

Item Title

Agenda Review
Member Comments
Announcements/Info Share/Future Scanning/President's Remarks
Consent Agenda: Minutes from December 2016
L.8 Communication and Support to the Board
Financial Update
Future Forecast/Planning
GM Search Committee

BREAK 5 minutes

Ends & Ends Policy Reboot
Elections Update
Annual Meeting
Interim GM Report
Member Survey
Looking Ahead for Next Month
Task List Review/Future Meeting Date
Meeting Evaluation

Board of Directors Meeting Minutes – January 18, 2017

Location: St. Andrew's Church, Division Street

Attendance

Board Members: Gaia Kile (board member), Ann Sprunger (president), Leah Hagamen (vice president), Jaime Magiera (board member), Persephone Hernandez-Vogt (board member), Keegan Rodgers (secretary), Bruce Curtis (treasurer)

Christine Laing, Finance Manager
Lori Crall, Interim General Manager, Wellness Manager, Front End Manager
Susan Landauer, Human Resources Director
David Hall, Outreach Coordinator
Kristina Weber, Bookkeeper

Janet Cannon, Member-Owner
Jan Mueller, Member-Owner
Phil Bianco, Member-Owner and Employee

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

Agenda Review – Slight adjustment to indicate that just the Ends report will be heard and not the reboot. Persephone moved to approve the agenda, Ann seconded and the motion carried 7-0.

Member Comments – Janet expressed her concern about the handling of the union situation and the finance problems of the co-op. She is interested in what the plans are for the future, such as modernizing inventory control, getting members involved and surveyed. Persephone shared some member comments that were brought to her— confusion about the compost/recycling/landfill divisions in the café and perhaps it could be better labeled, another member asked that the to-go forks and spoons be kept behind the control and offered upon request. Jaime shared that a member voiced concern about employee pay. Patti shared that two members voiced concern about the lack of a newsletter.

Announcements, Info-Sharing, Future Scanning, President’s Remarks – Patti announced that she will be presenting on co-op history at the Pittsfield Grange on February 8th and is emceeing a “Bad & Nasty” performance art in Ypsilanti and Ann Arbor on February 20th. She is emceeing the Ypsilanti event. Bruce’s jazz musician son is performing at Kerrytown Concert House on February 12th. Keegan shared upcoming co-op events at the library on January 30 macaron, February 8 is knife skills and February 14 is chocolate. Linda Diane Feldt is beginning her last year of herbal classes at the co-op.

Consent Agenda – The only item on the Consent Agenda were the December minutes. Persephone moved to approve the minutes, Leah seconded and the motion carried 7-0.

L.8 Communication and Support to the Board – Lori did not feel comfortable speaking as to what happened before she began as interim GM and therefore the report only reflected her experiences. Keegan recalled that the board administrator is the only exception to L.8.3, but this does not need to be mentioned as the report is otherwise in compliance. Gaia moved to accept the report as being in compliance for the period that Lori has been in the role of interim GM, Jaime seconded, and the motion carried 7-0.

Financial Update – Bruce reported that the finance committee continues to meet in advance of the board meeting. November was a rough month, due to the water emergency and legal fees. An insurance reimbursement is forthcoming; Lori is working with the insurance company. Lori reminded the board that they only cover loss after the first 24 hours. Christine speculated that without the catastrophic loss we would have made \$12,000-\$15,000 in November. Given the infrequency of floods, she believes this to be an anomaly. Persephone asked about a Go Fund Me that had been discussed. Phil explained that some of the workers wanted to start a Go Fund Me to help with the expenses caused by the flood; however, they received word that insurance would cover some of those costs so they held off on starting the fund.

Christine explained that the insurance will not cover \$2000 worth of bills to unclog pipes, the \$30,000 of lost sales, and probably won't cover all of the costs to completely repair the basement; however, it might cover most of the cleanup of about \$12,000.

Christine said that although the numbers are not finalized, December is showing a loss of about \$15,000, but this amount will be reduced by the insurance payout. Also, the kitchen had to close for two days to have equipment installed, and the store closed early for inventory. The kitchen was also unable to make some of its seasonal treats because of lack of labor. There was some discussion about shortening the hours around the holidays, especially in the café which was particularly slow; however, Lori expressed concern that this might be confusing for customers.

Bruce said we will end with a loss again, probably around \$15,000. This is lower than last year, but still not desirable.

Bruce informed that the budget was no longer valid as Lesley's plans will not be put into place, so perhaps a new document needs to be generated. He'd like to see what can we project based on what trends are, examine these trends, and then discuss how to get past that. This project is on the finance committee's calendar.

Future Forecast/Planning – Ann reminded the board that we were pushing Lesley for a three year plan before she left, but did not receive it and thus some kind of financial plan is still needed.

Discussion points:

- Lori asked that the board say where we want to be, and then we figure out how to get there, e.g. at three months we want to be X, at six months we want to be Y, at one year we want to be Z and so on. Ann suggested that we want to break even in the first two quarters of 2017.
- If there is something concrete, Lori said, this is much easier for staff to work with—e.g. when you walk into the co-op there are fresh flowers, there are neighborhood folks shopping there. This sort of visioning can happen in the finance committee.
- One benchmark would be the budget, which Bruce says can be done within a month.
- Jan asked for some of the financial history and what strategies were employed. Gaia explained that the general consensus of the board is that nationwide, co-op finances started going flat starting in late 2012, and that is when our finances also started flagging. Additionally, co-ops had a corner on the natural food market for decades, but that changed drastically a few years ago.
- David said it might be helpful to do an assessment of what happened since Lesley came on board, progress that was made/not made in order to assess where the co-op is and how to go forward. There is a report that Lesley

wrote wherein she listed what she saw when she started the job, what she changed, what her plans were.

- Ann stressed that we can't wait for more reports—some work must be done quickly. If necessary, consultants and outside help will be brought in. The board also needs to work on energizing our membership.
- Persephone expressed that she would like to see a focus on relationship building through marketing campaign perhaps—what does the co-op have that chain stores don't? A community, we are local, try to pay a living wage. Would like to see a campaign that preaches those values.
- Jaime agreed that our edge is the local focus of the co-op. Also, need to tap into the market of students moving into the high rises. To that end, Lori said that the co-op is doing a co-op pop up at the Foundry on Tuesdays, selling sandwiches and cookies.
- Ann would like to get email addresses from shoppers to better stay in touch
- Lori suggested that every board member come to the store at least once and spend at least two hours bagging and talking to folks, preferably on Wednesdays or Saturdays. All board members are welcome to do this particularly on these days. Please let manager on duty know if possible. Board member badges are in the board cabinet, and please wear them.
- Jan suggested having a catchy slogan such as “friendly, local, member-owned”, have better marketing
- Keegan suggested reviving Coffee with the Board. Given member concerns, this may be the time to start this again
- Gaia suggested that along those lines, we could do a series of strategic planning meetings with members so join us
- Ann directed the Linkage Committee to meet before the next board meeting

GM Search Committee – The GM Search Committee has been meeting. Ann has met with Anne Evans, a local consultant, who gave a proposal of about \$14,000 (\$90/hour billed monthly) for her services. Ann has also talked to Carolee Colter who wrote the book on hiring a GM and charges \$130/hour. Ann proposed that the board accept Anne Evans' proposal which was previously reviewed by the board, Keegan seconded. Discussion: She will work with Carolee Colter and will possibly take off some services if needed (photocopying, running meetings). Her fees will come from a board budget that needs to be created. Anne Evans will handle oversight, work at the local level, keep committee on track. Carolee brings knowledge of food co-ops that Anne does not have. Persephone expressed that there may be the food co-op knowledge already available from board members. Ann explained that Carolee will help clarify job description for what we need. Jaime suggested that the consultants' work be reviewed at the board meetings. The motion carried 7-0.

Jaime moved to accept the contract with Carolee Colter, Keegan seconded. Discussion: There will not be a cap on her hours at this point. The motion passed 6-0-1 with Gaia abstaining.

Ends Report – Lori highlighted future class ideas that could include classes in the co-op business model. A small, in-house newsletter called the Co-Op Update is going to be created, with paper copies available; will also be linked on the website. A Co-Op Connection for the election will be produced. Email ideas, information, etc. directly to David.

Keegan proposed that starting in January of 2018, the January and April GM reporting requirements will be swapped, Ann seconded. Discussion: Opined that we will have accurate reporting and financial and EBITDAR information later in the year, and that can better let us see if we are meeting our purpose and vision in what we want to do. The motion did not carry, 1-4-2.

Ann moved to approve the Ends report as in compliance, Persephone seconded. Discussion: Gaia concerned that meat, alcohol and sugar sales go up while produce sales continue to struggle so is this really meeting the providing healthy food end. Jaime echoed some of these concerns, particularly about the “impulse buy” products that are near the registers. The motion carried 5-0-2 with Gaia and Jaime abstaining.

Elections Update – The board packet is ready. The timeline is included in this packet and is: packets available 1/18, 1/31 is when packets are due, 2/7 is when petitions are due if you are running by petition, voting begins no later than 3/30 as we need 21 days to vote, 4/20 voting ends at 6pm at the meeting as bylaws say that members can bring their ballots to the meeting.

Other info:

- Blank ballots will be available at the meeting. There will need to be a member log to ensure that the person hasn't already voted.
- We don't have the date by which we are going to vet the candidates.
- The date for newsletters to be received is 3/15, so they must be mailed by 3/8
- Ann will work with Lori on the Simply Voting procedures and set up
- There are no bylaw changes, no other referenda changes

Persephone suggested having a day or two in the café where we have applications available, we take their pictures for the newsletter and get them set up on the spot.

Persephone moved that we extend the deadline for applications to 2/7, Bruce seconded. Keegan made a friendly amendment for petitions due on 2/14. This gives us three weeks to get the newsletter together after the petition due date. The motion carried 7-0.

Annual Meeting — Keegan moved to move the date of the annual meeting to April 21 at the Neutral Zone, Jaime seconded and the motion carried 7-0.

This means that electronic voting closes on April 20th at 10pm.

David will work with the Neutral Zone to determine the time we can get in for setup. Jaime will write up a petition for those candidates who are running by petition (due on February 14)

Interim GM Report – Lori presented her report. She left the department portions in the “voice” of the managers who emailed her their reports, which was much appreciated by the board. Bruce complimented that every department was reported on, instead of skipping over ones without anything to report.

Lori reported that management has had two meetings with the union. They were productive and she feels like they are making progress.

Lori also reported that the staff really appreciated the party that we threw for them, especially closing the store early so that everyone could go.

Looking Ahead – Next month, Lori is responsible for L.2, L.7 and L.4.10 reports. The Ken King Award winner should be approved next month. While not agenda items, ballot counting needs to be scheduled, the ballot validation instructions needs to be provided to the staff, and the annual meeting information should be on the website.

Task List – Board members should plan on doing one or two “bagging” shifts at the co-op (please try to let the MOD know), Linkage Committee should meet, Nomination Committee needs to set a date by which to vet candidates, Ann and Lori need to discuss Simple Voting.

Future Meetings— The next meeting is February 15.

Meeting Evaluation—

- So happy with this meeting, felt really engaged
- Enjoyed Lori’s reports this month
- Made a lot of progress with things we are working on
- Meetings continue to be good
- Feels good about where we are at as a co-op
- Good energy, happy to have ability to consult with NCG
- Like Ends comment about having the board engaged with members more
- Liked Lori’s comment to have board members come to the store and bag
- A bit intense and long

- Appreciate Lori's work as Interim GM
- Thanks to everyone for the effort that they put into meetings
- We have lots to do, will be in overdrive for the immediate future

Executive Session: Ann proposed to go into executive session to discuss the GM search. Bruce seconded and the motion carried.

Adjournment – Ann adjourned the board meeting at

Respectfully submitted,

Keegan Rodgers, Board Secretary