

**La Montanita Food Cooperative
Board of Directors Meeting Minutes
June 17, 2014 – 5:30 pm**

Board Present: Martha Whitman, Marshall Kovitz, Ariana Marchello, Susan McAllister, Lisa Banwarth-Kuhn, Jessica Rowland, Leah Roco, Tracy Sprouls

Board Absent: Jake Garrity

Also Present: Sarah Wentzel-Fisher (admin assistant), Terry Bowling (General Manager), Jennifer Cornish (facilitator), David Hurley (research assistant), John Mulle (staff), Robin Seydel (staff), Michelle Franklin (staff), Rosemary Romero (Co-op member), Harry Snow (Co-op member)

The meeting started at 5:33 p.m. at the Immanuel Presbyterian Church in Albuquerque. Jennifer Cornish facilitated and Sarah Wentzel-Fisher took notes.

1. Welcome – food & refreshment

Issues Raised: None

Actions Taken: None

Actions Required: None

2. Approve the Agenda

Issues Raised: Ariana moves and Lisa seconds to approve the agenda.

Actions Taken: The agenda is approved unanimously.

Actions Required: None

3. Member Comments

Issues Raised: None

Actions Taken: None

Actions Required: None

4. Consent Agenda

- a. Board Minutes May 2014
- b. Board Development Committee Minutes - June 3
- c. Nominations and elections candidate packet and proposal – Ariana
- d. Board Retreat Notes

Issues Raised: Jessica moves and Susan seconds to approve the consent agenda.

Actions Taken: The consent agenda is approved unanimously.

Actions Required: None

5. Management Monitoring Reports – X3 – Financial Condition

Issues Raised:

- Martha moves and Ariana seconds to approve the report.
- Terry:
 - Gave an interim update on Westside store financials.
- Sent out annual member survey by email for the first time, waiting for results. Paper copies were sent to members for whom we do not have email addresses.

- Annual member meeting is booked and Gar Alperovitz is confirmed to speak.
- Extra volume discount month in July. Members love it. It will be an experiment.
- Spirit of Volunteering – Ample opportunities to volunteer. Santa Fe has picked up. Gallup is about to adopt our volunteer system.
- Many of the board expressed pleasure in volunteer work in general.
- More young people volunteer. Attributable to sustainability studies, UNM Grab n Go, makes healthy food more affordable.

Actions Taken: Passes unanimously

Actions Required: None

6. Board Functioning

Issues Raised:

CCMA stands for Consumer Cooperative Managers Association. It has evolved to be attended by many board members. Usually about 400 people attend 10 tracks about different Co-op themes. This year it was held in Madison, WI. Five board members and one staff person attended from LMC.

Food Access and Food Justice tracks – Report back by Jessica Rowland and Leah Roco

- Theme between two lectures – systems approach to revamp co-op and food movements.
 1. Create access to food
 2. Empower entrepreneurs to produce more food. Regi Jaroquin from Guatemala described his systems approach as one that involved owning and controlling more parts of the system (vertically integrated) Reducing food to the basic commodity of energy, and using this as a measure of sustainability.
- Impacting food chain workers – greater opportunity participate – ownership as a means to economic mobility
- Dave Zuckerman – Democracy collaborative – community wealth building. Three overlapping circles, anchor institutions, Individual ownership, community
- Place based approach.
- Broke into discussion groups. Discussion about how the Co-op caters to low-income members? One participant discussed interacting with gas station employees and introducing them to Co-ops through familiarity – parallel food types in the co-op to foods those employees are comfortable with. In terms of LMC, the Co-op bread is an example of a way that the co-op is trying to engage these sorts of consumers. Maybe if members knew that the reason that we created this bread
- A focus on diversity – working with low-income communities, or youth, or others across a broad spectrum of backgrounds. One point was a need for diversity training. The suggestion is made to consider diversity training for LMC.
- Talk about having the co-op staff reflect the community.

- Has the M/C asked what are the demographics the membership wants to cater to?
- Food for All is a concept that is a discount program for members in financial need. In our bylaws, we don't discriminate, so we don't offer this sort of discount. A number of co-ops make members show their economic status, and they get a set discount. Some co-ops set lower prices for these shoppers on basic staples.
- One Co-op does a fundraiser to buy memberships for low-income shoppers. Others have gotten grants to subsidize low-income shoppers.
- How Good? A rating system of products (100,000 products in 60 categories based on sustainability, ingredients, etc.) This system gives shoppers more information to help them make purchasing decision.

Internal workings of the Co-op board – Report back by Ariana Marchello

- Two tracks dealt with visioning—Design thinking, Dee Warmath—when you're doing well at design thinking, your room looks like a kindergarten classroom. Designed a gift giving experience for a partner in the workshop to visualize both a product and a process. Empathy. Collect data. Reflect. Ask more questions. This is the process of design thinking.
- Trends over the next few years. Scenario planning – coming up with how the Co-op will come up with an action to address a number of potential scenarios created by a number of trends. Lots of data collecting in a variety of ways. Members, non-members.
- Board / GM Relationships – more frequent and more open communication that happens between these two, the better.
- Four Pillars of Policy Governance – Art Sherwood and Marilyn Scholl of CDS talked about this model. What is the democracy level of a co-op structure with over 17,000 members? Voluntary and open membership- members have purchased a membership, they shop, these are both levels of democratic participation. Four levels of democracy – Own, Use, Serve (few do this) and Belong. Co-op makes a community. Voting is the least of the ways in which democracy is expressed in the co-op. 5% is about the average. Especially in light of ongoing LMC Board conversation about member engagement, this is important.
- How we tell our story – Technique of the stories we tell. Ambassadors program – ambassadors telling our stories will stretch our reach.

Tasks review

- Two members still need to do board survey.
- Board Development Committee reviewed board retreat and distilled this in the consent agenda.
- Comments: Expand the responsibilities of a board admin, but no action was taken. Can a committee work on drafting a job description for this revised position.

Discussion of Board Retreat

J - Small realignment of tasks at the board retreat using the wall of responsibilities. What do people think about this process? Was there enough movement?

A – More than anything, this was a clarification of board roles.

M – Perhaps we could reassess in six months after revision of board admin position.

J- During the speed board section of the meeting. What would folks want to do next year?

M - One co-op has tried it, and the board has told others.

It was a good way to engage senior management; board and staff enjoyed it and would like to try it again.

Where did we leave board and staff lunch?

M – We can't do this.

L – What are ways that the board can better understand the staff experience. Can we continue to think on that topic? What committee can discuss what other ways to approach this?

How did policy governance come into being and why? The history of deciding this model is important. Marshall would be willing on an informal basis to discuss further the history and why there are such set boundaries between board and staff.

Scenario planning might help with this.

The board is elected representatives of the members. Perhaps board could be engaged with members, and we could encourage staff who are members to participate in this way.

Thanks for the feedback, there are things that can be carried forward from the retreat. Thanks for everyone's participation.

Rosemary Romero introduces herself and reflects on joining the board.

Her mother's stories (whom she is currently caring for) are about farming and water—and this reflects her professional choices. Helped her mom sell the farm, and now her mom is in the city and is dealing with food changes. Romero understands and embraces policy governance. Her professional background is in land use, water planning, forest planning, and food policy. She brings experience evaluating producer co-ops. She is honored to participate because it's a great melding of personal and professional interests to participate on the LMC board.

Actions Taken: None

Actions Required: None

7. Co-op Trends – Terry Bowling

Issues Raised:

Market context and trends

137 NCGA Co-ops and how they are fairing in the marketplace.

Changing at a fast pace. Rate of change is accelerating.

All food sales \$1.2 trillion
Automotive \$900 billion

Retail food sales \$640 billion – 55% of all food
Natural & Organic \$100 billion – 15% of retail food
Soft drinks \$70 billion

Market context – Whole Foods, Trader Joe's, Sprouts, others are showing increased market share in the health and wellness sector of grocery according to Hartman Group Research. They refer to these competitors as The Supernaturals – The competition is fierce.

Sprouts, Natural Grocers, Mrs. Greens (East Coast), Fresh Thyme, Lucky's, New Seasons, Wild Oats Marketplace (Walmart).

The conclusion is we cannot continue to conduct "Business as Usual." We must continually reinvent our Co-op, learn to love and embrace what we fear. Our future success depends on alignment of management, staff and board.

Questions:

Point from conference – malnutrition is an issue across demographics. How can co-ops use educating consumers about eating healthy food and its associated health benefits?

Questions?

In this scenario, what is the number of members we want? 20,000 in three years

Co-ops represent a small percent of market share, what would it look like to be a more fully systematic model?

Why isn't the model co-op looking to a more vertically integrated model, rather than a more distributed model?

How can we be change agents?

A question for thought: Is efficiency the enemy of local? How do we meld local values and individuality with creating market-wide efficiencies?

Actions Taken: None

Actions Required: None

8. Administrative Assistant Duties

Issues Raised: To be added to task list

1. Board completes second half of B survey & collation happens by July 8
2. Write a short paragraph for the Co-opera (Martha)
3. BDC Discuss putting board study material on the website.
4. can be removed
5. Board development committee will create admin job description proposal for July
6. Martha has a CCMA report back for July meeting

Add to January Task List an evaluation of the change of the admin assist role to see if further modification is needed.

Actions Taken: None

Actions Required: None

9. Meeting Evaluation

Issues Raised:

The report backs were enjoyed and appreciated.

Trends were interesting and engaging.

Food was really good!

Thanks Terry for your presentation and thanks to Rosemary for coming.

Actions Taken: None

Actions Required: None

10. Next Meeting Agenda Construction

Issues Raised: None

Actions Taken: None

Actions Required: None

11. Adjourn Regular Session

Issues Raised: Leah moved, and Tracy seconded a motion to adjourn.

Actions Taken: Meeting adjourned at 7:55 pm, followed by an executive session.

Actions Required: None