

People's Food Co-op Board of Directors Meeting								
Wednesday, January 16, 2019 at 6:30pm, St. Andrew's Church, Division Street								
Start	End	Item	Time	Item Title	POLICY	WHO ?	ACTION	MAT'LS
6:30	6:32	A	2	Agenda Review	G4.1d/G7.4	All	Alignment	Agenda
6:32	6:42	B	10	Member Comments	G9	Attendees	Listen	None
6:42	6:47	C	5	Announcements/Future Scanning/President's Report	Board	All	Info share	None
6:47	6:49	D	2	Consent Agenda: December Minutes, L.8, E1.-E.4, Absences	G.7.7	All	Approve	Minutes, D1, D2
6:49	6:59	E	10	Questions and Comments on GM Report	G.2.2,M.4	Angie	Questions, Comments	E1
6:59	7:04	F	5	Questions and Comments on Treasury and Finance Committee Reports	G.2.2,M.4	Christine, Angie	Questions, Comments	F1, F2
7:04	7:14	H	10	L.4.1 Review		All, Angie	Discuss, Approve	H1
7:14	7:19	I	5	Appointing New Board Member				None
				BREAK!				
7:29	7:49	J	20	Committee Check-ins	Board	Nom & Dev, Linkage, GM Eval, Linkage	Report	TBD
7:49	7:59	K	10	Policy Reboot - mostly second half of L	G.2.2	Ray/Gaia/All	Discuss, Approve	TBD
7:59	8:09	L	10	Plan Staff Party		All	Plan/Discuss	None
8:09	8:14	M	5	Task List Review/Future Meeting Date	G.1.4.,4.h	Rosie/All	Review	None
8:14	8:19	N	5	Meeting Evaluation	G.1.4-5	All	Board Process	None

Board of Directors Meeting Minutes – January 16, 2019

Location: St. Andrew's Church, Division Street

Attendance

Board Members Present:

Jaime Magiera (President)
 Ray Anderson (Vice President)
 Leah Hagamen (Secretary)
 Bruce Curtis (Treasurer)
 Steve Rich [by phone]
 Gaia Kile
 Amanda McCreless

Board Members Absent:

Rainey Lamey

Also attending:

Angie Voiles, General Manager
 Christine Laing, Finance Manager
 Michelle Schry, National Co-op Grocers, Board Guest

Member-owners:

Hannah Davis
 Connor Davidson
 Scott Kamen
 Tom Princen

+ 3 others

Call to order – Jaime called the meeting to order at 6:34pm.

Agenda Review – Add 20 minutes into Item C for Michelle to speak. Pulled out E.1-E.4 as separate 10-minute agenda item, placed after Treasure and Finance Committee Reports.

Member Comments – Member Skye asked about follow up to the equity meeting, and wondering about how members can get involved; he was previously involved in a co-op. This will be discussed during Committee Check-ins and Jaime will reply to the member via email.

Member wondered why the December minutes weren't online, and why there is no online posting for this meeting. Jaime replied that the previous month's minutes are approved at each meeting, so December's minutes will be posted after this meeting. The details of the next board meeting at any time is posted on the front page of the website.

Announcements, Info-Sharing, Future Scanning, President's Remarks – Discussed briefly staffing at Slow Food Summit, which is February 16. Jessica Letaw, head of the DDA, is going to speak to the Board in February, in a separate meeting. Amanda is working on picking a good day for the staff party.

Consent Agenda – With modification mentioned under Agenda Review, Bruce moved, Ray seconded to approve the consent agenda. **All in favor (7/8), motion carried.**

Michelle is the Development Director for National Co-op Grocers (NCG). Her area supports 52 co-ops. They work with co-ops looking to grow and co-ops who need support. Michelle spent 22 years as a co-op GM at co-ops of multiple sizes. In addition to business service, NCG provides coaching to various professionals. They try to provide low-cost, efficient alternative to other kinds of outside consultants who don't work within the co-op industry. Her team came in and did an assessment of PFC a couple years ago and put together a report. The last interim GM used it as a roadmap. Angie reached out to suggest they provide a Development Advisor to PFC. There are challenges seen at PFC that are affecting many co-ops, especially high employee and middle management turnover. Michelle spent some time with Angie inside the co-op and is willing to commit the resources to PFC. Michelle came to the Board because they do not work for GMs, they work for the co-op; they wish to have a strong communication channel with the GM and the Board. Often as co-ops grow, staff become siloed; Michelle has noticed a lack of staff unity, related to a lack of expectation and lacking staff structure and policies. She can help the co-op team reestablish procedures and structures, especially with the sense of urgency demonstrated by PFC and its members. A larger issue is staff mindset. The social aspect of a co-op has always been a driver of its success, and it needs to be reestablished. The narrative people tell about the co-op needs to be a positive one, and the Board can really help with that. The goal is growth and profitability, with customer experience as the backbone.

Steve asked what kind of schedule and effort she is proposing to bring? Michelle replied that she will not let her staff care more about the work than the Board does. Provide development advisor support that will be there 3 times a month for several consecutive days. Also offered to provide retail specialist support for prepared foods and the Café. If need is greater than what her team can provide, she would be willing to use some budget to bring in outside resources.

Steve asked what else she needs from the Board. The Board should provide greater clarity of what it wants the co-op to be in the next 10 years; a better vision. What is the reason for the co-op to exist, and does that matter to the Ann Arbor community?

The time for incrementalism is over, it's time for radical change.

A team member will be at the Board meetings every month.

The timeframe of this work is 6 months.

GM will be the main point of contact for operations, and the Board Chair will be that for the Board.

Michelle and Jade communicate regularly.

NCG expects the Board to exhibit candor and precision with goal and expectation setting, and make sure PFC can deliver on those promises and be good ambassadors to the community.

At the end of the engagement, they prepare an exit report.

A member asked what role member-owners might play to support this process. Michelle said to give candid feedback. 1) A new randomized customer feedback program will be employed soon; filling those out is incredibly useful. 2) Shop more. 3) Help change the narrative by talking about the co-op to your community and why it is important.

Questions and Comments on GM Report – The customer survey is ongoing. Angie gets all the data and can respond to individual customers if they chose the option to be contacted. A coupon code is given to customers at the end of the survey.

The deli project is no longer going forward. A deli case was preordered, but can be resold. A few thousand dollars went towards design. The bulk of the cost was in construction, and none of that has been lost. Jaime asked if the deli project is completely off the table or may come back. Angie responded that the sales trends in the Café must be addressed, and a project at the scale of the deli is unwise at this time.

Jaime asked for some details regarding the developing delivery service. Internal operations for how to make it work are still being worked out. Metrics of success of the delivery service are in development.

Angie reviewed updated numbers related to members updating their member-owner shares.

For next meeting Angie will provide more numbers surrounding the delivery service and the member-owner share changes.

Steve asked about the new prepared foods manager and what challenges he will be facing. He has declining sales and many systems to assess, but is enthusiastic. He will be receiving some specialized training.

Gaia noted that the GM Report continuously says that the Grocer's Union has nothing to say, and wondered if they are particularly active. There were wage negotiations in May 2018; the next one is February 2019. The union had zero grievances in 2018.

Purchasers are working hard and being given support to reduce occurrences of empty shelf space.

Bruce expressed concern about member-owners who haven't updated their member shares yet are going to be surprised when they find out their membership became inactive. Angie has been doing lots of outreach and believes most people should be reached in time.

A number of interviews have been done for Café Manager, and offers are being made.

This year's marketing strategy will be more focused, trying to engage certain groups of people.

Questions and Comments on Treasury and Finance Committee Reports – Bruce expressed his alarm at certain declining numbers.

Angie and Christine explained that the holidays skewed week 52 and somewhat week 1 data, and those data aren't unusual.

Steve asked if customer count has a consistency historical relationship with sales. Angie said they are significantly related. Steve was also interested in the relationship between marketing and sales; this can be reviewed with the quarterly report next month.

E.1-E.4 – Gaia asked if basket size against customer count accounts for customer frequency? Angie clarified that customer count is either customers coming in less frequently because of larger basket size, or customer loss—it isn't distinguished. These trends do not necessarily suggest loss of customer satisfaction.

Gaia thinks Board meeting attendance by members is a more measure of success, and communication to the Board is better. He also thinks "deliberation" could be a better word. E.4: Wants collective action to encompass things like awareness of groups meeting and the café, or things on the bulletin board.

Jaime, on E.2: There has been discussion on this before, but would like to see cooperation with other non-food co-ops. Angie also reported that volunteering by co-op staff has shown a surge of interest. Steve stated that E.2 requires real legal advice and research. Michelle suggested that the Board starts by reading the Union contract. The Board is generally supportive of investigating this.

A short discussion of Ends will now be on the agenda every month.

Gaia explained to the members present what Ends are.

Ray moved, Steve seconded to accept E.1-E.4 as GM presented. All in favor, motion carried.

L.4.1 – The workplan is a living document. There needs to be some more focus on staff training and cross-training. The workplan will likely change with the onboarding of Paula from NCG.

Steve moved, Amanda seconded to approve L.4.1. Gaia initiated discussion about an out-of-date textual detail. Jaime amends to approve with the textual edit. Gaia seconded. **All in favor (8/8), motion carried.**

Appointing New Board Member – Gaia spoke with the potential board member and would like to invite her to join the board. Jaime moved, Gaia seconded, to contact Mary Rooney tomorrow to offer her a board seat. Amanda initiated discussion. Mary would be replacing Greg Upshur’s board spot. **All in favor (8/8), motion carried.**

Impromptu Additional Time for Member Questions – Member: Communication with member-owners has come up during this meeting, and would like to stress that communication with member-owners has been poor. The information about the deli project not moving forward was big news. Jaime mentioned the updated website with the Town Hall information, and asked for suggestions. Another member said that people are not going to be checking the PFC website, and things should be communicated via email. Member said that he has been a member for 6.5 years, and only recently learned that there were board meetings.

Jaime responded that his goal is to have website updates about published minutes, agendas, town halls etc. will be emailed to subscribers. Bruce added that the end of the deli project is brand new news and hasn’t been published to even staff.

Member thinks that the Town Hall on January 29 is too close to the member share decision date of February 1st. Jaime expressed that it was an unanticipated circumstance that the Town Hall was so close to the cut off date. Angie elaborated on the upcoming changes: the originally invested \$60 is not lost on February 1st. Voting rights are deactivated at that time, but members can reinvest at anytime. Member asked if the survey link will only be on receipts, because most people have cashiers trash receipts. Angie responded that a printed paper with the survey link will supersede the receipt; this will be the only way of acquiring this link.

Committee Check-ins – GM Evaluation Committee has not yet met, but will meet soon. Development Committee has not met yet this year.

Linkage Committee: The Committee has been working on the Town Hall meeting. They have not finalized a format. Ray requests that any Board member who wishes to make a presentation contact them, as they need to set an agenda. Ray has received in-box comments and email comments. He has responded to everyone who has left contact information. 90% of the comments were positive. The Town Hall will be at the church in basement, and that has been confirmed by the church. Jaime will be providing video capture and sound.

Bruce expressed worry over a drop in Town Hall meeting attendance from November’s 100+ people, and hoped that this meeting will be better than last meeting and will keep people interested. Ray replied that there is some new information to present, but there will also be review from the last Town Hall. They had talked about small group discussions, though there were concerns that those discussions may devolve into operational comments; mostly decided that small groups are not a good idea. Regardless, there will probably be many operational questions. Jaime asked Jade about how to respond to operational questions, and she said to draw a hard line between topics. Steve thinks that hard line should be drawn frequently throughout the Town Hall, to relieve pressure on Angie. From received public comments, Ray thinks many people don’t know what equity is, and reviewing that would help guide the conversation.

General overview of Town Hall: What is member equity? What is its relevance to the coop? Numbers for where PFC is now. Major changes. Angie presents public version of L.3 3-year plan. Board will stay after the meeting for any further discussions.

Linkage is meeting again January 24.

Nominations Committee: Has some names, still collecting names. Bruce wants to overhaul nominations procedure.

Ken King Award: Committee will have person to approve next meeting.

Finance Committee: Meeting next week.

Policy Reboot – Postponed to next month.

Plan Staff Party – Reviewed during Announcements.

Looking Ahead & Task List –

- Angie will provide more numbers surrounding the delivery service and the member-owner share changes.
- Steve submit ad-hoc committee description for legal investigation into E.2
- Ray will send out agenda items based on today's discussion and people will assign themselves to topics.
- Rosie to fix erroneous agenda link on front page
- Everyone: enter names into Google doc for nominations

Future Meetings— The next Board meeting is February 20, 2019. The next town hall meeting is January 29, 2019.

Meeting Evaluation –

Executive Session – Jaime moved, Ray seconded, to move into closed session. **All in favor (8/8), motion carried.**

Adjournment – Meeting adjourned at 9:39pm.

Respectfully submitted,

Rosie Pahl Donaldson, Board Administrator acting as Board Secretary