

**La Montanita Food Cooperative
Board of Directors Meeting Minutes
June 16, 2015 – 5:30 pm**

Board Present: Ariana Marchello, Marshall Kovitz, Lisa Banwarth-Kuhn, Jessica Rowland, Tracy Sprouls, Rosemary Romero, James Esqueda, Tammy Parker

Board Absent: None

Also Present: Jennifer Cornish (facilitator), Deborah Good (admin assistant), David Hurley (research assistant), Robert Tero (interim GM), John Mullé (staff), Sharret Rose (staff), Robin Sydel (staff), Kathy Harris (member)

The meeting started at 5:32 p.m. at the Immanuel Presbyterian Church in Albuquerque. Jennifer Cornish facilitated and Deborah Good took notes.

1. Welcome

Issues Raised: None

Actions Taken: None

Actions Required: None

2. Approve the Agenda

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

Actions Taken: The agenda is approved unanimously.

Actions Required: None

3. Member Comments

Issues Raised:

- Jennifer and Tracy will be working on some ideas about what approach the facilitator and board should take when members bring comments to the board meeting. The goal is that they feel welcome to bring comments.

Actions Taken: None

Actions Required: None

4. Consent Agenda

- a. Board Meeting Minutes (May 19, 2015)
- b. Member Engagement Committee Minutes (June 1, 2015)
- c. Board Development Committee Minutes (May 27, 2015)

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

Actions Taken: The consent agenda is approved unanimously.

Actions Required: None

5. Board Budget Proposal

Issues Raised:

- Marshall moves and Ariana seconds to approve the proposal.

- This proposal is related to policy B7, which states that the board must provide “adequate resources for training, monitoring, and linkage with member/owners.”
- This budget is similar to the 2014-15 budget with a few changes.
- The budget includes an investment in equipment for a remote log-in with audio and video that would be supported by La Montanita’s IT staff, allowing individuals to participate in Board meetings from a distance.
- The election expense includes money for bylaw changes, which must go out by mail for membership approval, in case there are any amendments this year.
- Discussion:
 - Are the GM search expenses in the Board budget? Response: They are in the co-op’s budget. The Board budget is restricted to Board expenses and governance.

Actions Taken: The proposal is approved unanimously.

Actions Required: None

6. 2015 Nominations and Elections Proposal

Issues Raised:

- Ariana moves and Lisa seconds to approve the proposal.
- Three terms will expire this fall. Those board members will have the opportunity to run. There is one additional vacancy.
- This proposal outlines the process for the election. It is very similar to last year’s process.
- Nominations will be open July 20, 2015 - August 20, 2015.
- Discussion: None

Actions Taken: The proposal is approved unanimously.

Actions Required: None

7. Management Monitoring Reports – X8 Spirit of Volunteering

Issues Raised:

- Tracy moves and Ariana seconds to approve the report.
- Interim General Manager:
 - Terry Bowling says hello to everyone.
 - John Mulle will continue as named in the succession plan; Will Prokopiak in Santa Fe will serve as the second name of succession. Will hoped to be here today but had transportation challenges.
 - The interim GM provided a financial report for all stores and the CDC.
 - The annual membership survey has gone out by email and by mail.
 - Our IT department has expanded, adding a new position.
 - This month’s report is on volunteering. Robin Sydel and JR Riegel did a great job putting this report together.
 - We will be providing some support to Los Alamos’ co-op.
 - The Santa Fe landlord is asking us to extend lease through 2022. The interim GM plans to meet with him.
- Discussion:

- Board member: The report is straightforward and easy to read. I appreciated the graphs.
- Board member: The listing of outreach and programs was also good to see.
- Interim GM: We should be proud to share this information with staff and with the general public. We will continue working on how to do this.
- Board member: I liked the brief report on sales and profit. It is concise and clear.

Actions Taken: The monitoring report is approved unanimously

Actions Required: None

8. Board Study – Strategic Visioning

Issues Raised: See Appendix A

Actions Taken: None

Actions Required: None

9. Board Functioning

Issues Raised:

- a. Board Study Topics update
 - The board study topics for the year are posted in Basecamp. Please let David know if you have suggestions re: resources and speakers.
 - For July’s meeting: If you have thoughts about questions and background that will help direct Michelle and Steve, who will be speaking, let David know.
- b. Self-evaluation reminder
 - One board member still needs to complete the Self-Evaluation Survey. Deborah will re-send the link.
- c. CCMA Conference Reports – Two board members and two staff members attended.
 - Art Sherwood did a workshop on strategic visioning. He ran us through a simulation of strategic visioning. We were each assigned roles to play, and then underwent a process of data collection and decision-making. It was a very enlightening exercise.
 - There were many world café style workshops where we discussed how to have safe board-GM-staff conversations. It was helpful to hear from other co-ops about their experiences.
 - Another workshop was on co-ops that are making efforts to reach under-resourced communities with better food, and some of the challenges they face. A key theme: forming relationships in the community is essential to building a sense of ownership
 - There was a workshop on building customer loyalty and the importance of immediacy for return to the members. They have to wait a whole year for their patronage dividend. How do we provide more instant gratification?
 - Other workshop topics: How to tell the co-op’s story, diversity strategies, a Boise case study, wages and benefits.
 - A common theme throughout the conference: What is the co-op today? What is its relevancy?

- “Sometimes we get so good at the business model that we forget about the rest of who we are.”
 - Big takeaway: A big theme was the new normal. We are in a much more competitive market. We have to position ourselves differently. There was a lot of talk about that.
 - One-on-one conversations touched me a lot. PCC, the largest cooperative in the country, has hired a strategic planner, which is amazing and I enjoyed talking with them. They are really tuned into talking about the “cooperative difference” after focusing for a long time on the business model.
- d. Upcoming committee meetings:
- Member Engagement – Monday, June 22, 5:30pm at the CDC
 - Board Development – Wednesday, June 24, 5:30pm at the church
- e. Board members are invited to a dinner on Thursday with a visiting GM search consultant.
- f. There are three events this Saturday: Barbecues at Santa Fe and the West Side, and a bike race in Gallup.
- g. Let Ariana know if you want business cards for La Montanita. Send her your phone and email.

Actions Taken: None

Actions Required: None

10. Task List

Issues Raised: Tasks will be added to the ongoing to-do list in Basecamp:

- All board members: Send Ariana your business card request.
- Deborah: Prepare the Self-Evaluation report.

Actions Taken: None

Actions Required: None

11. Meeting Evaluation

Issues Raised: None

Actions Taken: None

Actions Required: None

12. Next Meeting Agenda Construction

Issues Raised: Review of the self-evaluation report

Actions Taken: None

Actions Required: None

13. Adjourn Regular Session

Issues Raised: Rosemary moves and Ariana seconds to adjourn.

Actions Taken: Meeting adjourns at 7:54pm.

Actions Required: None

ATTACHMENT A: BOARD STUDY

La Montanita Food Co-op
Board of Directors Meeting – June 16, 2015

Topic – Strategic Visioning: The Why’s and the How’s

Led by: Art Sherwood, CDS Consultant (via phone)

Presentation on Strategic Visioning – Art Sherwood

Why is strategic visioning important?

- As leaders in the cooperative, I like to go back to the four-pillars model, which represents well what we care about, both for staff and board:
 - Impact
 - Strategic Leadership
 - Co-operative Principles
 - Co-operative Values
- At CCMA, we had some pretty good conversations about the changing competitive landscape, and one of the key takeaways that I have is that if we only think of ourselves as natural and organic grocers, we’re going to find ourselves in a very crowded room, and we probably won’t be well-positioned to compete if that is the only thing we do.

What is strategic visioning?

- Strategic visioning asks who are we going to be in the future, relative to others in the same market space, or are we going to be in a different market space?
- Strategic visioning also asks what the future context will be.
- Unfortunately, a lot of effort often goes into writing a strategic visioning statement. The point is not to write a statement, although we might write something down. The point is to envision the strategic direction of the co-op with an empathetic understanding of what is going on.
 - *What is an empathetic understanding?* It is different from a sympathetic, academic, or arm’s length understanding. An empathetic understanding involves stepping into the shoes of those who are experiencing what’s going on out there. It means really getting engaged in building your understanding of the perspectives of the stakeholders you care about.
 - You can’t talk to everyone, but you do the best you can with the resources you have.
 - You are never going to be perfect in any of this.
- Robert Greenleaf said that having foresight is a component of servant leadership. If you ignore the direction the future is headed, your options will be limited. Having foresight leads to having insight about what you should do now and in the near future. Then you can make plans and act, as necessary.
- How far should we look ahead? Five years? Twenty? Forty? The farther you look ahead:
 - The harder it is to predict the future, as more varied scenarios are possible, and
 - The less you are constrained by current resources.
- Typically, the Board delegates to the GM the current operations of the cooperative, including planning for the near future. At some point in the future lies “the GM time horizon guided by Ends.” Beyond that point in time, it is the Board’s role to engage in strategic visioning.

What is the purpose of our strategic visioning?

- Are we asking what *could* be the future of the cooperative? (the most expansive)
- Are we asking what *should* be the future of the cooperative?
- Are we asking what *will* be the future of the cooperative?

What to include:

- Examination of the MACRO environment: Political, Economic, Sociocultural, Technological, Legal, Natural Environment (PESTLE)
- Examination of the MICRO/INDUSTRY environment: Buying trends, Demand and supply, Competitive landscape, etc.

Process for strategic visioning:

- A lot of this is a learning process. For the Board, this will probably mean continuing to use the schedule we have: Board Study and Retreat. It might also mean using some extra scheduled time.
- It might mean preparing for a culminating event.
- Regardless, it will require preparation, focus, and reflection – including periodic reflections *and recording* of learnings and implications.
- Who’s voices might be included? This doesn’t necessarily mean talking to them in person. There are readings and videos available, survey data, other secondary data sources.
 - Owners?
 - Management/Staff?
 - Outside stakeholders?
 - Outside experts?
- Are there inside or outside resources that we should think about bringing in to help?
- Safe conversations: A number of years ago, it became apparent to me and others that strategic discussions were not always safe for people to engage in. We in the co-op world had become very good at separating roles through systems like policy governance. But the separation of roles should not override our ability to communicate. We should still be able to talk about issues that fall outside our designated roles. These “safe conversations,” however, must be clearly named as conversations about building a shared understanding, not about making decisions.

Discussion:

- The slides and talk help clarify a few things. The board in the course of engaging members receives information that falls into the category of operations. We treat it as a hot potato. But I now feel I understand that we do have a role in engaging members and collecting data from them as we think about the future.
 - Art’s response: Members will speak to you about operations, because that is their experience. Board members need to exercise the skill of “abstracting up.” This means that if the board receives a complaint about the co-ops over-use of water to clean their produce, for example, this complaint should be passed to the GM, but the information is still helpful to the board who ask, “What underlying concern and values are reflected in this complaint?”
- I’m struggling with the interface between strategic visioning and policy governance. Once we go through this process, do we step aside and let the GM implement as he sees best, or do we see it through to implementation?

- Art’s response: The co-operative goes through a strategic process—not just the Board. At times, different entities in the co-op take responsibility. The Board is absolutely responsible for setting the strategic direction of the co-op, through the Ends, but the GM and staff will also take responsibility for implementing.
- But the Ends are by design very general.
 - Art’s response: The Board can make them as specific as it wants, until it is comfortable with the GM using any reasonable interpretation of the Ends to run the co-op. Once the Ends are developed, the Board then passes the baton to the GM. But your job as Board doesn’t stop there because then you have policy that outlines your expectations of the GM. The GM must have a multi-year plan that aligns with our Ends. A wise GM will absolutely include the Board’s voice in creating of the multi-year plan, even though this is not required. The GM is taking the lead and making the decisions, but can ask for Board voice and input.
- What is the granularity we look for in the strategic visioning? How specific should our vision be?
 - The conversation will include all levels of granularity from specific to general. Again, the Ends can be as specific as the Board decides they should be. The Board could write into the Ends that the co-op should open a Brew Pub. Or it could be more general statement about diversification.
- How can the Board use monitoring in this process?
 - The monitoring process opens up opportunities beyond holding the organization accountable: opportunity to tell stories, and of the Board to learn about what’s really going on.
- What about Board study? Do Board members have a sense of how the Board study will inform the SV process?
 - General response from Board: Yes.
 - New board members share that they are finding all this information helpful.
- To me, the most important slide or idea is the importance of defining the purpose. If we can define our purpose, we will find out who we are. What about the possibility that the GM is going to be focused on business and profit while the Board is focused on ideals and identity?
 - This may be the central tension that arises for us, which means it is our central opportunity. In my opinion, it is imperative that we get the business side working very well given the competitive environment. But then we’ve also got to nail the “cooperative difference.” Those may seem to be at odds, but how can we bring those together? The success on the business side may very well depend on our ability to market an identity that is different from others in the market. “No mission, no margin.”
- What do we need to learn to be strategic in our thinking about the next 5-10 years? Given water and land use policy, farming, drought, and climate change, I think it behooves us to look at those trends nationally, regionally, and locally. I think that needs to be in our Study sessions as much as possible.
 - At some point in the future, perhaps at the retreat, we will make the decision to change or affirm our current Ends statements. So that might be a good parameter: What do we need to learn to inform that decision? The Board Study topics should reflect the areas of learning that the Board prioritizes as important to that process.