

Board Meeting Minutes

La Montañita Co-op

May 16, 2017

5:45 pm Indian Cultural Center, Chaco Room 3

Board Directors:

Present: E. Wheeler, A. Satpathi, J. Esqueda, J. Anaya, G. Gould, M. Joe, G. Dennis, J. Glover

Arrived late: C. Jones

Absent: none

Quorum Present? Yes

Others Present:

A. Powers (Board Administrative Assistant), R. Dixon (COSO), W. Prokopiak (CRO), Lea Quale (Marketing Director)

Members Present that signed in:

C. Aragon, L. Kahn, G. Lawlor, S. Grogan, A. Watkins, R. Zaragoza, K. Gygi, A. Tracey, A. Whiteley, Joseph Phy, M. Creaturo, C. Baron, M. Franklin, B. Bartley.

Proceedings:

E. Wheeler called the meeting to order at 5:48 pm, welcomed everyone, and asked them to sign in. She noted that microphones are set up and the meeting will be recorded. Next, she introduced Leah Quale, the Marketing Manager, and acting Marketing Director of La Montanita Cooperative (LMC).

I. Discussion Forum: Co-op Marketing Strategy – Get Fresh, Buy Local. 2017 and Beyond!

L. Quale - Presented a PowerPoint, which summarized what the marketing department does, and what the current marketing campaigns were developed and implemented by the marketing team. She introduced her team and their notable contributions, described various marketing campaigns, and described the strategic partnerships that the team has developed.

• Marketing Team

- **M. Lambert, Marketing Assistant.** With LMC for 6 years, and our fulltime graphics person. With 25 years of experience, she designs colorful and awesome creatives, including posters, magazines, and wraps.
- **J. Reigel, IT, Website Design.** With LMC for 3 years, he's currently heading up all our online communications, including weekly Fresh Sales, developing a new website, and creating emails and social media posts. For everything online and techy, he's our guy.
- **L. Quale, Marketing Manager / Interim Director.** Started out in 2015 as communications specialist, then promoted as Marketing Manager, helping the Marketing Director. Managed media vendor contracts, social media platforms, and coordinating and staffing all special events. Now serving as the Marketing Director. We're a tight team, we all work collaboratively, we are a small but mighty team! We service 6 stores, the support office, and the distribution center.

• Marketing Materials /Vendor Relations/Partnerships

- **Signs, Banners, Decals** – They make large signs, banners, window decals, take photographs of Board Members, handle special events, and general signage. They also

make shelf talkers, promotional product signs, and create additional signage for stores. They manage over 25 different types of stickers, including deli pads.

- **Vendor Relations** – The marketing team interviews potential vendors, develops relationships, and helps them to sell their products through marketing materials that will best market their product to the LMC customers.
- **Partnerships** –They have formed partnerships with UNM Athletics and Kyzer Farms. Have held a successful campaign called Kyzer Brauts These partnerships were chosen strategically to target two demographics: our primary, mid- level shopper, and the core shopper. Our primary customer, the mid-level shoppers, are 25-35 plus, active lifestyle, educated, or professionals, with disposable income. They like organic and shopping local, and we want them to be a part of our community. We want them to know who we are, what we do, and why we are so special. Many of the current marketing efforts are designed to reach all shoppers, regardless of ethnicity, or economic disadvantage.
- **Future Marketing Plan and Goals**
 - Increase the number of Member-Owners
 - The marketing plan is focused on helping LMC achieve its sales goals and is a multi-tiered plan.
 - Continue to improve the photography in the marketing materials
 - Strong focus on making those connections with their local vendors, and farmers.
 - At the end of this month, she will be evaluating their current marketing efforts, and determine what’s working, what’s not.
 - The Marketing Team goal: Now, let’s dig deeper and educate this community on why we’re so awesome!

Discussion Forum - Questions/Comments

1. Demographics / Staffing Diversity

G. Dennis -Commented about the demographics in the stores, and noted that New Mexico demographics are a majority minority state, and the store should reflect that.

L. Quale That’s why we’re targeting this mid-level shopper; it’s been an ongoing effort. We’re trying to just get out there so people can see us. It’s taken us about two years to gain momentum, and to start reaping the benefits. The goal is to reach everybody, and not be selective as to a specific ethnic or cultural group.

Member - Asked G. Dennis - What would you like to see in the stores?

G. Dennis- Your marketing outreach shouldn’t just be white, it should be for people of color. The demographics of the staff in the stores are primarily white individuals, and I would like to see an increase in all types of diverse populations when hiring new staff. Shoppers will feel more comfortable when they visit the stores and see staff that look like them, and can relate to them.

Member- LMC has sponsored events during Black History month for many years.

2. Request for Diversity and Spanish Language in Marketing Materials

Member- It would be nice to have some of the marketing materials in Spanish, and have someone available to translate for you.

Member- In our store we do try to provide some marketing materials in Spanish.

Member- We would also like to see more diversity shown in the photography used in making signs and banners for the stores.

L. Quale - We can consider including more diversity in future marketing materials. Sometimes it is difficult to find the resources.

E. Wheeler asked if there were any more questions or comments. There were no further questions or comments.

II. LMC Business Meeting

E. Wheeler opened the meeting at 6:12 pm. G. Dennis noted that she will be the timekeeper for the meeting.

1) Approve the Agenda:

Issues Raised: None.

Actions Taken: G. Gould motioned to approve as written. G. Dennis seconded the motion. Unanimous approval.

Actions Required: None.

2) Approve Consent Agenda

Issues Raised: None.

Actions Taken: G. Gould motioned to approve as written. G. Dennis seconded the motion. Unanimous approval.

Actions Required: None.

a) Consent Agenda Items:

i. Approve April 18, 2017 Business Meeting Minutes

Issues Raised: None.

ii. Approve Membership Engagement Committee – Board of Director Terms

Issues Raised: None.

iii. Approve LMC Annual Member Survey Questions

Issues Raised: None.

III. Committee Updates

1) Policy Development Committee: G. Dennis - The last meeting was held on May 2nd. The Committee discussed the Bylaws, and considered the comments received, which are voluminous. To simplify the process of revising the Bylaws, the Committee decided to do this in two phases. The first phase would be to focus on the immediate issues, rather than philosophical or other nuances. She is in the process of reviewing, and the committee is also reviewing. After the first phase of revisions is complete, the Bylaws will be presented to the LMC board. Next, during a second phase, the philosophical issues and nuances will be addressed. An action item list will be sent out in a few days. The next Committee meeting will be held June 6th from 5:30 pm to 6:30 pm at the LMC support offices.

2) Membership Engagement Committee: E. Wheeler – The Committee Charter has been approved. They have developed a brand-new survey, designed to focus on specific areas that will guide them in creating an action plan. The survey will be distributed in July this year, not in June. Please have everyone fill them out, because we want to make sure our Co-op stays healthy. Our next meeting will be held June 13 at 5:30 pm at the LMC support

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office. The annual membership meeting will be the focus for our next meeting. Thanks again, everyone has been doing awesome work.

G. Gould- Congratulated Robin Seydel for a great earth day, she did an excellent job and it turned out great.

- 3) Elections and Nominations Committee: J. Esqueda – The Committee met earlier in the month with a small group. We have not yet established a core group yet. We are currently building a Charter, and defining the terms that will be used. We are also establishing a strong candidate package that is clear and transparent. With the help of the Board secretary to streamlining processes, we have compiled an email announcement regarding the elections. Opening phases of the elections work has started, and work is being distributed through email. The Committee has been revising quite a bit, and we need all the help we can get.
- 4) Finance Committee: J. Glover – This is the only Board Committee closed to member-owners due to proprietary concerns. Last month, at the April meeting, we presented the quarterly update, and again at the July Board Meeting, we will be reporting to the members on the current quarter's financials. For now, things are looking good and moving forward.

We are continuing to evaluate various banks, based on the majority of member comments and concerns about our current bank Wells Fargo. The banks that we're considering are NM Bank & Trust, Century Bank, The Bank of New Mexico, and potentially Nusenda. There are a number of financial and operational functions to consider, and we have to make sure that the bank chosen will provide a smooth transition. There are a lot of logistical issues, and we must make sure we can operate appropriately with the bank we choose.

- 5) Member Questions on Committees
E. Wheeler asked if there were any more questions or comments. There were no further questions or comments.

IV. LMC Business

- 1) None

V. Member Questions/Answers/Comments

Request for Help with Cooking Classes/Field Trips

Member – Currently working for a school that feeds 550 children in grades kindergarten through 8th grade in a neighborhood where families are at risk. During lunch, she feeds the children organic food purchased from the Co-op. She emphasized how important it is for the Co-op to be collaborative and supportive in their community and requested help with cooking classes, field trips, and other assistance. She is seeking a partnership with LMC.

G. Dennis – Thanked her for all her help with these children.

Request for Status Updates / Board Audit

Member - Requested a status update on the issues involving the Labor Union and the HR audit. It would be nice to get an update on how these things are going. There should also be an audit of the board by someone from the outside, ex. Bylaws revisions etc.

Response by E. Wheeler:

- No current NLRB against LMC.
- The labor issues are still in negotiations.
- The HR audit is ongoing, no major red flags. The audit started last Monday. The Board will review late July, and then send out an update.
- Financial audit has not started yet.
- Board Audit- not sure what you mean; Bylaws issues have been identified; E. Wheeler asked for comments by G. Dennis.

Response by G. Dennis: There were a lot of things that happened in the past, and now, when there are red flags- we have an opportunity to progress, develop solutions, and continue to grow --- it's a work in process.

Response by J. Glover- We expect the financial audit to be issued by August 2017, with the final report completed by the end of the year.

Union Negotiations / Newsletter Summary

Member- Have been a lifetime member/owner for 20 years; "this is a co-op, not a corporation" We do live in a society that has concerns about union negotiations, which comes out of a response to this corporate paradigm.

Question to the Board- Are you supervising, or giving directives, to the people participating in these union negotiations?

G. Dennis response: It's not the whole board who participates in the negotiations, many of the board members do not have details on what is happening in the negotiations. There is one person that knows more than the other Board members regarding these negotiations, that is the Board President.

E. Wheeler Response: The parties participating in the union negotiations include: myself, W. Prokopiak, Joe Phy, Rio Grand (RG) Store Team Lead (STL), Q. Smith, from Sheehan & Sheehan. We are concerned about all employees, not just Rio Grande, and we are negotiating in good faith what is best for the staff and the Co-op. There is an entire group working in concert, looking at all aspects – what's going to work for all workers, as well as the Rio Grande folks. There have been no decisions, nothing approved or finalized, to report. We have to be very careful about what information is being discussed.

There are certain protocols for who the staff should talk to if there are problems, at times, it should be their union representative, and for other issues, they should talk with their store managers or supervisors. During these pending union negotiations, details will not be shared or discussed with any outside parties to the case. We will be meeting again on Friday, and it will not be a short process.

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Member question- What is the approach of the attorney negotiating the labor union case?

E.Wheeler response: He is a knowledgeable and reasonable attorney that is doing a good job and handling our case professionally.

W. Prokopiak response: The attorney is very professional, very cordial, he's taking the lead from us on what we believe the next step is- they are working toward finding solutions.

Employee Rights and Local Farmers

J. Anaya- I am all for the employee rights and local farming;

E.Wheeler response - Everyone on the board feels the same way.

Nominations and Elections Committee Charter

Member - he wants the minutes to reflect that the comments from a recent committee meeting were, "anyone who serves on the nominations and elections committee cannot run for the Board". He does not believe this should be the case.

J. Esqueda - Regarding the Charter - although the Charter has not been approved yet, and we are using a historical template, we are seeking to make revisions which will reflect what the board thinks is best.

NRLB and Employee Morale

Member- There were some issues regarding voting, and NRLB; How are people feeling in the stores?

J. Esqueda response: Westside store- his focus is the idea that the team values every worker. He's worked at 3 locations and had experience with workers with poor morale, and has seen improved morale. Westside feels that the employees are very engaged, and excited about their jobs. They are letting him know what they would like to see- and they hope to make it a great turnaround story.

J. Anaya response: Nob Hill store - morale is a lot better than it was; in the past, some of the leadership was a problem. Now, some employees are intimidated, and have concerns about getting fired. One of the issues that comes up is wages, not getting compensated for what they do. His problems have always been employee issues. Hoping that the HR audit might help, especially with diversity. There are very few people of color, and we need more diversity at the management level. Thank you.

Will- CRO/Operations - A few months ago, he was a store manager in Santa Fe, where turnover is a little higher there, it moves in cycles, and is now doing pretty well. When I was a staff member, I didn't always feel comfortable talking to my managers. Now, I feel like I've listened and am trying to find a way to fix or solve the problems that come up. It's always important to try and work through the best solution for everyone involved.

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Joe Phy, RG STL Morale is coming up, as they are working more closely with the Board, and having stable leadership is helping; we're still in transition, but we're doing the best we can to bring stress levels down.

Member – How is the morale at the Rio Grande Store?

J. Phy: From the manager at the Rio Grande Store- since August 2016, I think the store is much different now, as they are trying to build mutual trust and respect. I've been trying to bridge the gap, and many of the employees are happy there. I am open to suggestions and willing to hear their concerns. Sometimes I am the first person they come to, sometimes they don't come to anyone. I encourage them to go to the Board, or my email is out there also.

HR Audit Update

Member - Is the HR audit still going on? How long will it take?

R. Dixon response: It will take 2 months, at the end of 2 months, we will receive the full report.

Board Meeting Broadcasting - Santa Fe and Gallup

E.Wheeler: If you know people in Santa Fe, let them know we're set up to broadcast.

Stay involved, thank you very much for coming.

Member - There will be a broadcast for the upcoming board meetings in Santa Fe or Gallup.

Board Resignation – J. Esqueda

J. Esqueda- The Board has been actively reviewing the Bylaws. We've heard your concerns. The Board and I have made a joint decision regarding my continued participation, and I will be stepping down from the Board, effective in 1 week. The Board president, secretary and Board members will be working toward appointing another person for this open seat.

Thank you and hope to see the Co-op continue to stay strong. By the way, I am still employed with LMC.

Adjourn Member Session. Motion was made by G. Gould to adjourn; Motion was seconded by G. Dennis. The meeting was adjourned at 7:05 pm.

ATTEST:

ALLENA SATPATHI, BOARD SECRETARY