



Board of Directors Monthly Meeting

February 21, 2017, 5:30 pm
Indian Pueblo Cultural Center,
Chaco III Room 2401 12th ST NW,
Albuquerque, NM 87104

Board Present:

Allena Satpathi, Jerry Anaya, James Glover, Chad Jones, Gina Davis, James Esqueda, Greg Gould

Board Absent: Elise Wheeler, Marissa Joe

Also Present: Rob Dixon, Will Prokopiak, members, (awaiting sign in sheets from Tonja Heller)

Following the Community Education Session (notes in Appendix A), the Board of Directors meeting started at approximately 6:30 p.m. Tonja Heller took notes.

La Montañita Coop Monthly Member Business Meeting

Open LMC Business Meeting, Chad Jones presided, Gina Dennis facilitated.

1. Approve Agenda

- a. Meeting agenda acceptable to all Directors - yes
- b. Motion to Approve: Greg move James E Second
Approve the Agenda

Issues Raised: none.

Action Taken: none.

The agenda, without amendment, is approved unanimously.

2. General Director comments (Chad Jones)

- Rob Dixon was introduced as the Cooperative Operations Support Officer.
- Will Prokopiak was introduced as the Chief Retail Officer.

Issues Raised: none.

Action Taken: none.

3. Member Comments

- a. Sign in sheet at the door & post-its to jot down questions
- b. Time will be allocated based on number of members signed up - all questions will be answered but some may have to be via email.
- c. Members may cede their time to another member
 - Member: Asked Co-op to divest of Dakota Access Pipeline project.
 - Member: Former Board member on the board at the time Rio Grande store started. During her 3-year tenure it was never addressed the coop was doing well on the backs of the employees; hopes the employees are treated equitably and fairly.
 - Member: where is vetting local produce with all the changes and the clean 15? Is that being addressed, labeling, going to farms to get that information?
 - Jerry Anaya responded: Employees from the Nob Hill store have gone to farms to check out what the farmers do. Farmers are asked to only use plant-based products on produce. While not certified, farmers are going through the "cleaning process" for certification. Honest farmers believing the same values as coop. General discussion regarding certification, access to water, farmer's needs, Coop values related to sustainable agricultural practices.
 - Member/Staff:
 - Regarding farm vetting; this is a program that is supported through grants and currently has not direct revenue from the Coop. The Coop Distribution Center (CDC) has standards regarding labeling and identifying produce and these same standards are used by the Stores.
 - The CDC is under the CRO but it is a wholesale site and not a "retail" site as the other stores are. Language is important. Language and the rationale of the restructure eliminated the GM position to 2 people is the cause to the turmoil. The real issue is more of personalities then the delineation of responsibilities. Streamlining efficiencies and how do we grow the coop out of the positions is important.
 - Member: The policy manual and bylaws mentions the GM; the Board's authority to hire and fire. Wondering there is no mention of any managers in what way are they going to amend the policy and bylaws?
 - Gina: we are going through that process right now. Reviewing the committee charters with member and staff input. We will be going through the bylaws the reference of the GM to be replaced. Invites all to the Policy Committee

meetings. The Policy Committee reviews bylaws and policies. Members of the core team include Gina, 2 employees and 3 member-owners; outside of the core team anyone is encouraged to participate.

- Chad: any changes to the bylaws must have a public meeting. Board cannot make changes without that meeting without members.
- Robin: changes have to go before the members for vote. Allena: proposed changes will be posted online. If there are Bylaws or policies you want updated come to the committee meetings or email talkwiththeboard@lamontanita.coop.
- Greg: at the February member engagement committee some issues brought up were involved in member feedback; its challenged we've have been asked to improve the web page. These things are being addressed and moving along.
- Member: how are we going to deal with the financial situation and who's in charge? This should be the primary focus.
 - Gina: there was a finance committee meeting held 2/20. Allena: in FY17 we will be saving approximately \$150K based on the changes that were made in the reorganization, an additional \$22K was trimmed from the Board budget. In 2018, anticipated savings are \$300K. This was not personality driven; these were hard decisions based on data. The Co-op is in a difficult position.
 - Member: who in the Co-op is responsibility of Co-op finance. Chad: It's on Rob and Will. It's on the 9 of us to help them out and have their back. At the Finance Committee we look at the sales at every store understand the margins. How to improve the bottom line of the margins.
- James Esqueda: We evaluate the strategy and game plan how does that get us back to profitability. These are the exact things we spoke about in the meeting. As to finances of the organization the membership currently gets 1 report a year. We are looking into reporting quarterly financial information to members. It could hurt us if used in the wrong way so we must be careful. We are working to make the Co-op financially sound again. We have to take it all into consideration. We are working on those things, soliciting more feedback.
- Member: let's get into looking at composting. Love to get some feedback and to know the board is thinking about it? Restructuring: the value the community holds the board is fixing that. Want coop to be the leader. There is money in that. Wants to build the brand back.
- Member: thanks all for the work that been done.

Issues Raised: 1. Dakota Access Pipeline
Response: See Section 6
Action Taken:

4. Consent Agenda

- a. January 17, 2017 Meeting Minutes
Pass unanimously

Issues Raised: none.
Action Taken: none.
Motion to approve by James Esqueda, Gina Davis Seconds.
The meeting minutes, without amendment, are approved unanimously.

- b. Proposal to Appoint New Director

Issues Raised: none.
Action Taken: none.
Motion to approve new Board member by Gina Davis, Greg Gould Seconds.
The motion to approve the new Director, without amendment, is approved unanimously.

- c. La Montañita Fund Approval

Issues Raised: none.
Action Taken: none.
Motion to approve the La Montanita Fund by Gina Davis, Greg Gould Seconds.
The motion to approve the La Montanita Fund, without amendment, is approved unanimously.

5. Introduction and Seating of Appointed Director

James Glover introduced himself and his background.

Issues Raised: none.
Action Taken: none.

6. Update on LMC business:

Old Business:
- Banking with Wells Fargo

- Chad: we are working on it. The accounts are Treasury management services that credit unions have not gotten into. There is a desire and appetite but they haven't been to do that. LMC holds multiple accounts at Nusenda. Wells Fargo was the only one to have locations in Gallup, Albuquerque and Santa Fe offering the services and products. If we can't go to credit union then we have to choose a corporate bank. The process is going to take some time.
- James Glover learned about this issue from the membership and Board. He changed his business banking from Wells Fargo to Nusenda. Per Nusenda, the Co-op's type of business is difficult to handle as they limit business account transactions. LMC has a very high transaction volume; would break that in a day.

New Business:

- Rob Dixon: email addresses were created based on the roles on the board. Created talkwiththeboard@lamontanita.coop. Members will get an automatic reply when emailing talkwiththeboard@lamontanita.coop.
- March Member business meeting is going to be in SF. Details are stilling being worked out; check the website for updates.

Issues Raised: none.

Action Taken: none.

7. Adjourn Member Session

Issues Raised: none.

Action Taken: none.

Motion to adjourn the meeting by Gina Davis, James Esqueda Seconds.

The motion to adjourn the meeting is approved unanimously.



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Community Education Series

Chad Jones chaired the meeting.

1. Welcome and Introductions

Directors and select members introduced themselves.

2. Recognitions (Chad)

Chad asked members to raise their hands based on length of membership. About half the members present have been a Co-op member for 20 years or longer.

3. La Montañita Coop Re-Organization

- Chad presented the reorganization in the coop, this was in response to record losses and the reporting structure inadequacies. The Finance committee is elaborating the Financials and will be reporting Q1 & Q2 to the membership at the April Monthly Membership Meeting.
- Chad introduced Will Prokopiak, Cooperative Retail Officer, and Rob Dixon, Cooperative Operations Support Officer.
- Will introduced himself to the membership present.
- Rob introduced himself to the membership present.

4. Member Comments:

- Member: Directed to Will as retail. The stores are filled with members and employees. You're over seeing HR in charge in employees. Is there cross over or do you work closely with employees themselves? Will: it's a goal. There are things the need to be visited. Good relationship with team members. Rob and Will are to communicate. Everything crosses and merges. A lot of communication.
- Member: Part of re-organization was terminating 3 of the central officers due to the unfortunate financial situation. Positions were re-moved. Individuals were removed from the organization.
- Per Chad, Rob and Will are tasked to jointly figure out the working relationship between the positions. How do we discern and have 2 people work full time? As the board have to trust the 2 of them over seeing the entire health of the organization. How do we evaluate their performance, and the performance of the organization? One GM position wasn't working. We are determining how this looks, works, feels. Do we need to make further changes in May? There are a lot of unknowns. How do we start to function differently? Will and Rob have responsibilities and duties and how they execute at this time is up to them.
- Member: staff member was fired at the central location; he contacted the board member to find out what was going on why they were fired? Asking whether they got proper regress? Board could not comment or get involved. Does staff have someone to go to who then are they need help? If a staff person had issues and would like to present to the board for address, what is the process? Per Rob, if staff has an issue they go to their team lead or the next level up. If it isn't resolved, it comes to HR. If the issue is not resolved it escalates to him, if the issue is about him and HR, it escalates to the Board at this time.
- Member: how is James Esqueda as a store lead position and board member going to work together? Per Allena, the Board has discussed this during the reorganization planning. The Board requests more time to determine conflicts of interest, review the Bylaws and work ahead.
- James Esqueda: Since 2004 he is diligently here to learn, and serve the membership as a whole. He thanks the membership all for support. On the Board are 9 views/opinions and his responsibility is to serve the Co-op as a whole. As a staff/board member conflict of interest he has asked the Board and management to review/discuss and gain more feedback; Membership and board inclusive. Ideas solutions, concerns, questions be forth coming, he wants to remain staff member and serve as a Board member. He realizes at this time the importance of being deliberate/objective. He will continue to renew/refresh/recycle in whatever approach is decided to take.
- Gina: Staff representation separate from the management reporting is an

objective. How to have a representative from each store participate in meetings, so staff not in management can be heard with a fresh voice. Possibly staff who are not management roles and work directly in the store. Staff not in a management role do need to have a voice. The committees are more robust opportunities to effect change, and she encourages people to come to meetings.

- Greg noted there are HR issues that must remain confidential by legal bounds.
- Chad asked how do we have more public events? Gallup, Santa Fe, other than monthly meetings. More information in newsletter, emails, forthcoming.