

## **Board of Directors Meeting Minutes**

**February 12, 2020**

**Present:** Caroline Kinsman, Ryan Peters, Margaret Gerard, Ceci Lopez, Laura Weiss, Melissa Morin, Randy Rydel, Adrienne Renz, Kami Pratum, TQ Nguyen, Jean Rogers, Alana Smith

**Absent:** Terrance Morris

**Facilitator:** Holly O'Neil

**Announcements:** The Racial Equity Institute is hosting a presentation at Settlemyer Hall, on February 26. The Farm Fund approved \$33,100 in grants to local farms and food and farming groups, with a total of \$447,573 distributed since starting in 2000.

**Study and Engagement (S&E) - 21st Century Business:** Co-op General Manager (GM) Adrienne Renz teed off the session with a presentation on the Co-op's financial history and major capital projects. She shared graphs that showed the Co-op's margin minus labor (MML) as a percentage, profit as a percentage of sales, and cash flow from 1999 to present. The Co-op opened a second location in 2009 and kept reinvesting in the business by paving the Forest parking lot, acquiring the Holly St. location, remodeling the downtown store and opening the Bakery Café. Over the years, we have taken on these capital expenses in a calculated way to strengthen our resilience in the market. A question for the current Board is to assess the amount of risk they are comfortable taking when planning for the future of the Co-op.

Following the GM's presentation, the Finance Committee Chair led the Board in a popcorn-style discussion of the Hartman Report, a major report on industry trends, and the NCG's first Consumer Research Report. The Board listed a number of considerations specific to the review of proprietary information in an internal document.

**March Study and Engagement Focus: Proposal:** Keep working on this topic because it is great preparation for updating the Strategic Plan.

**Alternate Proposal:** Hear more about our limitations as a business, especially from Adrienne. Discuss what's possible -- not just financially but also culturally and operationally.

### **Consent Agenda:**

- *GM Reports - B1.23-25 (planning), B1.26-29 (capital projects), B1.30-33 (succession) - No comments*
- *Monitoring Report - P1.2 (monitoring) - No comments*
- *Committee Reports - No comments*
- *Board Minutes*
  - Ceci will send out an email encouraging directors to join the Strategic Planning Committee (SPC)
  - The Board Chair or Co-chairing system is still in discussion
  - The survey on preferred Board committees and positions only had a 50% participation rate. This link was smaller than the Board self-evaluation link, and some directors missed it.
  - The Board Development Committee (BDC) proposes annual committee assignments, chairing positions and process decisions post-election to the Board, who then decides whether to adjust or approve the proposal as it stands.

**Decision:** Directors approved the consent agenda by consensus.

**Board Chair Report:** Upcoming professional development opportunities include:

- CCMA conference - Sioux Falls, SD June 4 - 6
- Co-op Leadership Seminar - Portland, OR Saturday March 7
- Columinate Webinars (pending cost)

If directors are interested in any of these opportunities let Ceci or Melissa know.

**Board Election Ballot count:** April 2, 5:30-7:30 pm in the Holly St. Conference Room. Laura is willing to volunteer and Margaret will check her schedule.

**Spring Retreat Date: Decision** – Saturday, May 9

**Fall Retreat Date: Decision** – Tentatively November 14, pending when the stores receive turkey deliveries.

**Board election** - March 1 - 31, ending with the Annual Meeting,

**Annual meeting** – Tuesday March 31, doors open at 5:30 pm. Port Townsend Co-op’s Board might attend.

**Board Self-Evaluation:** The Board Development Committee (BDC) circulated graphs depicting the results of the Board self-evaluation. BDC categorized the survey questions to highlight the results clearly.

- Lowest rating: Elections & Recruitment (noting this category is comprised of only two questions)
- Highest rating: Member Relations
- It is not clear how SurveyMonkey weights the averages. BDC will share all the survey data with the Board.
- “Directors address views freely and respectfully”: average score fell below three (neutral response score).

**Themes reflected in the data:**

- Reported connection and understanding increased after the Board had some tough conversations. The Board also reported an increased ability to handle conflict and collisions.
- There is increased recognition that all directors are engaged in the wellbeing of the Co-op.
- The Board feels that they have good systems in place -- a consensus decision process and professional support
- The Board recognizes that it needs to be intentional about developing institutional knowledge to balance the influx of new directors.
- Directors want to build better relationships with each other, whether that means sharing meals, coffee, more meetings, attending trainings, Co-op sponsored events or mentoring new directors.
- Most directors want to incorporate new technology, and to use technology currently in place more effectively, possibly including a Board site with more space for documents and interaction.
- The Board would like more training in policy, monitoring, governance, and finance.

**Individual directors report wanting to discuss:**

- How the Board adds value to the Co-op
- How to make service more enriching
- What success looks like
- Having the Farm Fund be a Board-recognized committee
- Expanding the Board’s social network to other area co-op boards
- A Board seat for each strategic plan goal to ensure that each one receives attention
- The time commitment required of Board Directors
- Having more time at meetings to share ideas
- Opportunities to learn more about individual and group leadership styles

**Comments:**

- One director did not feel heard when requesting more discussion on terminology. It was confusing and stressful to track who makes the decisions and what those decisions were. Follow up on the current Board Guidelines for Participation was another area of concern.

- Another director apologized for forgetting to follow up on this request. The Board tasked the Equity, Diversity and Inclusion (EDI) ad hoc committee with selecting the trainers, who wanted to go in a different direction. The EDI ad hoc committee might wrap up its work or formalize into a permanent Board committee. The director recognizes the need for transparency and taking time with requests from directors.
- Ceci and Randy are working on a grievance policy for the Board, including how to codify resolving an issue.
- It's important that informal discussions outside of meetings not turn into side channels.

**Rose, Bud, Thorn:** The GM feels the “rose, bud, and thorn” are all the same lately. The pressure of running a quadruple bottom line business is finding the balance of caring about people and caring about profit. It is her job not to let one part of the mission carry a disproportionate amount of weight. She is working to guide refining our systems without sacrificing the personality that makes the Co-op unique and successful.

**Executive Session (Profit Sharing B1.34):** The Finance Committee reviewed a recommendation from management regarding profit sharing, and considered the metrics for sales, wages and benefits, and net profit from operations.

**Proposal:** Based on the metrics above, the Finance Committee proposes not approving a year-end staff bonus for 2019.

**Decision:** The Board approved the proposal as presented by the Finance Committee.

**To-do: *Caroline*** - write the announcement for the staff logbooks.

**Closing Comments:** The S&E discussion felt like a composite of previous conversations. At next month's meeting, we could try to spark new conversations on this topic. For example, select a few themes from today's discussion and go into more depth, or take the ideas presented today and lead a discussion in preparation for updating the Strategic Plan. Appreciation to Margaret for sharing her thoughts and feelings with authenticity.

**Next Meeting: Wednesday, March 11 at 6:00 pm in the Cordata Store Roots Room**

*These minutes have been approved by the Board.*