

## Board of Directors Meeting

**Monday April 17, 2017**

6:09pm check-in | 8:30pm adjourn

LSNA | 2840 N Milwaukee Ave

### Attendance

**Directors:** Claudia Richman, Beatriz Beckford, Sean Shatto (facilitator), Ally Young. **No quorum.** [Absent: Ryan Palma, Brian Solem, David Glover] **Staff:** Sharon Hoyer, Audrey Sekendur, Michelle Perez, Jess Dickerson. **Owners:** Meghann Wilkinson (scribe), Carla Ilten, Norma Samame, Rebecca Reynolds, Ron Kollath.

### Opening

Sean Shatto, President

#### Agenda review & approval

Capital Campaign discussion wrapped into Expansion Update.

GM Monitoring B5 and B6 final decisions will be moved online/interim.

Board Monitoring C4 moved online/to next meeting.

PG Triads conversation shortened.

CBLD Program update moved online/interim.

CE&O Committee discussion moved online/interim.

#### Consent agenda

Will be approved at next meeting/interim. Sean will post a whenisgood to schedule. (May 3?)

### Owner Comments

Ron will send comments to the board via email.

### Union Comments

Audrey Sekendur, IWW Steward

This meeting seemed appropriate for union presence with review of B6 policy on Staff Treatment and Compensation. Group of staff started organizing about a year ago to discuss how to improve workplace conditions and democracy. Looking at previous efforts to do these things, the group felt that the next step would be to join the IWW. Decision to organize came out of ideas about accountability in GM review process and living wage policy.

The group of staff chose IWW because it would give 50/50 bargaining power to push for living wage/benefits, clear scheduling guidelines, proper safety, staff development, anti-oppression trainings. The group felt that unionizing was important for the long-term health of the co-op.

### Operations Update

Sharon Hoyer, GM

The full financial report is not complete as of right now-- our accountants are behind right now due to time of year and new POS System.

- Sales: March sales \$143,903- a 13.58% decline from last year.
- Personnel costs: \$34,078- 23.68% of total sales. Labor costs were kept in line with the plan.
- 16 new owners joined, \$2,090 in new equity.

### **Operations:**

- Seth Murley hired as new Store Manager, first day was April 17.
- Produce Manager attended NCG Produce conference and training, grocery Manager visited 2 co-ops in MN to shadow peers.
- Participated in Good Food Festival panel discussion about co-ops and food access.
- Front of store reset to merchandise all bread in one location, new bakery cases to reduce staff time of wrapping pastries.
- Seeds and soil are in!

### **Marketing & Promo:**

- Implemented NCG template signs in Produce and Bread departments
- Fresh Deals promos now on social media. Looking to implement Hootsuite to easily send promo posts to all platforms.
- New website launched.
- Came in 1st in round one for the \$50,000 Chicagoland Chamber Tyree Award grant- thanks to all who attended!

### **Progress Toward our Retreat Goals:**

Looked at alignment between operations and governance under 3 headings:

- Fortifying our Financial Outlook- Increase Sales
  - Implemented improved one-page weekly sales reports
  - Updated departmental goals/targets
- Engaging with our Communities- Build Ownership
  - Launched ownership drive (34 new owners in 2 weeks)
  - Retrained front end staff on talking points to benefits of ownership
- Refining the way we work- Hiring/Staffing
  - Hired Store Manager
  - Implementing appreciation system

## **Expansion Update**

Sharon Hoyer, GM

### **Project:**

Friday we did a “dry close” on the CCLF loan, will be officially closed at 10am tomorrow! Construction happening this week, team meeting tomorrow to discuss coordination of a crane. Trying to coordinate HVAC, kitchen hood to coordinate the day for the crane. Equipment will be right on schedule. GM will be reporting to board on construction progress every 2 weeks. Opening timeline looks like late August/early September (5 month timeline to opening).

### **Capital Campaign:**

Owner Loans to complete our Funding: \$40K Campaign (April 24-May 19) to meet the \$950K for CCLF disbursement. We have a \$20K matching loan already pledged. \$80K Campaign (July-August)- we need this by opening for gap funds and working capital. \$100K Campaign (October-December)- remaining working capital to be raised by the co-op.

Finance Committee met to talk about how to make this happen, campaign team spoke with Ben Sandel of CDS. Have talked about blending the first 2 phases into one campaign, the only concern with that is that the first \$40K is extremely time-sensitive. GM, Sean, Ally, Brian will be doing a call 4/18 to get on same page about how to look at the fundraising phases. Does this become a GM committee or continue to be a sub-committee of Finance?

Brochures and mailing will be happening this week. Roadmap will be updated. GM will be starting to make calls this week- is looking for support in calling. GM has calling calendar that can be shared. Board tabling at the store- board member in the store every Sunday. Sean will put together a schedule for board tabling.

Equity: \$60K to spend before disbursement. \$30K to raise within 3 months of new store opening.

## **GM Monitoring: B6: Staff Treatment & Compensation**

Claudia Richman, Director

**B6.1-** Compliant.

**B6.2-** Inadequate data to determine compliance.

**B6.3-** Compliant. Comment: staff need to know how to contact the board.

**B6.4-** Inadequate data to determine compliance.

**B6.5-** Compliant.

**B6.6-** Compliant if data is verified.

**B6.7-** Inadequate data to determine compliance.

**B6.8-** Compliant. Application to seniority and GM/staff ratio should be added to next report.

**B6.9-** Compliant.

**B6.10-** Compliant. Would be helpful to see a summary of the health care plans for data.

**B6.11-** Noncompliant. *"GM will not allow any employee to work for less than a living wage."* What can be done to reach compliance well before July 2018? Plan is based on what the forecasts are right now. Can we see what those thresholds need to be so that we can accelerate those targets? And look at additional analysis to determine how to make this work? GM will provide schedule for continued pay increases in each report. Deadline for GM on this report: by the interim board meeting, May 3.

## **Policy Governance Triads**

Sean Shatto, President

Triads = 3 directors coming together to discuss GM monitoring report, create a report to present to the full board for approval. Hoping to get better board accountability from this process. Currently,

more questions seem to come out and lead to a more robust understanding of policy. 3-month trial period for this system is up. Do we continue with triads, revert, or go into a new direction?

Concerns shared by Ally:

Policy monitoring should be the board's primary responsibility. Triads came about because the board was stretched thin, which is still the case-- but this process actually creates extra work with additional layer of back and forth, puts additional strain on GM, leaves reports open/undecided for far too long. Many other co-op boards have a singular monthly review cycle where GM fields questions during meetings, board responds/decides in person.

Would like to see the dissolution of triads and return to full board policy monitoring process-- one that is streamlined to allow for robust reviews. Secretary would distribute board meeting packet to include GM report + supporting materials 5 days out, board would arrive at meeting prepared with questions & discussion points.

Board holism, speaking with one voice, is important for public-facing communication and GM directives-- but we do need to hear dissent among directors, encourage alternative viewpoints before coming to decisions that we relay with holism. This includes policy monitoring discussions, which would best happen in person.

(Rebecca: shift to online space was initially to keep directors more accountable to the information so that the discussion in-person was productive.) Ally: discussion getting fully pushed online creates messy, hard-to-follow threads. Good reminder to all that the online information is about being able to come to the meeting prepared to act.

Some people like the on-line back-and-forth because there is clarity with the in-writing form of response. Don't want to make a shift and leave things behind.

It seemed very clear that the old process was not working, but some sort of new process aside from triads requires a broader conversation. More discussion on this at interim meeting.

## Policy Committee

Ally Young, Secretary

### Bylaw amendments to consider:

- **2.6:** Non-transferability of shares needs to be lifted in order for equity subsidy program implementation.
- **1.6:** Fiscal year shift to align with NCG for ease of reporting.
- **2.1:** Shares are \$100 each, why is 2.5 shares the "fully vested" amount? Currently out of compliance with IL law stating that owners need to be "fully vested" within a year of joining. What if we just required the purchase of a single share? Payment plan option would be \$10/mo-- in 10 months, you'd be fully vested owner. Would align with affordability efforts to sell shares at \$100/ea, maximum holding of 5 shares. (In many older co-ops, full shares are only \$50.) Could we run the numbers to understand how this would affect our equity projections/needs?

Beatriz: “shares” language seems to imply more shares, more power. Cooperative model is one PERSON one vote, not one SHARE one vote.

How can we make ownership more financially accessible, change the language for greater understanding, be in compliance with IL law?

Need an ownership meeting with quorum of 50 to amend bylaws. Aiming to get this done before Milwaukee Ave opening so that staff does not have to be retrained-- next annual meeting in October is too late. Perhaps combine with event, ie hard hat tour? Next Steps: convene policy cmte before interim board meeting to draft language and run it by a legal committee.

#### **Policy changes to consider:**

- Backlog of small known changes, ie BI language, HOO program language.
- Expedite review of Ends (A), including mission statement, to be accountable to owner input we’ve collected over time and incorporate before expansion. Policy cmte will make suggestions get that conversation going.

## **Election Committee**

Ally Young, Secretary

Currently working to fill two open seats: 6mo term, 2.5 year term. Election committee advertised open seats through eblasts, did owner outreach, received two excellent applications.

#### **Board candidate intros:**

- **Norma Samame:** Has worked in the nonprofit sector her entire career. Currently a director of quality management at the Heartland Alliance, has been a grant writer, has managed programs, worked in issues around homelessness, HIV/AIDS, human rights organizations. She has always been a volunteer and member of communities. She had considered applying for the next board cycle- now that this opportunity has come up, she is happy to be here.
- **Rebecca Reynolds:** First joined the co-op before it opened its doors- canvassed at the Blue Line station to get owners, was a board member a few years ago. Was a campaign manager for Kim Foxx. Specialties are generally in fundraising, community and volunteer engagement, and staff management. Is so excited to be part of the next push in moving into the new store.

Board will discuss candidates during executive session, decide on appointments via Loomio to include those absent tonight. If approved, on-boarding process will follow.

## **The Future**

Events: People’s Climate March April 29, LSNA fundraiser May 5.

C4 moved to next month.

BI review to be scheduled between Triad 2, Finance Committee.

Annual Meeting proposed for October 10, will vote on Loomio.

Looking at potentially rotating meeting times, will decide when two new directors are seated. Sean will do a Whenisgood.

## **Executive Session**

Directors

Discussion on director nominations  
HR committee discussion

## **Closing**