

Board of Directors Meeting Minutes

January 11, 2023 at 6:00 pm (hybrid: in-person and teleconference)

Present: Laura Weiss, Margaret Gerard, Randy Rydel, TQ Nguyen, Joseph Correa, RJ Halloran, Diane Krapf, Heidi Beierle, Chuck Parsons

Guests: Kamea Black, Jill Clark, Minaz Hassam, Katherin Scott

Absent: Adrienne Renz

Facilitator: Holly O’Neil **Administrator:** Annabelle Rosborough

Topic	Key points	Outcome
Welcome, agenda review		--
Consent Agenda: <ul style="list-style-type: none"> • 11/9 Board Retreat Minutes • 11/16 Finance Committee Minutes • 11/16 BDC Minutes • 11/30 MAC Minutes • 12/21 BDC Minutes • Key Indicators for Nov. • Key Indicators for Dec. • Procedure for Agenda Development 	Confirmed all had read the packet	Approved by Consensus
Board Chair Report	<ul style="list-style-type: none"> • Adrienne will be stepping away from the Board for two months due to personal reasons. BDC will be deciding on who will be the interim BDC Chair. • Proposal for meeting remotely in February since the facilitator and the Chair will be out of town. <u>Approved by Consensus.</u> • The spring Board Retreat will be May 6th from 10 am – 4 pm. Co-op managers will be invited for a joint session. • Annual Meeting will be March 30th at 6 pm. All Board members are encouraged to attend. • Laura, Chuck, Holly, and Annabelle have been meeting biweekly since Chuck came onboard to review GM goals and continue to provide support as he onboard. • Laura and Chuck had a good meeting over coffee. 	Approved
Board Candidate Recruitment	<ul style="list-style-type: none"> • The Chair and Board Admin. provided an overview of the election process moving forward. Board Applications are due January 18th. An interview and board orientation will take place afterwards. The Board election slate will be voted on in Feb. and the election will take place in March. • Chuck shared he has given a staff development plan proposal to the HR Director to provide training to staff interested in professional development. 	
<ul style="list-style-type: none"> • 30/60/90-Day GM Goals Review 	<ul style="list-style-type: none"> • Chuck shared he has been meeting regularly with all direct reports. They are learning how one another communicates. He changed the meeting format to a roundtable to contribute to increased communication and to know what his team is are working on. • Chuck feels that it is important that all the employees that work in the store get to know him and he builds relationships beyond the Management Team. The stores will be closed early this Sunday for an all-staff meeting. 	

	<ul style="list-style-type: none"> • Chuck held off making big decisions the first couple of months he was onboard as the crew was going through the holidays. Planning to travel at a different speed now. He is starting to implement low hanging fruit and going to see what organic growth we can have. He is proceeding with caution as change can be hard. • Chuck has been working closely and meeting regularly with the Finance Director. • Chuck met with former Co-op GM Jim Ashby. • The session opened up to questions since the Board had received the full 30/60/90- Day Goals Progress spreadsheet. • A Director acknowledged the position Chuck is in as the first GM of color and shared he thinks people think he has done a wonderful job so far. • Chuck shared he wants the management team to be comfortable having him as the first Black GM. We are making progress after having the first woman GM. • A Director added that Chuck’s progression of 30/60/90 days is excellent. • Chuck shared that we’re just getting started. His input during the holidays was minimal. We have a good crew the only thing we need to focus on changing is the culture. We haven’t been innovative. We’ve been afraid of taking chances. Chuck is asking his managers now for ideas and asking them to dream. “Think about the perfect Co-op, what do you want?” • A Director asked if Chuck sees the benefit of being a member different from the Co-op’s mission. • Chuck said he does but membership is important to grow to secure our future. Chuck has been looking to do outreach at Western Washington to bring in a new generation of members. He is also connecting with the chef at the local school district. Kids are big influences on parents for what they purchase. • A Director suggested connecting with the Senior Center for Meals on Wheels. • A Director asked what Chuck was looking forward to implementing. • Chuck said a NCG consultant was coming out next week. They are looking at space allocation to implement new programs such as pizza, rotisserie chicken cooked fresh onsite, a revised deli program, blowing up the hot bar as we are dealing with antiquated menus. We have not been innovative at all. Adding a sushi chef onsite from 9 am – 6 pm seven days a week. There are not a lot of stores nearby that are selling sushi made onsite. 	
<p>2023 Draft Budget Review</p>	<ul style="list-style-type: none"> • The Chair clarified normally the budget is reviewed with the business plan in January but due to the GM transition the business plan has not yet been created. • <u>Capital Expenditures</u> Going to see an increase of spending in 2023. We finally received the \$1.2M Employee Retention Credit loan to help organizations who kept people employed through COVID. Cordata expenses are predicted to be high to replace refurbished equipment we initially bought. • <u>Net Profit</u> Some of ERC money was counted as revenue when it was earned but it wasn’t all included. Larson Gross recommended holding off posting it all at the time so therefore there will be some increases in revenue that’s not operational. • <u>Sales Growth</u> Sales growth is only at 2.5%. Inflation is expected to be between 	

	<p>2.8%- 3.5% for 2023. Sales grow of 3.6% is planned for 2023. The growth is higher than 3.6% for food service due to the opening of Forest seating, probable price increases and new products coming to the shelves. Chuck took a few crew members on a trip to the Skagit Co-op to show the team where we may be falling short (ex. sandwiches need to be cut in half to show goods inside). We are planning to change a lot of things to add more value (ex. Increase the amount of protein in sandwiches to justify cost increase as we are currently underpricing sandwiches). Chuck has tasked managers to go to another store once a month to find something we can implement. He is helping them understand that change isn't bad. We are going to be leasing out the Holly café space to Hammerhead Coffee which has a solid coffee brand. Chuck has hired a real estate company to manage the agreement. We will sell Hammerhead our baked goods. We'll bring in revenue for products sold at wholesale. We weren't successful operating our own coffee concept as we didn't have our own brand and there is a drive-thru coffee spot across the street.</p> <ul style="list-style-type: none"> • <u>Gross Margin</u> The gross margin calculations for each department reflect the impact of promotional activity and product loss (shrink) on overall gross margin. We have hired someone to help with pricing the right margins to not lose profit. It will also help take the work load off overworked employees. Chuck talking with employees to see if they are happy with their jobs. If not, we'll help find them another position which fits their strength and interest. We hired someone new to cover merchandising symmetry at both stores. • Chuck wants to buy a smoker to help extend shelf life of some of the meats and fish. • Budget will be approved next month. 	
<p>Policy Monitoring Calendar and '23 Ends Monitoring</p>	<ul style="list-style-type: none"> • Proposal to adopt BOD and GM monitoring calendar BDC drafted. The Board Administrator clarified changes to the MAC monitoring schedule. <u>Approved by consensus.</u> • Proposal to suspend Ends policy monitoring in 2023 with the intention to resume in 2024. The reasoning is we haven't done Ends monitoring in so long that Chuck would have to go through past data. Also, the result of the strategic planning process will give a new strategic plan and we will update our Ends. Chuck will still provide an overview of how we are doing at the Annual Meeting. <u>Approved by consensus.</u> • A Director asked if we are aware of our competition and if it will be taken in account during the strategic planning process. • A Director asked for more clarity around the decision to suspend the Ends for another year as it is of concern that they haven't been monitored for a few years. Ends monitoring is the only way for the Board and Co-op to ensure the Ends are being followed. • The BDC made the decision to suspend Ends monitoring as it would involve Chuck going back through previous data to report. He'll already have to start Boundary policies from scratch. The Ends policies are also set to change. Holly noted we could pull the Ends policies and talk about them in the SPC work. • A Board member asked if we could get the work done through a committee since they are missed year after year. It is a nice outlet to root into why the co-op exists. • Holly clarified it's the GM's job to monitor Ends policies. Chuck will be paying attention to the Ends policies and reporting on them in a less formal matter. Holly suggested that we build into the strategic 	<p>Approved</p> <p>Approved</p>

	planning process a Board meeting exploring what data and results we have so far around the “Local Food Systems Development” End.	
Strategic Planning and Annual Meeting	<ul style="list-style-type: none"> • Two goals for the Annual Meeting: 1. Chuck meets our members and connects with them 2. The launch of our strategic planning process • A suggestion was made to increase the timeframe for the “Launching our Strategic Planning” • Annual Meeting agenda will be finalized at the February BOD meeting • Getting people to the meeting will be key since the party is not part of the meeting anymore. • Suggestions for outreach: <ul style="list-style-type: none"> ○ Use teaser questions around food systems, local access, and other topics people care about to get members interested in attending. ○ “It’s your Co-op. Come share your views.” ○ Create little cards or handbills to help promote the meeting. They could be handed out or put in shopping bags in the store. ○ Invite people who you think would like to have a discussion. We could have each Board member fill a table with people they know. 	
Closing & Evaluation	<ul style="list-style-type: none"> • Enjoyed and appreciated hearing from the GM. • Enjoyed hearing voices and concerns today felt like we worked well together. • Excited about the listening ear the GM is bringing with enthusiasm and dedication to having strong outlet for local food in our economy. • Chuck shared we have lots of work to do but we’ve got a great crew. He appreciates how the Board is dedicated to his success aside from just how the Co-op is doing. We will start to see changes soon and he will share with the Board the progress. • Chuck mentioned he may need to join some meetings remotely. 	
Adjourn	<ul style="list-style-type: none"> • Meeting adjourned at 8:00 pm. 	

These minutes have been approved by the Board of Directors.