

**La Montanita Food Cooperative
Board of Directors Meeting Minutes
August 19, 2014 – 5:30 pm**

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

Board Absent: None

Also Present: Deborah Good (admin assistant), Terry Bowling (General Manager), David Hurley (research assistant), John Mulle (staff), Sharret Rose (staff), Michelle Franklin (staff), Bob Tero (staff), Dianne Layden (member/researcher), Jeff Ethan Au Green (member), Mary Lou Singleton (member), Cheyanna Donaldson (member), Katie Stone (member), Nissa Patterson (member)

The meeting started at 5:30 p.m. at the Immanuel Presbyterian Church in Albuquerque. Martha Whitman facilitated and Deborah Good took notes.

1. Welcome

Issues Raised: All present introduce themselves.

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:

- Four co-op members share comments and ask that La Montanita stop carrying the Eden Foods product line. They argue that the company is misogynistic, and that by supporting Eden Foods, La Montanita is supporting “male supremacy.” The company has taken a stance like Hobby Lobby, refusing to provide birth control benefits to employees.
 1. Additionally, the members express that in their efforts to educate other co-op members about the issue, they passed out leaflets outside a La Montanita store and were told to leave. This upset them because they are members of the co-op and feel ownership of the property.
 2. One member in the group also says that the board meeting time was hard to find on the co-op’s website. She also says that they have written a piece for the co-op newsletter on this issue, but she is frustrated the article will not be available online. [Note: Newsletters are posted on the co-op website here: <http://lamontanita.coop/connection/>]
 3. Board member responses:
 - While many Board members are likely sympathetic listeners on this issue, the co-op does have a policy against political boycotts. A decision to stop stocking a product line would be influenced, however, by customers’ buying decisions.
 - Decisions like these are complicated because protesting a company like Eden Foods can have unintended consequences for growers. Co-op

management is in the best position to make purchasing decisions. The board is not typically involved in those decisions.

- La Montanita does not allow leafleting on co-op grounds because it is important that shoppers feel safe and comfortable in the stores.
- Two additional avenues for you: (1) Letters can be placed on the board's board in the stores. (2) Our policies do allow you to find a champion on the board who could propose a change.

Actions Taken: None

Actions Required: None

4. Consent Agenda

- a. Board Minutes July 2014
- b. Member Engagement Committee Minutes – July 21

Issues Raised:

- Marshall moves and Jake seconds to approve the consent agenda.
- A board member requests that two changes be made to the Board Functioning section of the board meeting minutes.

Actions Taken: The consent agenda (with the requested changes to the minutes) is approved unanimously.

Actions Required: Deborah will make the requested changes to the minutes.

5. Management Monitoring Reports – X4 – Budgeting and Planning

Issues Raised:

- Marshall moves and Tracy seconds to approve the report.
- Terry:
 - Notes two changes to the financial planning/projections in the report.
 - The projections in the report are based on current trends and future plans. The process took several months and involved a lot of conversations.
 - As reflected in the budgeted detail and projections, this is the first of a five-year plan for La Montanita to become more efficient. This budget is less aggressive than last year's.
 - The new Westside store has been a challenge; sometimes it takes a while to get a little traction in a new location. Sprouts, located nearby, has proved a difficult competitor—their strategy involves putting competitors out of business. We need to highlight what we do best. Our other stores are helping to make up for losses at the Westside location.
 - We didn't project a dividend, but I don't actually think that will be the case.
 - Co-ops in general are not doing well right now.

Discussion:

- Board member: I am pleased that the budget shows the Westside store making a profit this next year. Are there any changes that you foresee will cause that change?
 - Terry: We've tried a lot of changes. Nothing is planned in particular. The positive projection reflects an increase in traction over the next year.
- Comment for the Monitoring Checksheet: "Terry projected the West Side store capitalized at 2.5 million, and he brought it in for less at 2.45 million."
- Board member: It's a sobering budget. I appreciate that you are keeping up with staffing costs.
 - Terry: We are confident that this is the direction we need to go.

Actions Taken: Passes unanimously

Actions Required: None

6. Management Monitoring Report - Ends

Issues Raised: Terry prepared a report on the four sub-ends, with considerable help from a team of co-op staff. Four board members have been assigned to discuss each of the four sub-ends. The board will then use the Decision Tree provided by CDS to determine approval.

- Terry:
 - The changes to the ends over the past few years have made it difficult to see progress over time. If the ends now remain the same, we can start to track change in our data points from year to year.
 - This is the first year I've reported on these particular ends, following changes made by the board several months ago.
 - This report is a collaborative effort. I hope it is more readable than in past years, thanks to the marketing department. We made some bound copies. We plan to include highlights in an annual report.
- *Sub-End #1: Increased access to and purchase of healthy foods. Board member presentation:*
 - I appreciated all the hard work Terry and the Ends Committee put into this Ends Report. It is a lot different than prior reports, and I think the information was presented very well.
 - This sub-end was supported by new and improved data, including an accurate member count, an analysis of the product mix, and MoGro data.
 - Of all the ends, this one is probably vaguest. Who are we talking about here? Members only? The larger community? People not in our shopping areas as well? The report considers all of these.
 - I would have liked to know what percentage of customers were included in the MoGro data. Terry has said the MoGro model is not sustainable without a great deal of subsidies. I feel that the MoGro experiment has some important lessons for the co-op and healthy food as a whole.
 - The West Side store has not done as well as predicted by marketing studies. We are learning about what it means to gain traction in new territory.
 - The data in this report provides a baseline. It will be nice to have 2-3 years of data for comparisons.
 - Food Hub data, which is noted in the section on Sub-End #2 is also related to Sub-End #1.
 - Terry responds that he is not always sure where the data fits the best, and he wants to avoid repeating data in more than one section.
 - Response to the whole report: I was struck by the depth of the relationships that are necessary to run cooperative business. We have the corporate capitalist model all around us, as the status quo. What makes our co-operative different and our ends different from that capitalist model? Part of the answer is the depth of those relationships. That alone shows a lot of compliance.
 - One thing to shoot for in the future: What I wanted more was an articulation of the overarching narrative, the strategy. The data in this report answers lower-level questions, but it sometimes seems disconnected from the overarching story.

Developing the overarching story may be something that the Board can be involved with.

- *Sub-End #2: A growing regenerative agriculture sector that uses sound environmental practices. Board member presentation:*
 - This is a fantastic report. What stood out to me was all of the moving parts that encompass our involvement in the agricultural community. We offer a stable market for producers. And we have also become a resource for many parties in our networks—for example, helping find apples for one group’s cider project.
 - I am not sure that we knew what we were doing in the CDC when we first made the decision to launch it, but now it positions us to be involved in a variety of areas. For example, we have to be really involved in food safety issues.
 - We are a food-hub-plus because we have distribution, we have a warehouse, we have food prep, and we have retail. So it’s comprehensive.
 - We are also unique because of the La Montanita Fund. This is a way for our members to use their dollars to support the local economy.
 - The personal is political. It really is all about the relationships. Our impact has a ripple effect down the value chain.
 - Our scale allows us to use smaller producers than those that supply by larger-scale operations like Sprouts and Whole Foods.
 - It might be beneficial to add more cooperative services beyond food in the future.

- *Sub-End #3: A thriving and sustainable and local economy that benefits members and community. Board member presentation:*
 - A lot of the data Martha just talked about also fits under this heading. The data presented shows that the co-op supports the local economy in several ways: by purchasing from small, local producers, and through not-for-profit programs – WIC, loan programs for the producers, and the Veteran Farmers Program.
 - I’d like to see the data over time—for example, how many local producers do we have this year compared to previous years?
 - Terry explains that this year’s data is a new set of data due to the new ends. Tracking the data points over time will be more possible in future years if the ends remain the same.

- *Sub-End #4: A strengthened co-operative community. Board member presentation:*
 - What stood out for me was how fully this end is integrated into the working of the coop. Terry has given examples here, but I know that this is the kind of thing people talk about at conferences and at board meetings. It comes back to relationships that have been built – so many co-ops have benefited from the expertise of La Montanita.
 - Terry says that helping other co-ops is very rewarding work. This sharing of information is a culture across coops. We’re not threatening to each other. We just want to help each other succeed.
 - The location of the West Side store is described as a co-operative desert. I did have a sense that it was going to be a harder market to break into, but this report really articulates how the West Side store is educating people about the cooperative model. This is such a benefit to the community.
 - As we have already discussed, data reported in other sections could have applied for this sub-end as well. For example, I would have liked to see the CDC addressed in this section. Specifically I would have liked to see how the

breakdown of our products compared to other co-ops, in relation to the CDC as a supplier.

- Terry explains that it can be harder to get data from some co-ops than from others.
- The report is a document to be proud of. It is easy to read. The tables at the end were hard for me. I could have used more context.
 - Terry: I received that data at the last minute.
- Discussion:
 - Board member: With the product mix analysis, I was actually shocked that the store had only 23% USDA certified organic products. How does that compare to conventional stores?
 - Terry: It is much higher than in conventional stores. This is a number we would like to see increase. We have never counted in this way before, so it provides a baseline.
 - Board members observe that most meat, dairy, and produce seem to be organic, while other products are not.
 - Board member: I would like to see us get a lot of mileage out of this Ends Report. I want members to know.
 - Terry: I agree 100%. We should put it on the website and maybe send out an email with a link to the report.
 - Staff member: We could also have staff review it at orientation.
 - Board member: This report is a significant improvement on past reports. A few other comments:
 - Sub-End #4 is probably the weakest of the four in terms of data and in terms of goals. Time spent and money spent are activities, but we need to get a better idea of how to measure impact. What about telephone interviews with the staff at other co-ops who we have helped? Even if it's our own staff reporting back on changes they know other co-ops put in place as a result of consultation with La Montanita.
 - Terry: Would like to do that.
 - Staff: Sometimes the feedback/advice we give is over a listserv, and we really don't know what impact that has.
 - Part of policy governance is to ask the question: "Do the results that we're achieving justify the costs?" I am wondering if there are ways the report could better respond to that question.
- Board uses the CDS Decision Tree to determine that:
 - Yes, individual directors received and read the written report in advance of the meeting and came to the meeting prepared to act.
 - Yes, the Operational Definition/Interpretation is reasonable.
 - Yes, there is adequate data to determine compliance/accomplishment.
 - Yes, data demonstrate compliance/accomplishment.
 - The board therefore accepts the Ends report as in compliance.
- Marshall moves and Ariana seconds to approve the report.

Actions Taken: The report is approved unanimously.

Actions Required: None

7. Board Functioning – All

Issues Raised:

- Leah, Jessica, Lisa, and Jake have been planning Co-opversations. The first will take place this Thursday at the Wells Park Tractor Brewing Company 5:30-7pm, a conversation about community wealth-building. Jake will hold one the same evening at his home in Gallup.
- Lisa has been in the stores talking to members. She asked them whether they had seen the newsletter and shared about the Gar event (annual meeting) and about the Co-opversations. She found that, by and large, people don't know where the newsletters are located and don't read them.
- October 18,- CDS World Café event (9am-5pm), followed by La Montanita's Annual Meeting. Gar Alperovitz will be at the World Café, and will then be the keynote speaker for the Annual Meeting. It will be a long day but very engaging, with good food.
- Committee Meetings:
 - Member engagement – Monday at 5:30 the church upstairs
 - Board Development – Tuesday at 5:30 at Martha's
 - Finance Committee – Wed at 5:15pm at the CDC warehouse
- Policy Development Committee to help Terry with reporting schedule – deadline of September 9
Actions Taken: None
Actions Required: None

8. Administrative Assistant Duties

Issues Raised: See Task List

Actions Taken: None

Actions Required: None

9. Meeting Evaluation

Issues Raised:

- It was different to have members present who were quite upset.
 - They were respectful, and the process went well.
 - The Board did a good job offering options. They could have an impact on Eden, and that would be great. They just have to get folks to stop buying it.
 - I am not aware of any co-ops boycotting Eden Foods. Members have to vote with their dollars. I did see that one co-op may have started pulling some product because it was not selling.
 - Terry: Advance notice is necessary before tabling or leafleting or petitioning on store property. It is possible to do so, but Terry would have to approve it. It is important to protect customers from a free-for-all. The co-op should feel like a safe place for shoppers.
 - So many companies have dirty laundry. Where do you stop or where do you start?
 - The transition from the Member Comments to the next thing on the agenda felt strange. I spoke with the members at the break to explain our process.
- Susan has decided to step down from the board. The board spends some time offering appreciation of her contributions, and present her with a card.

Actions Taken: None

Actions Required: None

10. Next Meeting Agenda Construction

Issues Raised:

- The September Monitoring Report (X1 Customer service) will be moved to October.
- The patronage dividend letter needs to be assigned.
- The Board Development Committee will work on a Board Study topic.

Actions Taken: None

Actions Required: None

11. Adjourn Regular Session

Issues Raised: Ariana moves and Marshall seconds to adjourn.

Actions Taken: Meeting adjourns at 7:35pm, followed by an executive session.

Actions Required: None