

La Montañita Food Cooperative

Board of Directors Meeting Minutes

September 20, 2016 – 5:30 pm

Board Present: Ariana Marchello, Tracy Sprouls, Lisa Banwarth-Kuhn, James Esqueda, Tammy Parker, Gina Dennis, Julie Anderson, Greg Gould, Courtney White. Board Absent: None

Also Present: Dennis Hanley (GM), John Heckes (CFO), Tonja Heller (First meeting-Administrative Assistant), Jeffrey Hertz (research assistant), Jennifer Cornish (facilitator), Ron Breen (member owner), Megan Creaturo (staff), Rob Dixon (owner), Michelle Franklin (staff), Loren Kahn (member owner), Mark Lane (staff), Ginger Lawlwer (member owner), Hanh Nguyen (member owner), Jose Luis Ortiz (member owner), Joe Phy (staff), David Ritchie (member owner, Finance Committee), Sharret Rose (staff), M. Salhale (staff), Robin Seydel (staff), Martha Whitman (staff), Jason Trant (staff), Hanh Nguyen (member owner)-there were many other member owners present but they did not include their names on the sign-in sheet.

Following the Community Education Series the Board of Directors meeting started at 6:48 p.m. at the Indian Pueblo Cultural Center, Chaco III Room, in Albuquerque. Jennifer Cornish facilitated and Lisa Banwarth Kuhn took notes.

Before commencing the business meeting the following announcement was made:

All member owners are invited to town hall meetings:

Wednesday, **October 5:** Albuquerque

5:30pm at the Mennonite Church Meeting House, 1300 Girard NE, Albuquerque.

Thursday, **October 6:** Santa Fe

5:30pm at the Center for Contemporary Arts, 1050 Old Pecos Trail, Santa Fe.

1. Approve the Agenda

Issues Raised: Ariana moves and Tammy seconds to approve the agenda. Actions Taken: The agenda is approved unanimously. Actions Required: None

2. Member Comments Issues Raised:

· Speaker 1- “35 year member, Board member mid 1990’s, served 2yrs as president; realizes the Co-op is in transition with a new General Manager; significant issues at Rio Grande store: Policy governance if we look at a 20 year snap shot of the Co-op the Board/governance has come a long way in professionalism; shocked by the speed and velocity of the “Take Back the Coop” groups; shocked by misperceptions, demonization and negative characterizations; hopes for some positive outcome and some acceptable solution. “

· Speaker 2 - “Agrees statement about solution; she is against the Coop 3.0 reference made in letter from board; Management is just slashing prices; decisions are against membership; responding to people of poverty level is not just slashing prices most often about priorities; corporatizing our Co-op; coop had 20 year partnership with Veritable Vegetable part of the supply chain to the Coop; VV has correct priorities, respect for earth and resources; Coop should pay VV more supporting strong ethical practices and good wages; new supplier, Robinson Fresh is multinational producer she worked for in

Fort Worth in 2007- as an employer they used subtle fear and intimidation tactics, paid drivers badly; Coop is engaged in wage slavery; If the mission is to abolish disparities what is the cost?Walmart? Can the member owners make decisions? “

- Speaker 3 –Take Back the Coop- Negative comment about Open Letter from the GM. Management is using threats, bullying and intimidation against TBTC and employees in the store.”
- Speaker 4- “decades long member owner- Management is handing out papers in the store, so can we also hand out papers in the Coop?”
- Speaker 5- “principle of transparency be recognized, by providing access to numbers; Stated that, “several employees left, several employees fired.”
- Speaker 6 - “questions principles; decisions made go against the community represented by “Take Back the Coop” group; Objects to article in the Santa Fe Reporter; current relationship with VV is destruction of 20 year relationship; UNFI needs to be investigated; ‘We’re going to get you, Dennis’; employees have been silenced; this reflects badly against us.”
- Speaker 7- “ spent 8 years on the board, 4 years as president; many ramifications in attempt to dismiss a GM; Policy governance led Coop forward; it is hard to listen to the adversarial tone of speakers, it is not cooperative attitude; La Montanita has always found some way to move things forward in an oppressive system. Seeking longevity through individual’s focus never works.”

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Actions Taken: None Actions Required: None 2

3. Consent Agenda

- a. Board Meeting Minutes (August 16, 2016)
- b. Member Engagement Committee Minutes (August 22, 2016)
- c. Amendment to Annual Financial Review
- d. Annual Meeting Agenda Proposal
- e. Proposal to Use Video to Engage Members
- d. Nominations and Elections Proposal

Issues Raised: Tracy moves and Julie seconds to approve the consent agenda. Actions Taken: The consent agenda is approved unanimously. Actions Required: None

f. Proposals added to updated agenda for Approval

- Proposal Update of the Policy Manual

Issues Raised: Tammy moves and Ariana seconds to approve proposals. Actions Taken: The updated consent agenda is approved unanimously. Actions Required: None

4. Management Monitoring Report – X1 Customer Service & Value

Issues Raised: · Lisa moves and Tammy seconds to approve the report.

- GM appreciates work and support of STL, ADTL and Management teams.
- GM, Karolyn and Arians attended Talk Show in SF to reiterate La Montanita’s side of things
- La Montanita is still purchasing product from veritable Vegetable. Logistics have changed and produce is delivered by Robinson Fresh to Coop Distribution Center which distributes to our stores. Reductions in transportation costs.

- Members, Customers and team vote with their dollars every day. Customers are responding well. GM pointed out that the Board Study emphasized using empirical data in order to track this. GM emphasized that it is important to share this data and these reports with other organizations in the state and across the country.
- In August 3.94% growth in sales =overall growth of 6.36%
- We continue to tell our story. (Interruption: “Take Back the Coop” group member video recording meeting without informing or asking permission. Member was asked to stop or she would be asked to leave.)
- Co-op is growing sales at a good rate- (interruption again requesting member to stop recording)
- Board member, Gina, thanked GM for clarifying relationship with Veritable Vegetable.
- Board member comments that it is good to hear that sales are up compared to last year.
- GM commented that La Montanita increased from last year 1100 local products to over 2000 which is a 45% increase making local products sold in stores just shy of 27% of total. GM noted that all of this information is posted on La Montanita’s website if members would like to take another look.
- Double Up Food bucks initiative in the stores has seen a 185% Increase in local produce sold.
- GM discussed how deflation has dropped in New Mexico.

Actions Taken: Management Monitoring Report is approved unanimously. Actions Required: None

5. Board Functioning Issues Raised:

a. Self-Evaluation Update: Board members will need to complete self-evaluation due September 30th.

b. Upcoming Committee Meetings, all: Support Offices

- Finance – Monday September 26th 5:30pm
 - For clarification and transparency, GM asked Tracy what the Finance Committee does when it meets. Tracy responded by saying that the Committee discusses the Monitoring Report and holds the GM accountable to his fiduciary responsibility.
- Member Engagement – August 27th 5:45pm
- Board Development – October 4th 5:30pm
- Upcoming October 5th

6. Task List Tasks will be added to the ongoing to-do list:

7. Meeting Evaluation Issues Raised:

- Comments about Board Study: **La Montanita and Accountable Empowerment: Using Results-Based Accountability to Achieve the Cooperative’s Ends**
 - a. “Results bases accountability seems like it would really help to focus discussion among participators.”
 - b. “I commend the presenters. Great job. I am proud to have participated in the discussion.”
 - c. “RBA would help to focus data and provides a framework for discussion and focuses on issues.”
 - d. “The senior team works with all our partners (in the community) and with RBA forces groups to listen, add appropriate data to measure the impact on our value chain participants.”

8. Motion to adjourn

Issues raised: Tammy first and Julie seconds motion to adjourn. Action taken: meeting adjourned.