

Board of Directors Meeting Minutes
June 9, 2021, 6:00 pm (teleconference)

Present: Bethany Andrew (Larson Gross), RJ Halloran, TQ Nguyen, Ryan Peters, Margaret Gerard, Laura Weiss, James Erb, Terrance Morris, Randy Rydel, Adrienne Renz, and Jon Edholm

Absent: Ceci Lopez, Jean Rogers, Alana Smith

Facilitator: Holly O’Neil

Topic	Key points	Outcome
<p>Larson Gross Financial Review</p>	<p>Each year Larson Gross prepares an Independent Accountant’s Review Report to share with the Finance Committee and the Board of Directors. Bethany Andrew presented the review of the Co-op’s financial performance from December 28, 2019 - December 26, 2020. The Co-op received a clean bill of health, with the following main points:</p> <ul style="list-style-type: none"> ● We had a solid increase in cash ● The value of land, buildings, and equipment decreased due to depreciation timelines. ● Inventory remained consistent with just a 2% decrease from the previous year. ● Total assets increased by about \$2.2 million ● Accrued liabilities increased due to payroll and sales tax. ● Changes to accrued liabilities and long-term debt contributed to the increase in total liabilities and member equity ● We received full forgiveness for our Payment Protection Program (PPP) loan, so it won’t show up as debt next year. ● Sales, Cost of Sales and Gross Profit remained consistent ● General, administrative, and selling expenses decreased, resulting in higher income from operations. ● There isn’t much member patronage loss or net operating loss to carry forward. The Co-op may pay more taxes in the future. ● Member equity was up over the previous year. ● Net cash from operating activities increased by almost \$1 million. ● The accountant and the Finance Manager then answered questions as follows: <ul style="list-style-type: none"> ○ The decrease on the cost of credit card and bank fees is mostly to do with the Co-op changing credit card processors, giving us better processing costs. Credit card usage has actually gone up during the pandemic. ○ Larson Gross has not seen reports on risk associated with climate change yet, but would not be surprised if things evolve in that direction. ○ Lower Board budget costs were due to not hosting an in-person annual meeting and party, and directors not attending in-person conferences or training events. ○ Most notable to Larson Gross: Decreases in wages, salaries, payroll and benefits, followed by future potential taxes. We need to think strategically about when the Board declares member dividends, repays investment shares etc. ○ The Finance Director has prepared information about using our cash, to discuss at the June Finance Meeting. <p><i>**Jon Edholm and Bethany left the meeting**</i></p>	<p>--</p>

Agenda Review	<ul style="list-style-type: none"> The Board will skip the Board Chair report 	--
Consent Agenda	<p>All directors present confirmed they read the Board packet except Randy.</p> <ul style="list-style-type: none"> Quarterly Financial Report: B1.1–1.12.1 – No comments Finance Committee Monitoring Reports: B1.1–1.12.1 (Financial Condition), P1.3 (Benchmarks) – No comments May 12 Board Business Minutes – No comments Committee Reports: BDC (May), Finance (June), & MAC (April) – More details about the Intercultural Development and Intercultural Conflict inventory will take place will be provided later on in this meeting. Spring Retreat Minutes – Correct typo (“coast” instead of “cost”) Community Shopping Day Categories for 2022 – No comments 	Approved by consensus with Randy standing aside
GM Report	<ul style="list-style-type: none"> Operations integrated Co-op Curbside into the front-end teams at both stores to create labor efficiencies while growing the program as a permanent fixture. <ul style="list-style-type: none"> A national hiring shortage is affecting business across the nation along with our Co-op. The GM is considering alterations to the pay scale but will see if market conditions change before proposing the 2022 budget. There are no plans for the Holly St Cafe space to announce yet. The priority has been to stabilize, regrow and set goals for prepared foods department. It has been difficult to maintain a healthy MML (Margin minus Labor) and the hot bars and salad bars will return in July. We want to be operating at full capacity when students return in the fall. Reusable containers are returning. Staff are more open to pre-COVID practices as mask restrictions relax and vaccinations are widely available. 	--
Board Recruitment and Nominations	<p>Rather than reconstructing last year’s approach, the Board will propose new ideas for recruiting and nominating candidates. Suggestions include:</p> <ul style="list-style-type: none"> Use a healthy mix of strategies to reach a wide range of candidates and fairly divide recruitment and nomination work among directors: (in-store assets, house publications, events tabling, etc.) Each director could be responsible for nominating a candidate Educate the membership about the Co-op business model, the role of the Board, and service opportunities. Stress that unlike many boards, Co-op directors do not have fundraising responsibilities. Increase the appeal of becoming a Director by compensating the Board like PCC does. Conduct focus groups with members rather than assume we know why recruitment has not been more successful. Frame the opportunity to create change at the Co-op as a clear incentive. Leverage the Board’s physical assets in the stores by repositioning them or replace them with more appealing content. Tentatively pick an approach and schedule it. If we are going to table, pick a date in two months. Directors could wear their nametags at the stores or out in town. Improve orientation for new directors. It is hard to recruit when the resources to make service a positive experience are not in place. Tailor recruiting activities to the various strengths of different Directors (extraverts can table and introverts can take on independent, project-based recruitment tasks). 	The Board discussion is complete. BDC will review the timeline in light of these ideas. The Board will review BDC’s update. BDC will start signing up directors for tasks at the August Board meeting.

	<ul style="list-style-type: none"> ● Consider the vast and varied reasons why members may run for the Board when thinking of ways to appeal to potential candidates. ● Think about what initial interactions may put potential candidates off running for the Board. For example, would receiving a few short bullet points about running and the role be less intimidating in than a huge application packet? ● Directors involved on other boards or in various professional organizations could reach out to people in their circles. ● The Board should make a firm decision on recruiting or nominating candidates based on certain discrete skills that are absent from (or otherwise desirable on) the Board or generating a candidate list from what is around. Either is acceptable, but it is time to decide. <ul style="list-style-type: none"> ○ The Board could tie each seat to a specific strategic plan goal. This might be more equitable, but since the strategic plan is due for review, it might not be useful yet. 	
Board Calendar	<ul style="list-style-type: none"> ● The Board will virtually attend the CCMA conference and receive their IDI (Intercultural Inventory Assessment) invitations in June. New Directors will have 1:1 sessions with the trainer to review the prior to the group report session in August (optional for other directors). The focus will be the Board’s collective results. ● The Board will have ICI (Intercultural Conflict Inventory) training in September and monitoring training in October. ● The Board will close out the year by determining an approach to strategic planning and member input. 	--
Executive Session – GM Evaluation	<p><i>**The GM left the meeting before the executive session began**</i></p> <p>The Board reviewed the GM’s new contract put forward by the Executive Committee to make a renewal decision.</p>	The Board approved the GM’s new contract by consensus.

These minutes have not been approved by the Board of Directors.

Next Meeting – Wednesday, August 11 at 6:00 pm (teleconference – “doors” open at 5:45 PM)