

Silver City Food Co-op — Board Meeting Minutes
Wednesday June 19, 2018— 4:30 p.m. to 6:30 p.m. —
LOCATION: 907 Pope St.

Present: Jennifer Johnston, Laurie Anderson, Scott Zager, Julianna Alberhardt, Shanti Ceane, Kristin Lundgren, Gwen Lacy, Kate Watson, Jean-Robert Beffort, Susan VanAuken, Betty Mishuk, Kate from Supplements, Jo Lutz (scribe)

I. Welcome (4:30-4:50pm, 20 minutes)

- A. Board approves agenda
- B. Directors' Announcements
 - 1. CDS Consultants has changed its name to Columinate
- C. Members' comments (10 minutes are set aside at business board meetings for any comments from members. Much more time is allocated at non-business board meetings every other month.) Susan is sorry that the GM is gone, and thinks the Board has not been transparent enough in the process. Legalese used in communications seems like a cover-up. She shared with the Board an email thread with members regarding the GM's termination. Kate says she has had similar questions from people who approached her. Laurie says she understands the natural desire to know, but the Board simply cannot provide all the information in this case. It was not a quick or lightly made decision, it was a process that took many months and created a lot of extra work. Jennifer says they followed a consensus process in two executive sessions, achieving full consensus both with the outgoing and incoming Board, with no stand-asides or blocks.

II. Old Business (4:50-5:10pm, 20 minutes)

- A. The Board approves May board meeting minutes by consensus.
- B. Joe Zwiebach is no longer general manager of the Co-op. Mike Madigan is acting general manager of the Co-op. The board has formed a General Manager search committee and is in its early steps. No interim GM is being sought. The position of assistant manager is temporarily vacant, but some responsibilities have been assumed by other staff.
- C. The Board decides officer roles and committee chairs. Laurie Anderson is President. Jennifer Johnston is Vice President. Scott Zager is Treasurer. Shanti Ceane is secretary. Scott Zager is chair of Finance. Kristin Lundgren is chair of MC. Gwen Lacy is chair of by-laws. Julianna Alberhardt is chair of BME committee. Jennifer Johnston is chair of ROD committee. Shanti Ceane is chair of PSPC.
- D. Betty Mishuk is putting together documents for member loan offering. Board approves \$1,500 in consulting fees by consensus to hire Peter Chestnut to review offering documents. Betty talked with Peter, who felt we could do paperwork ourselves and he could review. They felt strongly about coming up with risks and make them public. They found info from other co-ops of risk-disclosure and offering. Betty and Peter are working with Mike and Jane and SBDC on updating business plan.

III. New Business (5:10-5:20pm, 10 minutes)

- A. Ad hoc GM search committee has formed and is working (Jennifer, Scott, Kristin).
- B. Staff outreach and input regarding GM search has occurred with staff survey

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(Kristin, Scott, Julianna) Staff survey on GM search has 20 responses. The Board wanted to get a sense of how staff was feeling about transition, if they had suggestions. Some have serious concerns about the energy, some are business as usual, theme of not enough information.

C. Changes to B reports format are in final editing stages (BME). Reviewed style and format, with a change back to Cooperative governance.

IV. Committee Decisions and Announcements (5:20-5:30pm, 10 minutes)

A. Member Connect (MC) No meeting. Scott says Kristin wrote article for GG.

B. Recruitment, Orientation and Development (ROD) notes. The retreat went over cooperative governance with CPA Denise Cooper giving a basic finance lesson. They reviewed board policies recommended by Garland-McQueen, the CDS consultant. They discussed the transition and committee assignments.

C. Board and Management Evaluation (BME) no meeting

D. Finance Committee (FN) notes (no meeting)

E. Pope Street Project Committee (PSPC) notes. Julianna, Scott, and Shanti discussed raising the access floor and topping it with wood. This approach is used a lot in tech companies. Variety of floor materials are used, and some supermarkets have them. Cost includes engineering. Right we now just have to decide elevation, can decide floor materials later. Columinate has some store designers and can likely do a modified contract (of 5-10k) with one of the designers. The work would consist of skype meetings and one site visit. Mike talks about renting out the space.

F. Bylaws Review Committee (BR) notes. Reviewed current by-laws, including proposals and recommendations plus attorneys with reasons for each suggested change: non-compliance, inconvenience, out-dated. The articles of incorporation supersede by-laws and state statues above all. Revisions also cover disposition of property, term of directors, maximum sub-committee members, and officer requirements to be directors.

V. Monitoring Reports (5:50-6:20pm, 30 minutes)

A. Board acknowledges B6 (Manager's Report) by consensus

B. Board acknowledge B1 (Staff Treatment) Monitoring Report by consensus

C. Board acknowledge B8 (Customer Service and Value) Monitoring Report by consensus

D. Acting general manager presentation on B reports (20 minutes)

1. Questions/comments on B reports. Mike thanks Board for opportunity, which has been a learning experience over the past month. He is working with Nick Prince and Mike Morones on tune-up of reporting standards used in finance system and IT system. There is a stop in business every time internet goes down, so the co-op is switching to wifi. Mike is evaluating the capabilities of Sage, which may have reporting abilities we are not taking advantages of. Sales are 180k for June so far, whereas they were 171k at this point last year. But there were 200 fewer transactions. There was a slight drop in gross profit margins in May. Sales per square foot are through the roof, which is one reason to relocate. Efforts are being made to reduce expenses. Morones says the co-op could

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consider altering budgets throughout the year. There are complicated negotiations with UNFI and their warehouse system management renewal, but we can look forward to more product availability and faster service. They are also updating the membership renewal process. Parking is a major concern, even more so with the opening of Adobe Springs and the closing of the Farmers Market parking lot. The Farmer's Market may relocate it to the 907 Pope lot. May register sales up 2.3% since last year, customer count and basket size also holding even. Tech expenses are not significant enough to constitute capital outlay. April was down overall from last year due to admin expenses related to taxes and paid leave. Staff morale is very high. New accountability measures have been instituted. There is apparently no discrimination or harassment, but also no easy tracking tool. Reforms to B-Policies might help with that in the future. There is a new internal advancement opportunity, the back-up MOD. Staff training tool needs to be developed to educate staff on the role of Board of Directors. Product selection guidelines invest a lot of trust in the buying staff. Local as higher priority would be untenable. The Board broadly agrees that change for its own sake is not desirable, but Jenn wants evidence of a review of the buying guidelines. The Board thanks Mike for being so thorough on his first B-Reports. They will take another look again at Google Drive Protocol.

VI. Board Meeting Closure (6:20 – 6:30, 10 minutes)

Review task list, tabled items, if any, and calendar.

Task List

Charters for all committees due for the July Board Meeting

Tabled Items

none

Committee Meetings

PSPC - Next meeting, Wed, 6/26 @ 5:30

ROD, MC, BME - TBD

Bylaws - Next meeting, Mon, 7/1 @ 4:00

Finance - August

Away Dates

Scott - none

Gwen - none

Laurie - TBD

Jennifer - Italy June 25-July25, won't be available by phone or in meetings, will miss the July Board Meeting

Shanti - June 20-23, July 4-6

Julianna - none

Kristin - June 26-30

Mike - Will miss the September Board Meeting