

**La Montanita Food Cooperative
Board of Directors Meeting Minutes
July 15, 2014 – 5:30 pm**

Board Present: Martha Whitman, Marshall Kovitz, Ariana Marchello, Susan McAllister, Jessica Rowland, Leah Roco, Jake Garrity, Tracy Sprouls, and Rosemary Romero (Advisory)

Board Absent: Lisa Banwarth-Kuhn,

Also Present: Sarah Wentzel-Fisher (substitute-admin assistant), Terry Bowling (General Manager), Bob Tero (Operations Manager), Jennifer Cornish (facilitator), David Hurley (research assistant), John Mulle (staff), Sharret Rose (staff), Dianne Layden (member/researcher), Tiffany Terry (member)

The meeting started at 5:31 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 Susan seconds to approve the agenda.

Actions Taken: The agenda is approved unanimously.

Actions Required: None

3. Member Comments

Issues Raised:

- Several members have written regarding the Co-op carrying Eden Foods and their co-plaintiff role in the Hobby Lobby case. Robin Seydel has diplomatically addressed member concerns with thoughtful response to each. It is proposed to do more education on this issue.
- The Public Banking Group would like to come and present to the board.

Actions Taken: None

Actions Required: None

4. Consent Agenda

- a. Board Minutes June 2014
- b. Member Engagement Committee Minutes – June 23 & July 7
- c. Board Development Committee Minutes – July 1

Issues Raised: Leah moves and Martha 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:

- Susan moves and Ariana seconds to approve the report.
- Terry:

- All expenses and ratios are good
- GM manages cash – Looking good in this regard
- New inventory system contributed to a good quarter. The system was streamlined by the efforts of John Mulle and Bob Tero. This made inventory systems the same at all stores. Simplifies things for the accounting department and improves overall efficiency.
- Edites Cates Marketing Director will retire in December. We appreciate her long service and are happy to wish her well on the next chapter. The search process has begun and there have been some applications. The hiring process is anticipated to take three to four months.
- The MoGRO will continue as a food club, but Santa Fe Community Foundation will try to sell the truck. We are sad to see it go.
- Bread – Bakers decided they need to focus on their core business, so will no longer be working with us to provide Co-op label bread.
- Gallup has a new store manager. Sydney will take over for Michael. Michael will continue on at the co-op under Sydney. He elected to step down from this position, and we know he is happy about the change.
- Comment on the monitoring check sheet – Thank you, excellent third quarter results.

Actions Taken: Passes unanimously

Actions Required: None

6. Member Engagement Proposals – Martha (for Lisa)

Issues Raised:

- Co-opversation
 - Leah moved to approve the proposal and Tracy seconded the motion.
 - A sharing of information with our members about building community wealth. These will be social events where the board will share information related to the annual meeting, and to member engagement.
 - There will be one meeting at tractor in August, and one in Gallup on the same day.
 - There will be another in September in Albuquerque and in Santa Fe, probably in the community room.
 - The format will be a short presentation up front about building community wealth, speed visioning, and then a wrap up.
 - Future locations could be CNM, MRCOG, perhaps the community room at the Railyard in Santa Fe
- Meet a Board Member
 - Marshall moved to approve the proposal and Ariana seconded the motion.
 - Board presence in the store to build awareness about the annual meeting and to invite members to attend.

Actions Taken: Both proposals pass unanimously

Actions Required: None

7. Board Study – Community Demographics

Issues Raised: See Appendix A

Actions Taken: None

Actions Required: None

8. Board Functioning – All

Issues Raised:

- CCMA reportback – Martha. G/R tax filing reminder
- Martha went early for a CGN board retreat. CGN’s newly redesigned website is struggling for traction, and this has made it a challenging year. CGN primarily is a peer network of co-op professionals. They also publish the “Cooperative Grocer” periodical. They will be hiring a new executive director, but this will be a long process.
- Then I attended a co-op summit, a co-op think tank on how to get new co-ops off the ground. The two major factors are capital and management talent. Competition prioritizes growth in a different ways that further put us at a disadvantage. We held a world café to discuss how co-ops can raise capital to expand. For example, are there states that are more advantageous for co-ops to incorporate in for tax reasons and the ways they can build capital?
- What would have helped to get a store off the ground more quickly?
- How can co-ops lower the overhead costs to start new co-ops. Could there be a real estate co-op that purchased properties to lease to co-op grocery stores?
- How can members invest in other co-ops? An investment club to help other co-ops get started.
- Another highlight of CCMA – How to create a dialogue with people – how does management engage unions. How do you work together and identify commonality?
- I went to a board recruitment workshop, but it didn’t offer anything we’re not already doing.

Actions Taken: None

Actions Required: None

9. Board Self Eval – 2nd Half of B Policies

Issues Raised:

- Comments – lots on this survey
- Typo in the board manual on policy B6.7 should be board development committee rather than policy development committee.
- B 8.1 Our policy states that half of our stipend could be store credit that may happen soon. Add – or board member can request all of the stipend be store credit.

Actions Taken: None

Actions Required: Change language in board policy manual

10. Administrative Assistant Duties

Issues Raised:

- Make changes above to board manual.
- Take #2 and #4 off the task list
- Leave #3 on the list for September, the proposal will be presented at the meeting

Actions Taken: None

Actions Required: Update Task List

11. Meeting Evaluation

Issues Raised:

- The board study theme was very loose and David did a great job presenting something meaningful.

Actions Taken: None

Actions Required: None

12. Next Meeting Agenda Construction

Issues Raised: None

Actions Taken: Ends reporting and Aug meeting marks the end of the fiscal year.

Actions Required: None

13. Adjourn Regular Session

Issues Raised: None

Actions Taken: None

Actions Required: None

ATTACHMENT A: BOARD STUDY

La Montanita Food Co-op
Board of Directors Meeting – April 15, 2014

Topic – Community Demographics

Goal for discussion: What sorts of things can data tell the board about membership and about the community? What sorts of things can't data tell the board? How can data inform decision-making, and what are the risks of relying to heavily on data?

Presentation by David Hurley:

- David gives a presentation on data that may be useful to the board about community demographics, and uses 2011 survey data to stimulate conversation about the pitfalls of data. He offered some initial questions to reflect on during the presentation about understanding demographic data, and the way it can inform decision-making. What do we want to do? What data do we need?

Discussion:

Data coming out of higher ed.

What do we want to do?

What data do we need?

Data that look meaningful, but aren't

Data driven decisions gone bad

Consulting at the library, the administration had done major working reprogramming the library based on demographic data. They decided to cut back on story hour because the primary segment was 20's somethings, even though the story hours were well attended by kids in the neighborhood. They were valuing data over their own experience.

Asking for data is intrusive / collecting indirectly is creepy.

The data tell a good story

Some examples from the Center for Education Policy Research

Income based on bachelors degrees by state

UNM Six-year graduation rate by sending high school.

NM looks now like the rest of the nation will look like in the future with larger populations of Hispanic and Native American people.

To understand who are community is; the first is why do want to do this? Why do we want our board to reflect our membership?

Life expectancy by census tract tells an interesting story. In Albuquerque these numbers vary dramatically, a 25-year difference in some cases, from one tract to another.

Jennifer – The Center for Education Policy Research – the goal is to strive to increase the completion rate from higher education because companies don't come to NM because they look at those types of statistics. The project has a benchmark to increase these numbers for the 2020 census. It's struggling currently.

Do we want to understand?

Do we want identify community needs to drive goals?

What is the problem with project, and why is it struggling? We don't have a tradition of working together. Funding is also an issue.

There's a danger in being driven by an outcome, like graduation, then are you making sure that students are actually being educated? How do you know that the benchmarks for success aren't changing?

Looking to the 2011 member survey for demographics

The Nob Hill store shows about 80% Anglo, 10% Hispanic, 5% Other

Household income from the Co-op survey and census don't match. Under represented amongst low income residence, over represented in high income households.

The kinds of questions surveys ask don't always offer responses that respondents identify with. Also, certain surveys use similar language, but ultimately aren't creating data sets that can be compared.

Member Data

zip codes (see powerpoint)

Other Data sources

(see powerpoint)

Data that we don't have?

What do we want to do? What data do we need?

Market studies – why is the Westside store struggling? Based on data we looked at.

Put ourselves in a community does not have our values and that has a lot of competition.

This is a conversation about diversity and community needs, even though looking at the data to tell us about sales is interesting.

How can we use data to find areas of issues in the community where we can make an impact?

New Mexico Community Data Collaborative has a lot of good info on food security. (Put in website.)

Kellogg is investing in Latino community. Other companies have adapted marketing strategies to cater to these communities.

We have to mirror our community demographics. We are not there now, and we need to be there to be healthy and viable as a business. How do embrace our entire community in a better way?

The Co-op doesn't have the volume or capacity to accommodate low-income shoppers.

By engaging segments of the community we currently don't we get different perspectives and ideas.

While the co-op can't alleviate poverty, but they can offer information, education and a model for wealth building within the community, for example.

La Montanita can offer non-charitable resources to help build community wealth by co-op enterprise development. As a board, we can share our knowledge and experience to reach out into the community, in a strategic way.

It's a joint learning process. The board can't contribute in the same level that management can, but where can we really engage the community? We should learn as a group, working together to create a joint vision shared between the board and the ability of the management to implement it.

What aspects of the community do we need to understand to be more effective at what we do?

How do we begin to measure our community impact?

We need to be more strategic about developing our vision, and having it parallel management work and vision.

How do we increase membership across demographics in a way to grow a more representative membership base.

Final Reflections for Board and Guests:

- Board comment: I'd be glad for more specific examples of what the CDC does. I know some but would be glad to know more. (This could be the content of another study hour.)
- Staff comment: In the book *Good to Great* by Jim Collins, he writes about Hedgehog theory – not getting distracted by all the shiny balls but really figuring out what you do well.
- Board comment: I think the board tends to see shiny balls that we get excited about pursuing because the staff makes everything look so easy. We can't tell what's actually going on. This was a good picture tonight of how significant La Montanita has been, and a good reminder to focus on what we do well, instead of asking why don't we do more.
- Board comment: The materials we read made me wonder where we are going to be in 5, 10 years. I remember at one point Terry saying the warehouse needed to get bigger, and then it moved to a larger space. We as a board need to think about where the CDC will be in 5-10 years. Will it be independent of the co-op? Will it be bigger? CDC could become so much bigger than the stores.
- A theme we will be discussing at the Board retreat: What is the future inviting us to do?
- CDC Staff comment: The CDC has been actively engaging in conversation about our roles in the next 3-5 years.