

Board of Directors Meeting

Monday May 15, 2017

6:10pm check-in | 9pm adjourn

LSNA, 2840 N Milwaukee Ave

Directors: Brian Solem (facilitator), Norma Samame (guest liaison), David Glover, Sean Shatto, Ally Young.

Staff: Sharon Hoyer (GM), Paula Gilbertson (NCG advisor).

Owners: Meghann Wilkinson (scribe), Carla Ilten, Jennifer Lindner, George Langford.

Opening

Agenda review & approval

Policy committee item adjusted from a decision to an update

C4 decision moved online

Consent agenda

April Minutes approved

Regular monthly meeting time moved to third Wednesdays

Owner Comments

Jennifer Lindner, Owner #1309

Came to meeting to follow up on letters that she addressed to the board. Would like to see increased delegation in operations, professional development opportunities for staff, prioritizing of local ties and community relationships, elevation of staff members who have ties to organizations, are representative of the ethnic composition of community, have co-op experience. This is a political moment in which we could be strengthening, fostering, creating more alliances within the progressive community.

Are these ideas represented in our current Ends? Paula advises that co-op principles and Ends statements should be more visible, posted in the store and at meetings to ground leadership and allow owners to see if co-op is living into its mission. Ally will create and print poster of Ends for June meeting.

Brian notes that the board is currently working to charter an Owner Engagement Committee to connect with co-op owners and broader community around issues like these.

George Langford, Owner #367

Have we been successful at lowering prices? What is the feedback we are getting from owners about lower prices/affordability? GM explained that joining NCG has provided access to lower-priced products and contract pricing that gives us an ability to buy at a lower cost and expand our Co+op Basics program. In the current store, we have been focused on the “best” in terms of products, but in the new store, there will be more products that are not in this top tier- maybe offering conventional choices, more competitively-priced items.

What has been done about education? Maybe lower prices aren't what's needed, but looking at true costs of food? The new store will offer more space for educational programming.

Is floor plan of new store available? Ally will post floor plan on the website.

Carla Ilten, Owner #1198

What do we know about owner purchasing? Are people buying the cheaper stuff?

GM says we can look deeper into owner purchasing.

Paula notes that people are also variable, depending on who they're feeding. There's a continuum of Values and Value. "Good, better, best" strategy encouraged by NC meets people where they're at on the continuum- not judging people for their choices, offering opportunities for education.

Operations Update

Sharon Hoyer, GM

[See monthly narrative report.]

Sales: Sales are in decline 8.5% from prior year. Sales YTD have been consistently lower than last year. Decrease in foot traffic by about 100 people/week and decrease in basket size. Have some marketing resources about new low prices and how those prices will be even lower in the new store.

Expenses: Personnel costs are staying in healthy range despite sales decline. GM will report labor costs in the operations report and broken out as expansion startup staffing costs. Expenses decreased 14.59% from the prior year, due to personnel cost decreases. Expenses were lower than planned expenses.

Ownership: Stellar work on the front end- with re-training in how to talk about ownership and show enthusiasm about joining: 71 new owners joined in the month of April. 2,075 active owners, \$7,292 total new equity. Ally will follow-up on conversation about board approving refund shares.

Staffing: Store manager is on board and doing great. Produce and Front End managers completed 90 day intro periods.

Development: GM attended NCG Spring Meeting. Focus this year was on impacts (local community, health and nutrition, great food, healthy planet). Now setting system-wide goals and tracking progress through 2017, eg many pounds of food donated annually.

Progress toward retreat goals available in Dropbox.

Access & Inclusion: Leadership Team began work on a broad plan to increase access & inclusion:

- Grocery: Implementing WIC by new store opening
- Grocery and Produce: evaluating product mix
- HR: revising interview questions- including cultural competency questions, professional development into review process for retention

- Outreach/marketing; planning community conversations/town hall meetings. Creating comprehensive low-income program including equity subsidy and shopper discounts.

Expansion Update

Sharon Hoyer, GM

GM is now using new high level model for expansion update report, designed by CBLD to address the critical factors of the project that would raise board concern if not properly managed:

- Significant changes from the original Sources and Uses budget
- Significant delays in completing the project
- Significant underperformance in ongoing store operations
- If anything else comes up

Closed our CCLF loan, NCG funds disbursed, and passed the \$950,000 threshold of owner loans for CCLF disbursement. Landlord is contributing \$7,333 for asbestos abatement this month and submitting paperwork for \$50K of the SBIF funds next month. Projected opening date is 9/13/2017. No other challenges or surprises this month.

Board really likes the new report!

Capital Campaign

Sharon Hoyer, GM

Status: Caller trainings held for board, HOOs. Rebecca is having luck with the new list of owners. No closings have been scheduled, but there are 3 or 4 owners who have expressed interest. Owners who are closing loans can be directed to the store on Sundays-- Sean and Sharon will coordinate calendar together for in-store tabling.

Campaign coordination: At the start, this was a board-led effort under the purview of the Finance Committee. Now that it has shifted to GM coordination, how does this work? Anything that the board chooses to delegate, it can only hold accountable through policy. How does the board maintain its fiduciary responsibility? So far, this has gone without problems, but we need to ask these questions and seek clarity.

GM is comfortable with either outcome: Rebecca chairing the campaign with experience & talent, or GM taking the reins and reporting back to the board. Finance Committee and Rebecca will connect with GM to clarify roles/communication when Ryan is back in town, and will report back at next meeting.

Sean will shift ownership of master spreadsheet to board@dillpickle.coop.

Policy Governance

Sean Shatto, President

Organized a call at 5pm today with Brian, Ally, Sharon, and Joel from CBLD to discuss policy governance and best practices for board/GM monitoring.

Past challenges: monitoring taking too much meeting time, lack of engagement with material between meetings. Sought to address through a triad system: a senior directors + 2 others meeting to create a summary report on GM's monitoring report to share with the full board. The resulting additional back-and-forth is unmanageable for GM. Positive: meetings of small groups of directors have created conditions on the board side for thorough monitoring.

Ally notes that we're now 2 months past the 3 month trial period for the triad system and haven't decided how to move forward. We need to do routine monitoring well before we can address the work of policy writing, strategic leadership.

Paula points to the lack of education about the policy governance system, a structure originally developed by John Carver to make non-profit boards more effective at managing their directors. Sees weakness in the board's understanding of what a good report looks like. Advises a 2-week process: board receives GM report 10 days before the monthly meeting, then acts to accept or not accept at the meeting, with minutes out by the end of the 14-day cycle.

Ally moves to adopt the advised policy governance cycle, proposes amending the annual calendar to reflect review of 1-2 policies monthly, with all monitoring decisions to be made during board meetings:

1st Wednesday: President/GM draft agenda during interim meeting.

2nd Wednesday: GM/board submit report day prior, Secretary distributes packet by 6pm.

3rd Wednesday: Board meets, makes decisions on policy compliance.

4th Wednesday: Secretary shares meeting minutes with board for approval, public posting.

PASSED.

Ally will print large-format "Decision Tree on Acting on Internal GM Monitoring Reports" to act as visual aid during future board meetings.

Sean will update annual calendar using CBLD template.

GM Monitoring: B I

Sean Shatto, President

(Note that all GM monitoring was suspended this month while adopting new governance practices.)

Finance committee could meet monthly considering what is on the table: audit year, capital campaign, education about operating budget for the 2 stores. Sean will schedule finance committee meeting.

Policy Committee

Ally Young, Secretary

Committee needs to be a formally chartered so that it can do stuff! Ally presented a draft charter. Ally will research other boards' policy committee charters and post an updated version to Loomio for review.

Held an initial meeting over the weekend, identified Ends policies as a priority. These haven't been updated since 2010, and are scheduled to be monitored by the full board in July. Request that we dedicate plenty of time for a full discussion with expansion in mind.

Need to have an equity subsidy program in place by the time we open the new store.

Non-transferability clause in our bylaws is a hurdle. Ally will reach out to other co-ops and see how they have handled this and connect with Paula for assistance. Likely will not require bylaw amendment as assumed.

Re: fiscal year change to align with NCG: Paula advises that we remain on a July 1st cycle.

G-Suite Migration

Sean Shatto, President

Google Chrome: Creating profile in Chrome browser that is associated with your Dill Pickle profile will create a new session in Chrome that is just your Dill Pickle stuff. (Settings > Add Person.)

G-Mail: Directors have a new email interface through Google and need to sign in on a regular basis. Will not be setting up automatic email forwarding to your personal address- need to share anything that has been under old email addresses with new email address.

Google Drive: need to copy each document while signed in to your .coop account, can't directly transfer ownership of documents from a personal account to a .coop account. Ally will spearhead the moving of all files to Drive. Dropbox will be closing eventually.

Call Sean if you are in need of tech assistance at any point. He's available for one-on-one tutorials!

Closing

Next board meeting is Wednesday June 21st, 6pm-9pm @ Second Shift.
Packet with all meeting materials will be made available by June 14th.