

Board of Directors Meeting  
**Monday, August 19, 2019**  
6:10pm open | 7:58pm adjourn

**Call to Order** *following group photo*  
6:10pm (GL)

**Directors:** Sindy Soto, Brian Perea, Suzanne Keers, George Langford, Sean Shatto, Norma Samame, Ally Young, Celeste Levitz-Jones. Absent: Rebecca Reynolds.

**Owners:** Gretchen Johnson (scribe), Sharon Hoyer, Dave Lynn.

**Staff:** Marelyn Garcia, Robert Curtis, Ally Young.

**Consent Agenda**  
6:11pm, Decision (GL)

- July meeting minutes filed.
- GM Search Committee report from CLJ accepted.
- Finance Committee report from SSh accepted.
- Owner Linkage Committee charter approved with clarification that Norma is a member.
- Owner Linkage activity report from SSh acknowledged.
- New owners and share repurchases for July approved, with the addition of repurchase for #358. Note that AY will share owner feedback with FE Manager.
- Resolution to transfer Ubiquity trustee passed with the addition of the word “forward.”
- C8 Report on Governance Investment from NS accepted.
- D1 Report on Unity of Control from SSo accepted.
- New Employment Agreement language approved.

**Meeting Agenda**  
6:18pm, Decision (GL)

- D2 Report on GM Accountability from SSo added to agenda for discussion by SK, 10min.
- Leadership Transition item pulled from agenda; GMED Committee will host meeting to address.
- 10min item added in Executive Session to discuss next steps in GM hiring process.

**Owner Comments**  
6:21pm, Listening (GL)

- Sharon Hoyer: attended to hear the year end financial report, which isn't on this month's agenda but will stay for monitoring on asset protection. Also available to sign letter to transfer trusteeship of 401K account and would like to see the issue resolved tonight.

## **Monitoring: B3, Asset Protection**

*6:22pm, Decision (GL)*

AY introduced this re-report at the global level to address recent issues as well as to follow up on last month's requests regarding specific sub-policies. Emphasized that there has been an unprecedented amount of work done to address gaps in asset protection by this IGM Team within the first two weeks in the role.

Report accepted as noncompliant with plans for improvement as presented. Further discussion:

- RC provided a summary of operational improvements to tighten security, cash handling procedures, greater accountability for department purchasing budgets. Questions fielded.
- MG provided a summary of insurance coverage and necessary adjustments. Confirmed that repairs have been completed in time required for renewal of business insurance. Currently working to file a claim for employee theft within a 30-day window of incident. Questions fielded. MG will provide peer review of current coverage amounts to better assess adequacy.
- AY confirmed that updated employee confidentiality agreements that echo existing policy will be introduced this month and reaffirmed during annual reviews, per B3.4. Copies will be filed individually, per SSo suggestion. Questions fielded.
- CLJ, SS, NS shared concerns around public image. AY provided summary of internal communications work being done to preempt PR issues, advisory received from NCG, confirmation of existing policy relating to brand manager as only staff member authorized as media spokesperson. AY will review this policy during upcoming department meetings and provide a broader external update on B3.6. GL recommended addressing at the annual meeting during the financial review; emphasized that we can't communicate broadly at present as investigation is ongoing.
- SK, NS asked about point of sale system functionalities, RC confirmed internal audit function, MG confirmed training on this. AY pointed out failure of internal controls if POS company provides such training to employees instead of to accountant for external review only.
- GL confirmed request from SK that the policy committee will review AY recommendation on B3 addition to explicitly monitor financial protections.
- CLJ asked about accounting oversight. MG relayed that imbalances and concerns had been reported, but accountant instructed to not investigate for cost-containment reasons. SS clarified that this began 1.5yrs ago with migration to new system. AY requested that the full board view monthly financial reports and accounting notes, not just the treasurer, and emphasized the importance of timely monthly closings.

## **Operations Report**

*7:06m, Listening (MS)*

AY corrected comma misplacement in bank balance figure, confirms that it remains above benchmark. GL congratulated team on nearly 12% sales growth year over year prior, on-track ownership growth, and full staffing. SS assessed that report was thorough and allows the board to feel well-informed.

RP elaborated on customer service and ownership plans for August.  
AY elaborated on new outreach coupon program.

SSo opened discussion on board approval of AY recommendation on capital campaign timeline. AY requested scheduling additional time to strategize about this as a group and gave a brief overview, including necessity of grounding additional investment asks in operational improvements and new leadership. SS agreed, and underlined importance of owner linkage work. GL expressed concerns about waiting that long. AY echoed urgency. GL tasked Executive Committee with creating a proposal to discuss during a 30min agenda item of September meeting.

SSo asked about budget for upcoming Cooperative Board Leadership training. AY clarified that it's a free, daylong training hosted locally, encourages all available directors to attend. SSo suggested contributing food or hosting a store tour as part of our participation. AY will share registration link with board.

## **Annual Ownership Meeting 2019**

*7:20m, Discussion (GL)*

GL introduced draft agenda, clarified that he'd also envisioned a social aspect before/after program.  
Feedback:

- SS approves, assesses as comparable to past meetings.
- SSo requests that time be added for board candidates to speak.
- SK concerned about intro to new GM being at the end. GL intended audience focus to remain on other presentations. CLJ liked current structure, leading into the future after discussion of the past. SSo likes the positioning, can see the logic, suggests preview of new GM.
- NS likes the inclusion of department managers.
- CLJ likes current structure, leading into the future after discussion of the past.
- AY thinks participatory element is important, suggests time for Q&A with full board + GM at end. SSo suggests handouts for people to note their questions to be collected beforehand. GL likes idea of soliciting input, suggests form to gather questions/concerns sent out beforehand to inform presentations, share-back. AY notes shopper/owner survey slated for September.

GL will adjust draft based on feedback and resubmit for approval next meeting.

GL opened discussion on food / social segments. SS suggested the deli provide food, MG voiced support. SSo presented event ideas, will assist with planning.

## **Monitoring: D2, Accountability of the GM**

*7:34pm, Discussion (SSo)*

SK raised issue with interpretation; she understands the policy to be a structural assurance that we're abiding by the system of policy governance in GM oversight. AY agreed, would find board in compliance and offers that SSo data points apply to important accountability questions that might be covered in

other policies. SK will work with SSo to revise and resubmit for next month's consent agenda and find where this fits in the bigger picture.

### **Action Items, Next Agenda, Announcements**

*7:47pm, Decision (AY)*

- IGMT monitoring: AY will work with MG and accountant to submit BI for Q4 + FY18-19 and A (Ends).
- Board monitoring: SSo and SK will resubmit D2. SK will submit D3.
- Owner linkage: invites will be extended to board candidates to attend September meeting, info session should be scheduled before October. Ballot will be formally approved in late September, outside of a formal meeting. SS will share work calendar from last year.
- Executive committee: schedule conversation on next agenda for next meeting on officer succession.
- Policy: will meet to discuss possible bylaw amendments and outstanding policy flags.
- GM Search: should be complete in the next couple days, will schedule meeting to discuss onboarding.

*Regular business meeting adjourned at 7:58pm.*

*Executive Session following to discuss GM search, adjourned at 8:14pm.*