

Board of Directors Meeting
Monday, September 21, 2020 via Zoom
Facilitator: Rebecca Williams | Minutes: Gretchen Johnson

Directors: Peter Frank, Mike Strode, Celeste Levitz-Jones, Rebecca Williams, Victoria Birkbeck,
Absent: Don Washington, Brian Perea. **Owners:** l'Talia McCarthy, Nancy McClelland, Robert Curtis,
Heather Rivard, Paul Williams, Whytnee Bush, Teresa Meza, Emilie Karl **Guests:**

6:0 Opening

Director Check In: What is everyone most excited to discuss tonight?

6:05 Meeting Agenda

- CLJ strikes approval of August meeting minutes (not yet received).
- Will not monitor B1 & B2; keep a few minutes for updates.
- Keep D3 & D4.
- Add time to discussion of annual meeting.
- Add update to criminal case in approvals.

6:08 Approvals

- CLJ moves to file June meeting minutes; all in favor.
- MS moves to file July meeting minutes; all in favor.
- RW moves to approve new owner equity repurchases; all in favor.
- RW moves to approve CBLD 2021 Report. CLJ seeks input and clarifies that she is signing off on regular package; all in favor.
- RW moves to approve owner linkage committee report; all in favor.
- RW moves to approve newsletter; all in favor.
- RW moves to accept B3 report; all in favor.
- RW moves to accept Ally Young's resignation from the board; all in favor.
- CLJ moves to appoint Paul Williams to the board; all in favor.
- R. Curtis provides update on criminal case: defendants will pay back a large amount of money owed to DPFC; chose not to charge as felons. Next trial Oct. 7th.

6:29 Owner Comments (Mike)

- R. Curtis: Spoke against staff members serving in leadership positions acting as board directors due to conflict of interest.
 - CLJ: Board is having robust conversations to create better delineation of roles and automatic recusals for some decisions. No definitive answer yet, but working on it with new union representation, will discuss with legal counsel.

6:36 Director Candidate Forum

- W. Bush: Served on a board in Vermont; has been living in Logan Square for 18 months.
- T. Meza: Has leadership position in coop; sees issues with conflict of interest, open to further discussion. Came from Sugar Beet Coop.

6:39 Operations Report (l'Talia)

- August was a good month with \$50,000 increase in sales. Gaining owners. Hired center store manager; looking for new prep foods manager. Bringing in seasonal items. Seeing pre-COVID numbers in prepared foods. Hired new deli prep person. Has met 5x with union; have temporarily agreed to nearly everything they've proposed; would like to get contract signed. Reset in liquor department. Mercato saw \$16,000 in sales - above goal. NM working to get GLs figured out. New HR hire. Liz is interim manager for marketing; search has stalled. Finalizing job description for board admin position and will send it to board. Interviewed 5 people for finance manager position; need to update job description. VB noted that she appreciated input from different managers in written report.

6:53 BI Report

- N. McClelland provides update: Sent letters to lenders; received 3 replies. If inventory issue doesn't clear up, will do a project to reinvestigate; could be vestigial miscounts. Member discounts are being tracked quarterly - former reports were booking incorrect discount. June is finally closed, with exception of member discounts maybe needing to be booked retroactively.
- BI and B2 next month: NM would like to go over budget assumptions.
- RW moves to get budget pre-update; all in favor.
- IM: Expect to see net loss for quite some time. For the second quarter: expect to see growth in net sales due to holidays; hit in sales due to depression. Storewide gross 37.3% gross profit margin. Seeing some dip in margin due to out-of-stock issues with UNFI; working with secondary supplier. Personnel costs have been in 16-17% range, budgeted 18%. No hazard pay starting Oct. 1st. Admin costs and occupancy budget remain the same. Marketing and outreach budgeted to double. Do not plan to raise capital from owner loans this quarter; trying to repay outstanding.
- PW: Reach out to owners who offered loans when union contract was approved? RW offered to communicate with this group.

7:15 D3 Report

- No concerns from board or GM around delegation.
- RW proposes to accept report as in compliance, with adequate data; all in favor.

7:24 D4 Report

- VB requested that process be documented.
- IM suggested that this policy be rewritten; CLJ agrees - especially 3 & 4 (no longer have a yearly contract, good idea to write in a timeframe).

- Discussion around rewriting to put review process in the hands of a seasoned board. PF noted the need for policy committee. RW noted policy committee has a big project already with staff-director question; this should be sent to GMED committee, work with Thane and l'Talia to update. Have already voted to strike language in 3 & 4, need to update policy register.
- RW moves to send to GMED committee for rewrite and evaluation; all in favor.
- RW moves to have GMED report back in November on updated changes to policies; all in favor.

7:38 **Annual Meeting** (Victoria)

- VB: Will be virtual. Suggests directors pre-record video segments, with live opening and live Q&A closeout. Engagement polling throughout.
- Proposal that voting be open from Oct. 21-Oct. 28.
- T. Meza: Pre-event survey will be sent out in confirmation email.
- Thesis: Resiliency! Positive changes have been made, leaders in COVID 19 support.
- Will be reviewed further at October board meeting.

8:09 **Discussion of Candidate Slate**

- CLJ suggested electing officers before October so new members aren't voting for someone they've just met. PF doesn't feel comfortable setting officers for new board, also wants to give opportunity for new members to be officers.
- Approving slate of candidates: Don Washington, Whytnee Bush, Brock Auerbach-Lynn, Teresa Meza, Paul Elliott Williams, Robert Montoya, Troy Martin. 3 seats to fill.
- Discussion around absentee policy: states 2 or more absences constitutes effective resignation from board position.
- RW moves to do quick audit of attendance; have direct conversation with President or VP, given opportunity to make amends or resign; all in favor.
- Extended discussion around conflict of interest (applied to staff members in leadership positions serving on board, not hourly staff members):
 - CLJ: Need to delineate boundaries (serving as owner not as staff). Disciplinary procedures are the same.
 - IM: Never seen staff on board before; creates too much confusion.
 - RW test for consensus on keeping staff on ballot: VB feels rushed, history of board coming across as anti-staff; PW: Do not know back story, impacts function and image of board, better to research and decide later; RW suggests approving non-staff slate, proposal to board about conflict of interest; CLJ: Too late to make this decision - not enough time to come up with robust proposals and discussions. Need to start conversation but this is not the moment for change.
 - T. Meza: Today was deadline for candidate; not time to change policy. There are issues of power and control that need to be addressed. MS notes agreement. PF differentiates approving slate from making policy changes.
- RW moves to approve the full slate with agreement to discuss policy recommendations; all in favor.
- CLJ notes bylaw change has already been approved; need to make decision around who is writing it.

8:51 **Board Calendar**

- B1 and B2.
- Should have staff survey this year.
- B6 - wait for bargaining contract. RW moves to have a conversation next month about what to see in this report; all in favor.
- RW proposes discussion on C4 (tools for meetings and expectations); all in favor.
- RW proposes board end of year self-evaluation; all in favor.

9:00 **Meeting assessment:** Too long. Would be beneficial to have a timekeeper. Better to have hard/important things first. Putting meeting together felt challenging; good to get things in on time!

9:06 **Adjourned.**