

**La Montañita Food Cooperative
Board of Directors Meeting Minutes
May 17, 2016**

Board Present: Ariana Marchello, Lisa Banwarth-Kuhn, Greg Gould, James Esqueda, Courtney White, Tammy Parker (on phone)

Board Absent: Tracy Sprouls

Also Present: Dennis Hanley (GM), John Heckes (CFO), Deborah Good (admin assistant), Jennifer Cornish (facilitator), Jeffrey Hertz (research assistant), Michelle Franklin (staff), Sharret Rose (staff), Robin Seydel (staff), Karolyn Cannata-Winge (staff), Mark Lane (staff), David Varela (staff, owner), Martha Whitman (staff, owner), Loren Kahn (owner), Mary Mays (owner), Joseluis Ortiz (farmer), Marissa Joe (owner), Gina Dennis (owner), Amanda W. (owner), Jennie Burnap (staff, owner), Ro D'Aitilio (staff, owner), R. Jerry Anaya (staff, owner), Ian Collum (owner), Casey Holland (owner, farmer), Benjamin Bartley (staff, owner), Lia Prosapio (staff, owner), Marco Chavez (staff, owner), Fidel Gonzalez (ALN), Kari Smith (staff, owner), Adam Fischler (staff, owner), Donna Duran (staff, owner), Phillip B. Gonzalez (staff), Renee Milman (staff, owner), Garrett Soon (staff), Stacey Pfeiffer (owner), Stephanie Pfeiffer (owner), Jim McCully (staff, owner), Val Talento (owner), Trina Dunbar (guest), Peter Chestnut (owner, Finance Committee), Carla Baron (owner), Jean Gonzales (staff, owner), Seth Matlick (farmer, owner), Sam Hedges, Robert Veileux (staff), Jason Trant (staff), Joseph Phy (staff)

Following the Community Education Session (notes in Appendix A), the Board of Directors meeting started at 6:37 p.m. at the Immanuel Presbyterian Church in Albuquerque. Jennifer Cornish facilitated and Deborah Good took notes.

1. Approve the Agenda

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

- Friendly amendment: All voting items, including executive session, will be moved first so that Tammy can participate by phone from the East Coast.

Actions Taken: The agenda, with amendment, is approved unanimously.

Actions Required: None

2. Consent Agenda

- a. Board Meeting Minutes (April 19, 2016)
- b. Member Engagement Committee Minutes (April 25, 2016)
- c. Board Development Committee Minutes (May 4, 2016)

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

Actions Taken: The consent agenda is approved unanimously.

Actions Required: None

3. Management Monitoring Report – X2 Staff Treatment

Issues Raised:

- Ariana moves and James seconds to approve the report.
- General Manager:
 - Q2 comp sales were positive and stronger than the competitors’.
 - GM reviews several changes in the natural food landscape that are coming to the Albuquerque area, based on recent purchases and plans by competitors.
 - The assortment of organic products is increasing. Local produce is also expanding as the season changes.
 - All positive comps for produce departments. We are not where we want to be but making progress. Organic berry promotions are doing well.
 - The West Side store will be gaining a lot of visibility due to 12 weeks of “grand celebration” activities launching May 23. GM recognizes the store team leader, who is in attendance.
 - Field Day “co-op basics” products (of NCG and Unified) are being advertised well in the stores and doing well. They are helping with price perception.
 - Executive Limitations report is on staff treatment. We did a survey, and overall we are doing well. Our benefits are better than what is offered elsewhere. Some of the survey pointed to areas for improvement, and we are working to address those. We have improved our staff and owner newsletters. We also had several Town Hall meetings to help with communication.
- Discussion
 - The staff survey has not been mandatory for many years. Would there any benefit to making it mandatory?
 - GM response: It is better that it not be mandatory. Generally when there are no responses, things are good. The responses we do get give us the chance to hear from team members who have concerns. A survey becomes less important if other systems for communication are in place and working well.
 - Board response: As a data source, I am wondering if there are ways the survey could be improved. For example: we might consider making it mandatory and/or possibly revising questions.
 - GM response: Another possibility would be to form committees as a way to gather this information.
 - GM did not come into this position with a predetermined plan to roll out. He states that he has been listening to the Board and to the team, and their input informs decisions.

Actions Taken: The report is approved unanimously.

Actions Required: None

4. Member Comments

Issues Raised:

- Speaker 1 is a long-time co-op supporter here and elsewhere. She states that unionization efforts took place at La Montañita without the management knowing. It does not seem like the upper management is aware of the dissatisfaction and mistreatment of employees. Press releases embrace the workers’ right to unionize but actions have not aligned with that message.

- Speaker 2 has been a member since 1985 and is a Lifetime Member. She is concerned about the union at the Valley Store, that the workers felt they had to unionize. That should be a red flag for the Board. She is also very concerned about the co-op taking some of the employees to court to prevent them from joining the union – the department team leaders. She also states that she has written several letters to the Board but hasn't received responses, and she has heard the same from other member-owners. She states that there is frustration that they are not hearing back when they speak up about things. In addition, in reading about chemicals sprayed on produce, she has learned that neonicotinoids have replaced other pesticides and are having an impact on the bee population. She doesn't think we should focus on competing with Sprouts but on doing the best we can to provide clean food.
 - Board President: No member comment goes into a black hole. Even if the Board is not providing a direct response to each and every comment, every comment is being factored into future decisions. The Board is listening. Management is listening. The process that we are using right now to make changes in the co-op is a rolling process. We are gathering data as we go, and we plan to keep what works. If something doesn't work, it will go away. As far as the union activity, the co-op has acted with its representation to follow the laws of the National Labor Relations Act. The Board is not going to act to impede unionizing in any way. A union at a store is not a bad thing or a good thing.
 - Operations response: It is not accurate to say that the management is not taking the department team leaders to court for trying to unionize. A store has to have supervisors. Union law states that you cannot be a supervisor and be in the same union with your supervisees.
 - GM: When you are involved with the National Labor Relations Board, they give you the federal guidelines; there are no options as to whether or not to go to court, the United Food & Commercial Workers Union (UFCW) subpoenaed the department team leaders. We have to let the process work; a lot of the process is not in our control. Thank you for your long involvement in the co-op as a member-owner.
 - Owner: The Board wants to be overseers, but it is the Board's job to make sure the manager is following the Ends. I do think the Board has a role to challenge the GM when management is not acting in alignment with the Ends. My job as a member-owner is to say that you have been missing some of the Ends as I see it.
- Speaker 3 has been an owner for several decades. She appreciates what is being done to make the co-op more sustainable, but she thinks the Clean Fifteen is a violation of the healthy co-op principles.
- Speaker 4 has been a member for almost 40 years. Her concern is also about the Clean Fifteen. Last year, seven friends were diagnosed with cancer, and three other friends died of cancer. This makes her think about the importance of the health of our planet and our people and our food supply. Buying and preparing organic foods is an important part of many owners' personal ethics, and they have remained members because the co-op reflects their values. Membership is a lifestyle choice, respecting the environment and taking care of the planet – supporting organic agricultural and sustainable practice.

Embracing organics doesn't mean just buying them, but also acknowledging the health risks associated with non-organic products. Speaker states that member-owners value chemical-free places—like their homes are and like the co-op used to be before the introduction of the Clean Fifteen. The co-op can't control the trace amounts of residues that are getting spread throughout the stores. Trace amounts of many chemicals can result in health problems, which don't have imminent manifestations. The impact can show up decades later with a cancer diagnosis. She asks that the Board acknowledge that the very low sales on Clean Fifteen and the labor involved do not justify including these products.

- Speaker 5 has been a staff member for ten years, spending the last three years in store management. In the ten years, he has seen a lot of changes and also seen a lot stay the same. Clean Fifteen discussions were happened long before Dennis came on board as the new GM. The co-op has carried conventional products in bulk and other departments for a long time. The co-op is offering a wider variety of products now. That is the direction we are going.

Actions Taken: None

Actions Required: None

5. Board Functioning

Issues Raised:

- a. Board Self-Evaluation – Deborah will send out the link to the survey, which Board members should complete before the next Board meeting.
- b. Town Hall will take place on Thursday, May 19, at Immanuel Presbyterian. Several Board members will be present.
 - Format: Information-sharing and then an opportunity for attendees to share perspectives and provide input. In contrast to the Board meetings, the town hall sessions won't be tied to the Board's business agenda. GM and leadership team will listen and offer responses.
 - Emails and Facebook messages sent to co-op leadership are all receiving responses, but the town hall is now a chance to meet face-to-face and get some clarification on what really is happening.
- c. Co-op Café will take place on June 23 at Immanuel Presbyterian. The Café will have a different format. Last year we had three Co-op Cafés and asked members to discuss a key question about the co-op's future. At the June 23 Café, the Board will again join other owners in considering that key using the world café format. People will be talking to each other and then switching tables. The Board then collates all the output from the World Cafés, and this will inform strategic planning. In fact, many of the changes that the co-op is making now came out of the World Cafés that took place last year. That was direction we provided to the GM.
 - Board Researcher notes that the feedback received through the Co-op Cafés may also be incorporated into future Board Studies/Community Education Sessions.
- d. Upcoming committee meetings
 - Member Engagement: Monday, May 23, 5:30pm, at the Support Office
 - Board Development: Wednesday, May 25, 5:30pm, at the Support Office
- e. CCMA flight information has been sent to Board members.

- f. Meeting space – The Support Office and several other spaces are being considered for future Board meetings: Better acoustics, aesthetics, wheelchair access, and technology availability. The June meeting location is to be determined.

Actions Taken: None

Actions Required: None

6. Task List

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

- Deborah to write Co-opera article.
- Deborah will post the Self-Evaluation for the Second Half of the B Policies.
- Board will complete the Self-Evaluation.
- Board Development Committee will work on the budget for June submission.
- Lisa will chair the Nominations and Elections Committee.

Actions Taken: None

Actions Required: None

7. Meeting Evaluation

Issues Raised:

- The Support Office is a better space. It was easier to hear, and more intimate.
 - I think we can do better than this space, but the church is not good.
 - It would be better not to sit with our backs to guests.
- I have been very stressed about this meeting. We do need to let membership know what is going on whenever we can, so we have to come up with a way to explain the process that we went through. I also would like to know more about the pesticide use and cleaning process for the Clean Fifteen. I think it is important that Warshawer of the (Co-op Distribution Center) come to the June meeting to talk about pesticides to give us some perspective.
 - Additional perspectives:
 - Let's not spend too much time on the topic of pesticides. We are already pretty well-informed, and it is important that the Board shift its focus back to strategic visioning. We are being thrown off course by others' agendas.
 - If we do hold a study that looks at pesticides, it would be important to have a speaker in addition to Steve. There is credibility when bringing in a guest speaker.
 - One of the dangers of talking too much about pesticides is that it could influence people away from local produce, which is often not organic.

Actions Taken: None

Actions Required: None

8. Next Meeting Agenda Construction

Issues Raised: Budget will be presented at June meeting for approval.

Actions Taken: None

Actions Required: None

9. Adjourn Regular Session

Issues Raised: Ariana moves and Lisa seconds to adjourn.

Actions Taken: Meeting adjourns at 8:49pm.

Actions Required: None



BOARD STUDY / COMMUNITY EDUCATION SERIES NOTES

May 17, 2016

Why Double Up Food Bucks?

Facilitated by: Jeff Hertz

Guest Speaker: Lucy McDermott, New Mexico Farmers Market Association (NMFMA)

Topic and Goals: In this Board Study, the Board of Directors and meeting attendees will cooperatively explore La Montanita's opportunities in launching the Double Up Food Bucks program. Attendees will also review the history of Double Up Food Bucks (DUFB) and how it has become a model for communities nationwide.

To access instructions and materials for this Board Study, visit:

<http://lamontanita.coop/directors/documents/>

Presentation

- Jeff provided national context and history of the DUFB program:
 - 2006 – The first time a farmers market accepted federal nutrition benefits (Takoma Park, MD)
 - The practice grew to other areas, including to the birth of the DUFB program in Detroit in 2009. Michigan has since become a model for healthy food incentives.
 - Food Insecurity Nutrition Incentive (FINI) Grants Program was included in the 2014 Farm Bill
- Lucy presented on DUFB in New Mexico:
 - How it works: 1:1 match (unlimited) for Supplemental Nutrition Assistance Program (SNAP) recipients on locally grown fresh fruits and vegetables
 - Why it matters: 28% of NM children are food insecure; the majority of NM children and adults do not eat the recommended number of fruit/vegetable servings; low-income families are spending at least one fourth of their income on food.
 - 21% of New Mexicans receive benefits from SNAP
 - 88% of customers say they buy more fresh fruits and vegetables as a result of DUFB
 - The EBT sales are earning NM food producers more money.
 - There are \$630,000 per year in food incentives over the next 4 years, thanks to USDA FINI grant and appropriation from NM state legislature.
 - Double of Food Bucks has expanded significantly this year to 9 grocery stores statewide, 11 farm stands, 50 farmers markets, and 2 CSAs. DUFB started at La Montanita on May 1, and is in place at all five store locations (not yet at UNM).
 - See doubleupnm.org for more information.

- Marketing and outreach plans are extensive – e.g. 500,000 brochures – in partnership with Road Runner Food Bank, Catholic Charities, the City of Albuquerque, and others.
- What can the Board and La Montañita owners, and other community members do?
 - Get the word out.
 - Help with connections.

Discussion:

- GM thanks Lucy on behalf of La Montañita. Thanks to NMFMA’s work with staff members David and Robin, the program launched almost flawlessly on May 1.
- La Montanita was the first grocery in the state to implement the program.
- GM expects the numbers to increase as we head into the summer.
- An owner in attendance suggests an opportunity for outreach: International District Health Fair on June 4; large event with 150 vendors and large attendance.
- Federal money requires a significant amount of reporting, so hopefully the data La Montañita collects can help with this reporting.
- A UNM evaluator will be helping with research on the program’s implementation and impact on health metrics and habits.
- Focus group data have demonstrated interest in cooking/food preparation demos to help educate shoppers on what to do with fresh produce.
- The support for local farmers is great and ties in well with some of our other work including the La Montañita Fund, providing options for farmers to expand their operations.
- Most of the food subsidies in this country are for commodity crops, but now programs like DUFEB is essentially subsidizing fruits and vegetables, which have been considered “specialty” products in the past.
- Word of mouth is the number one way of helping people find out about the program.
- A question about the DUFEB program has been added to the member survey.
- Policy brief has some good recommendations that may be helpful to La Montanita.