

**La Montanita Food Cooperative  
Board of Directors Meeting Minutes  
May 19, 2015 – 5:30 pm**

**Board Present:** Marshall Kovitz, Ariana Marchello, Lisa Banwarth-Kuhn, Jessica Rowland, Tracy Sprouls, Rosemary Romero (on phone)

**Board Absent:** Leah Roco

**Also Present:** Jennifer Cornish (facilitator), Deborah Good (admin assistant), David Hurley (research assistant), Terry Bowling (general manager), John Mullé (staff), Robert Tero (staff), Steve Warshawer (CDC staff), Mark Lane (staff), James Esqueda (staff), Richard Harper (member), Richard Krause-Sun (visitor, Food Conspiracy, AZ, and Peoples Food, CA), Samantha Shain (visitor, Common Market, PA), Hannah Mellion (visitor, Farm Fresh, RI), Tirso Moreno (visitor, Farmworker Association of Florida), Caryl Guisinger (visitor, Nebraska Food Cooperative), Devona Sherwood (visitor, Wallace Center)

The meeting started at 5:42 p.m. at the Immanuel Presbyterian Church in Albuquerque. Jennifer Cornish 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 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 Meeting Minutes (April 21, 2015)
- b. Member Engagement Committee Minutes (April 27, 2015)
- c. Board Development Committee Minutes (April 29, 2015)

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

Actions Taken: The consent agenda is approved unanimously.

Actions Required: None

**5. Financial Limitations Policies Proposal**

Issues Raised: Ariana moves and Marshall seconds to approve the proposal.

- This proposal was developed with significant review and input from the Finance Committee.
- It explains that the Board would provide closer financial scrutiny under certain circumstances, as outlined in the proposal. In that case, the proposal outlines the reporting that would be required from the General Manager.

- The administrative assistant, president, and GM would need to coordinate when these cases arise because it would require an executive session be added to the agenda.
- The GM recommends that all Board members be educated on the EBITDAP measure. (EBITDAP stands for “Earnings Before Interest, Taxes, Depreciation, Amortization, and Patronage refunds.”)

Actions Taken: The proposal is approved unanimously.

Actions Required: Deborah will update the relevant policies.

## **6. Management Monitoring Reports – X2 Staff Treatment**

Issues Raised:

- Ariana moves and Lisa seconds to approve the report.
- General manager:
  - I commend the West Side store manager for the good job he is doing.
  - Our cash balance is above the industry standard, so I am happy with that.
  - This is my last meeting after more than seven years as general manager. I appreciate the Board, current and past members. I will always be available to La Montañita.
  - This month’s reporting is on staff treatment. This is a very important report to me. It is our staff who are making sure our members and customers are taken care of.
  - The staff survey is voluntary. Overall, the results are positive. We have a great staff.
- Discussion: No questions.

Actions Taken: Monitoring Report is approved unanimously

Actions Required: None

## **7. Recognition of Transitions**

- The board acknowledges that Leah Roco and Jeff Ethan Green have retired from the Board, and that this is GM Terry Bowling’s last Board meeting.

## **8. Board Study – Member Engagement**

Issues Raised: See Appendix A

Actions Taken: None

Actions Required: None

## **9. Board Functioning**

Issues Raised:

- a. Board members are to complete the Second Half of B Self-Evaluatoin before the June Board meeting. Deborah will email Board members a link to the survey.
- b. James Esqueda introduces himself as a candidate to fill a vacancy on the Board. He has completed the application; his approval is pending a vote during the Board’s executive session following this meeting.
  - James is a staff member at the Nob Hill store. He is very passionate about the natural environment and an avid cyclist. He is also on the board of a local farmers market, which he was involved in starting. James describes multiple other community and farming involvements.
- c. Upcoming committee meetings:
  - Board Development – Wednesday, May 27, 5:30pm at the church
  - Member Engagement – Lisa will schedule a meeting via email

Actions Taken: None  
Actions Required: None

#### **10. Task List**

Issues Raised: Tasks will be added to the Ongoing To Do list in Basecamp:

- Deborah will update the policy manual per the approved proposal.
- Jennifer and Tracy will meet to discuss a productive approach for engaging with member-owners who bring concerns to Board meetings.
- All board members will complete the self-evaluation.

Actions Taken: None  
Actions Required: None

#### **11. Meeting Evaluation**

Issues Raised:

- The Board study discussion was good and provides some outlines for our future work.

Actions Taken: None  
Actions Required: None

#### **12. Next Meeting Agenda Construction**

Issues Raised:

- Nominations and Elections proposal
- Board Budget, which is prepared by the Board Development Committee
- Report back from CCMA

Actions Taken: None  
Actions Required: None

#### **13. Adjourn Regular Session**

Issues Raised: Marshall moves and Tracy seconds to adjourn.

Actions Taken: Meeting adjourns at 7:41pm, followed by an executive session.  
Actions Required: None

## ATTACHMENT A: BOARD STUDY

La Montanita Food Co-op  
Board of Directors Meeting – May 19, 2015

### **Topic – Member Engagement**

**Led by:** David Hurley

**Explanation of topic:** What does having an engaged membership mean? What does democracy look like when you don't have high voter turn out? If our democracy is a competitive advantage, what do we want our democracy to look like? In this session, we'll explore what we mean by member engagement and think about how to ensure an engaged membership in the future.

#### Readings and Videos:

- Reinventing our cooperative democracy (Sherwood & Wallace article)
- A Nested hierarchy of engagement (Leslie Watson's video - 7:24)
- Better Outreach, Better Engagement (Michael Levine and Kari Bradley video, second half)
- Moving from protest to power (Hahrie Han)
- Q & A with Hahrie Han on organizing vs. mobilizing
- The Language of participation (Emily Lippold-Cheney video – 7:16)

David Introduces the topic with a reflection on the readings and videos: Our engagement is not goal-oriented in the way that many community organizing and political campaign efforts are. We may have more in common with churches, which often engage members through committees – but this strategy doesn't really apply for us, given our large membership (we have 17,000 members).

#### Discussion (organized by key themes):

##### **Theme 1: Member Engagement vs. Policy Governance (how to engage members at Board meetings)**

- I see a tension between a desire for more democracy, and a policy governance model. Because if we invite input from people, but then we don't have any direct involvement in the grocery stores. Having trust that what the members bring to the board will be given good consideration. But policy governance is a barrier to that.
- But I think we can do a better job as a board of inviting our members to talk to us about the impact the co-op is having in the community. And that we are directly involved with in the creation of the ends. The Ends cannot be static. They have to adapt with the co-op. That is how we influence operations. Having our members help us define those Ends.
- Part of the reason, the Board's influence seems so small is because of our size as a co-op. When members come talk to us, we have to be careful not to allow one or a few voices change our course. When we were small, a few members could have a substantial impact. At this point, it looks very different. It's a bigger ship. It takes longer to turn, and we want to do a lot more due diligence before making a decision.
- Should we encourage members to come to board meetings? To some extent, yes, because it is an opportunity for educating members about policy governance.
  - And they are also educating the board – whether it is something that we will do something about, or the GM will do something about. But either way, we have to be in the loop. Over time, it could lead to a policy change.
  - Management is also sitting at the table.
- Maybe we should promote it as a venue for addressing the Board and the Management.

- This is one place where the facilitator plays a role. I would like to explore how in the future when we have visitors come with issues, there can be a conversational instead of an awkward moment. They could leave feeling like they have a voice that has been heard by board and management. Tracy will work with Jennifer on an approach.

### **Theme 2: Intentional Planning Process**

- I thought it was a great selection of materials and inspiring. I'm pretty burnt out on member engagement after so many years of trying to engage. Leslie's talk in the one video: She talked about objective criteria – four simplified and intentional steps. I'm not sure that we have ever planned a member engagement activity with an articulated outcome we are seeking. It got me thinking about trying more.

### **Theme 3: Learning from Members' Feedback and Values**

- Also found Leslie's talk inspiring because of concentric circles / nested hierarchy of engagement practices. In reinventing our cooperative democracy, Art Sherwood talks about being saturated with our members values – a process that happens over time. Our members are diverse and their values are diverse. Where we are going to be in 15-20 years must be determined by member values. The members will help us define the issue and process. This is a continual process, and we need to keep adapting.
- We need to design the process, along with at least some members.
- How do we tap different membership sources but also community sources – “peripheral stakeholders.”
- With a membership our size, how do we meaningfully get a sense of members' values? We can have a meeting or activity that draws 15 people, but we cannot claim that the values they express are representative of the membership as a whole.
- We are not good at reaching the potential that democracy offers. “Democratic behavior is the competitive advantage of co-ops” – from Sherwood and Wallace
- The members who volunteer on behalf of the co-op might have a lot to tell us about the impact of the co-op in the community. I would love to harvest feedback from that.
- I think we do have a very engaged membership operationally. I think there is a lot more engagement from our members than a typical grocery would have. We get a lot of feedback at the store level on all sorts of ideas.
  - Of those suggestions, what percentage were followed through on? And how is that communication happening? Can we make that more public? We're not just listening, we're following through.
    - We do that with phone calls, or on a bulletin board.
    - Bigger issues recently were two boycotts: chile and Eden.
    - Maybe the co-op's responsiveness to member feedback could be promoted more via Newsletter or social media.
    - How do we build on our response to a specific member concern into a larger sense of engagement and loyalty from our members?
- There is engagement at that shopping level, but Board is also interested in bigger-picture levels of involvement – how we might engage people beyond that store level, which is clearly very important.
- One of the readings over the past few months talked about giving members a say in where their bag credit goes. One co-op gave tokens to the buyers to then put in boxes.
  - We have a five year waiting list for the bag credit. We can have a larger impact as a cooperative community on one charity than splitting it five ways.
  - Maybe members could vote on which organization they want all the money to go to.

- To what extent do our members currently feel like they are part of something larger? How can we learn more from them what they think?
  - Member survey has a low response rate. Incentives help.
  - What about a series of focus groups? That is something we've never tried. We have done a world café. Perhaps we could run it as a focus group. Knowing what outcome we're looking for would help plan the group. What outcomes would we be looking for?
    - Future trends. What are people thinking about now in terms of new needs?
    - Also, what do people value? We know they value food that is organic, local, and natural. What else do people value?
    - What do people really know about co-ops? And what is it about co-ops that makes them want to support them?
    - What is important to them? (This would give us information that would help us figure out how to give them opportunities to engage at the appropriate level.)
- Another way to ask for input from members: Invite our members to vote for “the best of” at La Montanita and have categories (e.g., best deli product, best co-op event, favorite co-op principle)

**Theme 4: Reaching Out, Mobilizing, and Educating our Members (via different avenues)**

- Member engagement might also mean defining the co-op for our members – stressing the important components of the model, the foundational principles. Communicating with our members about this is important.
- Video – the language of participation – 3 different definitions of what a co-op is. Finding the words that say the right thing to people . This is an economic system, not just a competition against the mainstream.
- The idea of mobilizing is attractive because it gives everyone a central reason to support us.
- The knowledge that you can vote, even if they don't, is important to members.
- Brett Fairbairn(sp) talks about the importance of perceived transparency, even if people don't take advantage of it.
- Maybe a YouTube video instead of a Newsletter article.
- I think our marketing director needs to be involved in this conversation, because it is about marketing to members.
- Non-stop propaganda. Don't stop what we're doing but add more avenues for telling the story and getting feedback. If people see the same thing in three different kinds of media, it starts to penetrate.
- Members have the responsibility of knowing how they can participate. But we need to give them the avenues for finding that information on how to participate. Facebook is a place where this is already happening.
- What do we as a cooperative do in the public school system?
  - Field trips to the stores
  - We can't bid to provide food for schools because our food is more expensive.
  - Volunteers do school gardens.
  - I think that our future really relies on educating the next generation on what a cooperative is and how that could play a role in their lives.
- The current marketing strategy includes cooperative education.