

**La Montañita Food Cooperative
Board of Directors Meeting Minutes
January 26, 2017 – 5:30 pm**

Board Present: James Esqueda, Gina Dennis, Greg Gould, Chad Jones, Elise Wheeler, Marissa Joe, Allen Satpathi, Jerry Anaya, Andy Andreason

Board Absent: None

Also Present: Roger Eldridge (member-owner); Ronda Zaragoza (member-owner, farmer); Ian C. (member-owner, farmer); Margaret L. (member-owner); Sharret Rose (member-owner, staff); Benjamin B. (member-owner, staff); Bob Henegham (member-owner, staff); Bob Veilleux (member-owner, staff); Jason T. (member-owner, staff); Rob Dixon (member-owner, staff); Sunnie Walsh (member-owner); Sterling Grogan (member-owner); D. Satpahi (member-owner); Anne Watkins (member-owner); Peter Trinh (member-owner); David Ritchey (member-owner); Pauline Cahalan (member-owner); Sarah Armstrong (member-owner); Amber Byars (member-owner);

The Board of Directors meeting started at 5:30 p.m. at the Indian Pueblo Cultural Center in Albuquerque. Elise Wheeler facilitated and Tonja Heller took notes.

Community Education Series

Welcome and Introduction

New directors, Andy Andreason, Jerry Anaya, Allena Satpathi.

Tracy, Lisa and Tammy stepped down for personal reasons. We thank them for their work.

Community Education Series: The Future of La Montanita Community Education Series: A Brainstorm (E. Wheeler/J. Hertz)

We will be discussing the committee proposal we talked about in the Board Development Committee then we continued it in the Policy Development Committee and in the Member Engagement Committee. This is an integrated business approach. Feedback group; let's talk about how we create a "feedback group". The current process is we have an hour of community series then we go into a business meeting then we go through proposals, ends report, finance and a little bit of member comment, discussion with the board, we try but there's not much time. Action item report out – can do better in that area. Elise chaired the Board Development Committee and we were told we needed to talk about what the next community series is. We do Board study training; what the board needs to study and training on and Strategic planning. What is currently under the Member Engagement is values of membership, forms for members to recommend policy to the board, explain actions of directors, discussion with the board. There is disconnect.

Feedback loop: focus on the conversation. Moved the community series under Membership Engagement now the member and board discussion becomes a prominent part of the business discussion, minutes and proposals, action item report out. If we do action items in the business

meeting they flow into the committees, committees work on them and then they flow back into the business meeting. There is a complete feedback loop with this.

Under Community Engagement they develop the topics for the community, it's not a lecture series. It can turn into an actual round table discussion.

Board Development- There is going to be training that the board is going to need. This won't be a monthly meeting. It will be as required. If the board needs training or strategic planning, then the board will call a committee meeting.

Community service moves to Membership Engagement and this opens 30 or more minutes in business meeting for discussion and member comments, the series is not a lecture, the Board Development program is more targeted and it establishes a flow for action items.

Jeff: We developed a hand out – January community series instructions back has diagram that's the diagram that Elise proposed. We combined our presentation because it's important to develop the community series. The previous use of the community series was to promote the work of the board and education for member-owners. It's important to step back and think about how to make the community series more suitable for member owners. We really wanted to break it down; the process for developing the content and delivering that content, what kind, how to present, and outcomes of series. We appreciate all the feedback at the committee meetings. It gave us support about how we can further bolster the community education series.

Thoughts on proposed committee structure:

- Thoughts on new structure: When you say committee, structure are you referring to what Elise was referring to the integrated business approach? – yes. Most of the bubbles it says open/monthly; open as required; finance is closed/monthly. Elise: there is a finance committee every month where they discuss a lot of financial data that we cannot share outside of the room. That is something we're going to start looking at and how to do a report to the members **ACTION**(due in March) We can't disclose salary levels, give our competitors ideas as to what we're doing.
- Does this mean the board won't vote on anything unless it's been through a 60-day process? Elise: Not necessarily. There are somethings that can be voted on. This is just for action items. Something we want to understand – Why are we ?? food waste from the deli and produce department? You're not going to have an answer to that at this meeting and we'll need 60 days to give you one.
- Will this increase more work for the board? Increase committee time? Trial and error. We have to figure out how to get a feedback loop and you guys are going to be the ones to hell us if it's working.
- How is this information going to be communicated to members? Elise: Membership Engagement. Do we have to go to the meeting to get the feedback? Elise: it's probably

going to have to be a little of both. We suggest you go. Not all of the processes are done and that part of this discussion.

- The website is difficult to find information on **ACTION**
- This is good start so far, very encouraged. Is there a set of goals or framework that the board has started using on how to approach the rest of this – what are the thoughts or feelings behind the proposal and further dialog – what is the structure for finance? How do we come up with this new framework? Jeff: A lot of this came out of our Board Development Committee meeting and our Membership Committee meeting. This framework was vetted at those meetings. We do not have all the charters written behind this concept.
- Marissa: Revisit the question on how will we contact the member-owners regarding issues, any actions, process. Right now, we have member comments, participation in committee meetings. What are other ways we can increase communication? Member-owner: There is potential in the newsletter that is not being utilized; to have financial information to the extent it can be publicized, could have a section as to the riff over the last year; email blast contains too much marketing, I'd rather see a board summary of new members, actions, who to contact. Gina: Fact Friday- have you seen those emails? Fact Friday is supposed to be less marketing and more about something that happened in the coop that week. Maybe we can transition away from the marketing aspect. Member-owner: many companies have that option where you can opt-in or opt-out of the emails you want to receive
- Would like to see a summary as to what's going on in the committee meetings such as minutes so we know what issues are being worked on. Gina: Elise have done an amazing job creating a better flow of information from the committees to the membership community. Elise: We are still working on it. We will get there. **ACTION**
- Does the coop bank with Wells Fargo? If so, member-owner states she will not shop at Coop anymore due to the environment destruction. Marissa: Not aware of accounts held by the Coop. She brought this issue up. We wanted to discuss this beforehand. This is an **ACTION** item. We will discuss this over the next month and we will have an answer for you in February. She will advocate 100 percent for divestment.
- What can I go back to tell my family/community from Santa Fe: Greg: It is our intent, steps that are required. We can't just close accounts, we have contracts and obligations. We want to do it. Gina: You can let them now we are under new leadership, this is a brand-new board, decisions were made by other people, we are moving forward with a good heart. We will be transitioning away from Wells Fargo. Put this in the new letter, get it out there. **ACTION**
- Jeff: The Membership Engagement is when we discuss the topics for upcoming newsletter articles. If you have an idea for an article or if you want to write the articles, please go to the meetings.

- Jeff: I would like to hear more about upcoming board studies; what should be our process? what kind of content should we be discussing? Member-owner: The principals and goals of the coop, value of our vision for the future, citations and sources; wants to know where the information comes from. Jeff: We want to be clear and develop transparency we will be sure to include that information with research we do.
- Wants to know who the new board is and where they're going.
- Dennis: We have received good feedback. It hasn't been like this in the last 13 months. It felt a lot warmer. The board in the last 30 days. They have put in the hours.
- Following with public comments we build into educational piece – we are having this discussion because we want to take in new ideas.
- How is the board going to be educated? Elise: Board Development. There is diversity in location, we communicate electronically.

1. Approve the Agenda

- Issues Raised:
1. Greg moves and Gina seconds to approve the agenda.
 2. Elise moves to move member comments below introduction to new members
Gina seconds
 3. Elise moves to amend the agenda
Gina seconds
- Actions Taken:
1. The agenda is approved
 2. Member comments moved below introduction to new members
 3. The agenda amendment is approved

2. Introduction and Seating of Appointed Directors

- Allena Satpathi: I believe in servant leadership. Works at Sandia Labs for 11 years. Works in software and development. She is into the idea of servant leadership, transparency, free flow of communication and believes that “we” are the coop, all of us, together. We are responsible for the asset. Available all the time and will make her email available. If there is anything anyone wants to know about her just ask.
- Andy Andreason: New to New Mexico. Since coming to New Mexico La Montanita has been a part of his life. Learning some of the struggles that were going on and seeing the call for previous business and technology experience, he put in his application. Has over 30 years in corporate America. Looks forward in what they can do for the board.
- Jerry Anaya: Works for La Montanita for almost 12 years. Born and raised in New Mexico. His family has been here since it was the USA. Deep roots. His mom's family were farmers his dad's family were ranchers. Honored and

humbled that he was chosen. Wants to serve in any capacity. His strategy is for the employees, local farming and for making the coop better than it has been.

- Greg Gould: He wants to plant trees. If deforestation destroys the planet, then reforestation is part of the solution to grow better food, have cleaner air, bring more water to the region.
- James Esqueda: He has been with the coop for almost 13 years. Father of 4. Look to restore an orchid he bought. Looks forward to providing apples to the coop in the future.
- Marissa Joe: From Mesa Arizona. Mother of 2. Grad student at UNM. First Generation college student. She farms in the south valley. Coordinates a scholarship program. Looks forward to using her life to create a just future.
- Chad Jones: He lives in Santa Fe. We have work to do to rectify what we have done to this planet. Went to Columbia; at the end of a 50-year civil war. It was mystifying and fascinating to wonder what it means for people in a nation be coming out of war. We could say there are communities in this country that are still under war. I work on political research and recruit young people, women and more people of color to run for office.
- Elise Wheeler: Albuquerque has been her home since 1981. She did 21 years of service all over the world. She sees how lucky we are though there is so much more work to be done. The only way it can be done it so work within a community and continue being a community, continue clean food, water and all of that. She is retired and wants to give back to her community.
- Gina Dennis: Joined the board in May. Pro local farmer and pro-union. She supports local business and local communities with education. She is running for the Central New Mexico Community College Board. She would like to create a farming program that would invest in the local farms and allow people to get an education to keep local farms here.

3. Member Comments

- Last month the only person elected to a position was the vice president. Has that happened yet? Is that going to happen tonight? Elise: Yes, it will happen after member comments
- What was the process of choosing the board members? I applied and no one ever called me. What was the process involved? Elise: It's lined out in section 2.5 We had every one put in their applications. We reviewed them and down selected to the one we thought would add super powers as a team. We did telecons and ranked the folks. Called some applicants and then we did more down selecting. The whole process was done by the bylaws. We did interview people. We didn't have to by the bylaws. A lot of it was based on the resumes. There was a mix of how it was done.
- So, you picked the people that you liked? Elise: No, we picked the people in

accordance with what they submitted. We read the resumes and what we thought the board needed and based it on super powers. Member-owner: A woman who has been a member for 4 decades and runs a nonprofit in this state has less qualifications than someone who has lived in this state for less than 2 years? Elise: I can't answer exactly why other than I would have to pull the resumes out. This is the process that was used. Member-owner: you picked all the people that were with Take Back The Coop? Chad: no, we got 17 applications by noon on Saturday. We learned of 2 resignations from the board last week so we tried to put a call for applications, get those in, we as the board, reviewed all the applications by noon Saturday all in 10 days. We had an executive session of the nominations committee to see where we were at. Member-owner: how did you disqualify a woman who has been a member of the coop. Chad: There was a number of factors we looked at; it wasn't just seniority. It was looking at what the board currently had and what we felt we needed to add to the team.

- Who did you choose that was not part of Take Back The Coop? Chad: I do not know who is or is not part of Take Back The Coop. Greg: This was an not an ideal process. He had 24 candidates to pick from. It was a deliberative process which is what is required. He felt that he was leaned to vote a certain way. Under the time frame he felt it was balanced. There were no shenanigans or politics involved. Member-owner: Where any member not part of Take Back The Coop chosen as board members? Elise: Yes, there is no Take Back The Coop. We are all La Montanita board members. Just because someone ascribes to a certain philosophy does not make them good or bad. What I can tell you is you have board members who were selected by the bylaws and we didn't have to go out for candidate solicitation. Board members could have been selected by a single conversation and brought forward. We did the best we could. We are here to serve you. It is not about us or them.
- I appreciate what you are doing. Maybe you can print the bio statements the same way you did in the original election in the next newsletter. There was a real clear slate where people stated that they were part of the Take Back The Coop and that determined how people voted. She appreciates that you speak for the coop not just the people at meetings. Gina: The appointment process is concluded. The member you see here are now the board. Never has an appointment process included the printing of the bios in the newsletter, so that's not going to happen. Chad: If you were not selected you there are other ways you can participate in helping. Greg: delighted with the 24 people who submitted. There is room for people to participate in committees where most of the work is done. Participate that way to have your voices heard.
- There was an election meeting on Friday at the coop. At that time, there were 12 applications as of noon Saturday, there were 24. They met Sunday and now were meeting on Tuesday with 3 additional board members so if there were questions about who was going to be on the board then more than the 3 of us should have been there on Friday as a member and farmer.
- There is a common goal that La Montanita go forward in the future. Can we clear

the air and move on?

- Food waste, composting; We are creating so much organic matter. Can we please do the responsible thing and take care of this? Instead of sending it to the landfill. The comment earlier about Wells Fargo is super important.
- The whole concept that we are a coop has been missing. She is very dedicated to coops. The thing that matters is if we are going to have a political democracy and justice and the kinds of things that you talk about, we are never going to have that unless we have an economic democracy. That is what coops are about. This is not talked about. We need to focus on this.
- From the last meeting, this is a huge difference; even from the first meeting. This is the first time as an employee that she has a little bit of hope. We want to move forward. There is a lot of diversity and you're all coming together. She feels like the board is going to listen.
- There is a reason we are here. There is a reason we shop at La Montanita. He appreciates that we are all listening to each other. He got that feeling that this is why he shops there and not at Smith's to save money.
- It's great that we are moving forward. He's concerned to see 3 board members resigned. He thinks that she was demonized in this process. This is new leadership, new board. This is reflecting the tone of the last year. He is concerned they left because they did not see a cooperative board a place where they can continue contributing to the board.
- Congrats to the new board members. He's from Santa Fe. Would like to see the board have a meeting in Santa Fe. It would be nice to take it on the road and around the state. **ACTION**
- What is the new board going to do to make employee feel better about being retaliated against? Elise: If you ever feel that there is any kind of retaliation you need to get it to Sherette, the GM, board members, talk to your manager. Member-owner: some of us are concerned that there is going to be retaliation coming from the board. Elise: If you can describe how you feel that the board can retaliate against you then that would help us articulate how to answer. The board can't touch you. Member-owner: You are trying to change the policy that the board cannot interfere at store level. Elise: I ask that you write down and get it to the board and we can articulate each concern. James: HR would be the first avenue. This process is hard for the board as it is for the employees. There is information out there that can create perception or reality. We are still trying to move forward. He encourages to be specific as to who the people are and how they addressed you. This board is going to continue to discuss and vet through the details to be sure that the staff is getting the response they need. Gina: Our focus is protection. That means protecting all the employees. No one on this board has any intent to retaliate. That's not why we're here. We're here to remove those elements; fear, hostile work environments and retaliation. Member-owner: are you suggesting that there was intent of retaliation? There was a lot of talk about it

before, but there is not a bit of truth to it a lot of it is the accusations from those board members. That's where her concern is. There were a lot of accusations about the board. Take Back The Coop made a huge issue about retaliation against the existing board and staff toward the employees and there was never any evidence of it. Gina: Moving forward we are focusing on protection and eliminating fear of retaliation. Chad: The board won't move to terminate anyone

- Are you still trying do to away with Policy Governance? Elise: There is a modification to it. We have not sat down to say where we're are going. There may be some changes. If you can articulate in a letter so we can respond to each one. You're asking a lot about what is going to happen in the future and that is part of what the policy committee is going to do. When we hold the committee, I hope your there so we can do this together. James: We need to discuss this further. There is true concern from member-owners that want to know what the board is going to do in response to affiliating Take Back The Coop movement, board procedures and to be sure that employees are going to be taken care of the same way. **ACTION**
- Dennis: Elise is fact finding. Be respectful of each other and let get moving. Let's move forward.
- Elise: We're going to have to call member comments at this time. If you have something you want to say write it down and get it in.
- If I can't get a response here, can I write it to the board and get a written response? Elise: Yes.

4. Consent Agenda

- a. Board Meeting Minutes (December 20, 2016)
- b. Board Development Minutes (January 4, 2017)
- c. Member Engagement Committee Minutes (January 10, 2017)
- d. Proposal to Appoint New Directors (January 17, 2017)

Nominations:

President:

Gina nominates Elise

Chad second

Pass unanimously

Vice President:

Elise nominates Chad

Marissa seconds

Pass unanimously

Secretary:

Elise nominates Allena

Gina seconds
Pass unanimously

Treasurer:

Gina nominates Andy
Chad seconds
Pass unanimously

Member Comment:

- Please use your powers for good
- Does the board use Roberts Rules? Elise: Yes. Member-owner: You did not follow the agenda and the president is not supposed to make a nomination for office. Elise: Will have to look that up, could be mistaken. **ACTION**. If she messed up she will be more than happy to redo the nomination process. We have been following the agenda, we moved it around a little.

5. Proposal to Amend 4.1B1.3 of Policy Governance (E. Wheeler)

- Elise: This came out of the Board Development Committee. We talked about it in Policy. This is about meetings, mandatory conferences and training dictated in policy. The purpose is to delete the sections under 4B1.3. 4B1.3 Eii conduct evaluations after every meeting (Elise reads the policy) recommends deleting evaluations after every meeting and move it into a handbook. This is not a policy item; it is a handbook item. There isn't always time to do an evaluation after every meeting.
- 4B1.3 Eiii: Conduct a day long orientation for all new board members in December of each year. This is a handbook issue. There isn't always an opportunity to get this done in December. An orientation is a good idea when it able to be done. Recommendation is to take it out of policy and put in a hand book.
- 4B1.3 Ev: Send two board members to the annual CCMA Conference. That's a 5 to 7-thousand-dollar a year cost to the coop. That is a handbook item. If the coop is not financially able to do that, then the policy is not the best place to put that, making it mandated, it should be something to do when we can.
- 4B1.3 Evi? Send all new directors to CBLD 101. This is a good idea but making an expense mandated in policy is not.
- The recommendation is to delete these sections out of policy.

Issues Raised: Gina motions to delete the sections
Marissa seconds

Vote: 8 yay; 1 abstain

Actions Taken: Passes

Member Comments:

- Member-owner: is there going to be a discussion with the members about this?

Elise: It was discussed in the committees.

- It seems that everything deleted has to do with staff/board training and education. He has heard repeatedly all evening that the board needs training but they just cut out all the mandatory training. Elise: We took it out of policy. That doesn't mean we will never go. It just means that it's not mandated to a point the organization doesn't need to spend that money. There are a lot of different way for us to train. The point was to take it out of policy and put it in a handbook so the organization determines when we can go. You don't generally mandate conferences. You go when they can be afforded.

6. Management Monitoring Report

Issues Raised: James motions to open discussion
Greg seconds

Actions Taken: Open for discussion

Discussion:

- Elise recommends to take this offline. We did not have a chance to discuss this in the financial committee. She believes this is something that should be looked at by them first and brought to the board with recommendations.
- Marissa feels like it does not to go to the committee and discussed further.
- Elise: X3 and X1 in policy governance. There is some information in it that Elise has questions about. Before we approve something, would like her questions answered. If we vote to remove it we can remove it to the finance committee and bring us a recommendation.
- Dennis: it is a monthly report with additional issues.
 1. Collective bargaining will begin at the end of the month for the Rio Grande site only.
 2. There was an HR proposal; we will have an HR audit next week. Then we will work on additional process with someone Greg brought forward to take a look at how we do everything. There will be a report to the board.
 3. In the finance committees, we talk about the financials and solutions. The December result looks good. The process is moving the margin and the produce margin has moved up.
 4. Coops close because they run out of cash. The cash is building. You will see the dollars. When you don't have any cash, you get in trouble. Dennis looks at cash 3 times a week and its growing which mean the financials are growing.

Issues Raised: James motions to move the Management Monitoring Report
Marissa seconds

Vote: Passes unanimously

Actions Taken: The Management Monitoring Report is removed to the financial committee to a report.

7. Adjourn

Thank you all. Keep the comments coming, this is about all of us. We appreciate all your comments. We will talk about the committees in executive session. We need to pick the chairs. Member-owner: When can the minutes be posted on the website? The January notes need to be approved before they can be posted to the website. I need to look at the bylaws; according to the bylaws we cannot do an electronic. I need to look at that. I will owe you an answer on that. **ACTION** Do we want to continue to be one month behind?

Member-owner: Addressing Elise: When you attempted to recruit me to Take Back The Coop, you told me that you were in favor of firing all senior staff. Is that still your position? Elise: The board can't fire anyone. She don't recall saying that. It's something that she wouldn't say because she knows what a board can and cannot do.

Issues Raised: Greg motions to adjourn
Allena seconds
Vote: Passes unanimously
Actions Taken: The meeting adjourned