include information on NLRB case.

Global policy accepted as noncompliant, as reported, with action for follow-up needed in relation to individual sub-policies:

B3.2

NS appreciates data, would like to see it in global policy in future reports.

B3.3

NS would like to see interpretation expanded beyond security systems in future reports; regarding inadequate security of premises and property.

B3.4

SSo requested MS share details of what systems SH left in place after security breach occurred. MS responds that confidentiality forms have been rolled out and signed by managers and Tier 2 staff.

Board requests that IGM Team report on B3.4 for August and provide documentation that confidentiality forms are in place and system for sustaining the practice. MG confirms that this is a reasonable ask and will take the lead in preparing submission. NS suggests that resigning annually would be a good security measure, RC agrees and gives example from previous employer.

NS asked about employee's current access status and if position rewritten to separate sensitive data from job duties. MS responds that access to information is necessary for job, did temporarily reroute access and issued final written warning. AY confirms that reroute no longer exists, full responsibility remains with employee, is in favor of dedicated owner services position in future staffing structure.

B3.6

SSh shares concern with public image/perception of co-op regarding negative press recently about union organizing.

SSo would like to see data include all press mentions in future reports, suggests directors set Google alerts for mentions.

AY adds that internal labor relations also impact our public image and extend from our own staff to their friends, families, organizations, communities. Concerned that NLRB case was not mentioned here nor has board received an update on the co-op's violation or settlement. Notice has been posted in break room, IWW recently sent mailer with this news to staff list, including previous staff. Suggests that board request a labor relations update as part of monthly operations report to keep abreast.

GL doesn't think we need to have it re-reported, asks if marketing is paying attention to public image. AY responds yes, and that this policy report offers the I/GM the opportunity to better present that work to the board.

SSo suggests that new GM report on this sub-policy to familiarize themselves with the DPFC story, image. GL agrees, requests that IGM Team continue to monitor and work to protect public image, and the board will schedule a re-report on B3.6 for October.

Action Items, Next Agenda, Announcements

7:09pm, Decision (AY)

- Action items from C7 report on Board Committee Principles from NS:
 - Global: board will refine and charter a committee to address owner linkage.
 - C7.1: board will identify/recruit owners to finance committee.
 - C7.3: board will schedule review of committee charters annually.
- For August meeting:
 - GL will send out proposed Annual Ownership Meeting agenda in a week for revisions, approval.
 - IGM Team will report on B1 for Q4 and FFY18-19. SSh will support.
 - NS will report on C8. Director needed to report on D1, D2.
- Committees:
 - Executive: GL will schedule Executive Committee CLBD call with Thane in August.
 - Finance: SSh will work with marketing department on updated capital campaign materials.
 - Policy: AY will schedule meeting in late August to clear slate of policy changes prior to new board cycle in November and propose bylaw amendments.
 - Owner Linkage: board will submit comments for changes to charter and adopt in August. AY notes that first order of business for group should be to draft call for candidates.
 - GM Search: moving forward, hosting follow-up interview tonight, continuing progress.
- Announcements:
 - Center for Changing Lives Summer Block Party 7/27: local employment partners
 - Co-op Ed Center Summer Celebration 8/29: Chicago cooperative ecosystem convening

Regular business meeting adjourned at 8:38pm, with Executive Session to follow for GM candidate interview.