

**First Alternative Natural Foods Co-op Board of Directors Meeting**  
**Tuesday, January 30, 2024**  
South Store Meeting Room

*Common Acronyms*

<i>BREC: Board Recruitment &amp; Elections Committee</i>	<i>EC: Executive Committee</i>
<i>ORC: Owner Relations Committee</i>	<i>NCG: National Coop Grocers</i>
<i>PG: Policy Governance Working Group</i>	<i>FA: First Alternative Co-op</i>

**Present:** Mark Tarasawa, Cindee Lolik, Jeremy Northway, Patrick Monroe, Jeff Contreras, Jasmin Woodside, Rob May, Frank Hall, Kestrel Bailey, Emily Stimac, Dana Monroe, Kate Woods

**Absent:**

**Facilitator:** Jasmin Woodside

**Scribe:** Kate Coenen

**Staff:** Donna Tarasawa, Bill (North Store Manager)

**Owners:**

**Guests:**

Meeting called to order at 6:00pm.

**1. Owner Comments/Co-op as Hero**

Bill, the North Store Manager, is attending the Board meeting to discuss the interim GM plan.

**2. General Manager's Announcement/Reports**

Cindee officially announced her retirement March 1, after 13 years of service as GM of First Alternative.

Cindee had shared the Marketing plan for 2024 as part of the GM report. Cindee included this information to increase Board awareness of the Marketing Team's work, as Emily Stimac had requested that Emily Daniel attend a Board meeting to discuss the Marketing Team's work.

Frank commented that adding a higher-level overview would help give context to the information and clarify the Marketing Team's goals for the year.

### **3. Expansion Planning Messaging**

The expansion planning messaging has changed with the announcement of Cindee's retirement. As the Board shifts its focus to recruiting the future GM, the plans to engage an architect for the expansion project have been put on hold.

Cindee suggested deleting the word "permanent" from the messaging about the future GM.

### **4. Policy Revamp Roll Out**

Dana, Kate W, and Camille have been convening the Policy Governance Work Group to work on the Policy Revamp. Their plan is to workshop about three policies per month from now until the Fall Retreat. Each policy will be made into a "retreat-ready" draft, and at the Fall Retreat the Board will discuss and work on the policies more in-depth. Then, the Board will vote on these policies at the Board Meeting following the Fall Retreat.

The policies are to be re-labeled based on the Columinate template. The Ends (E) will be re-labeled A, the Executive Limitations (L) will be re-labeled B, the Board Process (G) will be re-labeled C, and the Board-Management Relationship (M) will be re-labeled D.

[The Working Document for the policies is available at this link](#), and can be found in the Google Drive under the file path FA\_Board > Committee Folders > Policy Governance Work Group (PG) > 2023-2024 Policy Overhaul > Working Document - CBLD Policy Template 11-2021. The Working Document is set up so everyone can view the document, but editing access is limited.

The Board Meetings will have a standing agenda item each month for the Policy Revamp, and the Board will continue to review current policies under the regular schedule.

The PG Work Group began the Policy Revamp with the Global Policies for B, C, and D, which they presented to the Board. The Board does not currently have Global Policies,

and the Global Policies act as a summary or thesis statement for the policies under each section.

*Policy Title: B - Global Executive Constraint*

The PG Work Group suggested removing the word “imprudent” from the policy, as it seemed vague, redundant, and difficult to quantify. However, other Board members pointed out that other words in the Global Policy (e.g., “oppressive” or “unjust”) were also subjective.

Emily S suggested that keeping “imprudent” in the language may be helpful, because the policies are the Board’s tool in managing the GM and holding the GM accountable.

*Policy Title: C - Global Governance Commitment*

The PG Work Group rephrased some of the template language, changing “holding accountable professional management” to “holding professional management accountable.”

Jasmin noted that the Board’s fiduciary responsibility is not included in the policy language. Rob noted that fiduciary responsibility is a legal requirement, not a policy governance matter, but the Board can still include the fiduciary responsibility in the policy language to emphasize its importance. Dana said she would reach out to Jade for her input.

Jeff suggested that instead of having Global Policy C as one long sentence, it could be broken down into a few more simple sentences.

*Policy Title: D - Global Board-Management Connection*

Neither the PG Work Group nor the Board as a whole had any suggested changes to the Global Policy D template.

Next month, the Policy Governance Work Group will be looking at the policies B1 - Financial Condition and Activities and B2 - Planning and Financial Budgeting. The PG Work Group is inviting Finance Committee Members to attend the next Policy Governance meeting and give feedback on the policies. This meeting will be Thursday, February 8 at 3pm. Dana will send Rob meeting details so he can attend.

Cindee noted that the template policies have nine B statements, compared to the eleven L statements in the current policies, and the B statements do not include the crucial policies of Environmental Protection and Quality Products.

## **5. L1 Report - Staffing and Staff Treatment**

The L1 Report presented data from the staff survey conducted biannually by Carolee Coulter of Columinate. This survey was conducted in 2022, and the next survey will be conducted in May/June of 2024. The timeline for conducting this survey could change based on the new GM's decision, but the Board should make the new GM aware of this planned survey.

The Board discussed whether they should review this report annually if the data is only coming in every two years. Cindee pointed out that while the bulk of the data is from the biannual survey, some data in the report is updated for this year. Jeremy said that reviewing the report annually is also good because some changes influenced by the report take time to implement. In addition, there are new members on the Board who are encountering this data for the first time.

**Motion by Jeremy, seconded by Emily, to accept the L1 report as in compliance.**

**Motion passed: 10-0-0.**

## **6. L5 Report - 4th Q. Financial Condition**

The Co-op made improvements in the 4th quarter, and was able to bring payroll costs down. The Co-op did not quite break even this year, but came close (net income was a loss of -0.10% of net sales). Because of 4th quarter improvements, the Co-op has moved from Level Three to Level Two in the Financial Contingency Plan.

Year-end comparison data from other NCG co-ops will be available at the end of Q1.

The Friday before the ice storm was the highest sale day the Co-op had seen in the last 12 months, with over \$116,000 in sales. Sales dipped for a few days because of the ice storm, but rebounded once normal business resumed.

Jeff asked if the Co-op had spent all of the ERC money, because the Days of Cash appeared to be at pre-ERC levels. Mark said that the Co-op had spent money on taxes and capital expenses, so the Co-op is probably close to pre-ERC levels, but the Co-op is still waiting on one ERC payment. Days of Cash also appears to be at pre-ERC levels

because expenses are higher. The Co-op has almost double the cash in the bank that it had in 2019, but because of higher expenses, the Co-op needs more cash to have the same number of Days of Cash on Hand that it had in 2019.

The Capital Impact loan covenant level is 15 Days of Cash, and if the Co-op falls below that number then it is out of compliance with the loan covenants. Mark said that 30 Days is his comfort level, and if Days of Cash falls to 25 or 20 in a quarter, then the Co-op will need to understand why and have a solid course of action to increase cash.

In the last Board meeting, the Board discussed spending money on capital improvements to the Co-op to create a larger tax write-off if the Co-op was going to lose money in 2023. Mark said that when talking to auditors, he could take some items that the Co-op capitalized and fully expense them, but because the Co-op was so close to breaking even for 2023, he is less inclined to do that.

**Motion by Rob, seconded by Frank, to accept L5 as not in compliance and accept remediation plan as written.**

**Motion passed: 10-0-0**

## **7. L10 Report - Environmental Protection**

The Co-op continues to demonstrate commitment to the environment, through partnering in community programs, curating quality store products, and pursuing grant opportunities. Last year the Co-op was nominated as Sustainable Business of the Year for Celebrate Corvallis.

The Co-op is getting closer to finishing the solar project at the South Store. The panels are up, and the South Store needs to find a time for the power to be turned off for two hours so the panels can be hooked up.

The Co-op is also working with Pacific Power to find time to install electric chargers at the South Store.

**Motion by Dana, seconded by Jeremy, to accept the L10 report as in compliance.**

**Motion passed: 10-0-0.**

## **8. Review M4 - Monitoring the GM & M5 - GM Evaluation Process**

The review of M4 and M5 was tabled until the February Board Meeting.

*Break.*

## **9. Interim GM Plan**

The Board held a two-hour executive session to evaluate two interim GM plans, one proposed by the Co-op's management team and one proposed by Columinate. Columinate brought forward one of their consultants, Wynston Estis, as a candidate for interim GM. The Board called Wynston's referrals and interviewed Wynston.

Jasmin moved to hire Wynston for the interim GM position. Hiring the Columinate consultant would give internal staff stability during the transition period, as the plan proposed by the Co-op's management team would have increased their workload. The Co-op would also benefit by bringing in someone with a fresh perspective.

This decision was not made lightly, as hiring Wynston as interim GM is more expensive than the plan proposed by the internal management team, and the Co-op has been working to reduce personnel costs.

Mark said that, as part of the team that put together the internal management plan for the GM transition, he supports the Board's motion to bring Wynston on. Bill added that management wanted the Board to feel comfortable that management could hold down the fort during the transition process, and that Wynston sounds like a good candidate.

The Board members thanked Mark, Bill, and the rest of the team for their commitment in putting together their proposal.

The Board is looking at March 6 or 7 for Wynston's first day as interim GM.

Part of Columinate's proposal was that the Board give the interim GM a 60-day notice to terminate the position. The Board gave a counter-proposal of a 30-day notice, but Jasmin had not heard back from Columinate at the time of the Board meeting. Emily said that the Board may find that they will need to keep Wynston on for 60 days after hiring the new GM, because Wynston will need to onboard the new GM. Jeremy noted that Wynston has experience training new GMs that were hired internally.

The general contract says that the interim GM will be hired for 4 to 6 months. The Board hopes to hire the new GM as quickly as possible. From what Jasmin has heard from other co-ops, the estimate is about 6 months to hire a new GM.

**Motion by Jasmin, seconded by Frank, to hire Columinate's proposed candidate Wynston Estis for the interim GM position.**

**Motion passed: 8-1-1**

## **10. GM Plan Next Steps**

### *Bringing Wynston on as the Interim GM*

The first step for the Board will be to get a signed contract from Wynston, with a firm start date. Then, the Board will work on sending a message to staff about bringing Wynston on as the interim GM.

The Board discussed sending a two-part message to staff. In the first part, the Board would present their decision to hire Wynston as the interim GM and introduce Wynston to the staff. Then, Wynston would follow up with a message introducing herself to the staff. Wynston can help the Board develop this message, because she has experience serving as interim GM for co-ops. Bill offered to review any messaging the Board plans to send to staff before it goes out, and Mark and Bill can help represent the Board's decision positively towards the staff.

In the messaging towards staff, Wynston has asked that the Board emphasize that she is here to support the staff, and to highlight that she has worked with co-ops like FA, with multiple stores and a commissary. Kate W has extensive notes from the Board's interview with Wynston that the Board can refer to when crafting their message.

The Board will also need to help Wynston find any leads on housing opportunities.

### *Hiring the new GM - Recruiting*

Jasmin presented her idea for Board members to serve as the GM Hiring Task Force. This group would focus on developing the job posting, determining how much the Co-op will offer for this position, and determining what the Board's expectations are for the new GM position.

Columinate and NCG are both resources that the Board can leverage in recruiting the new GM. Columinate has given Jasmin pricing options for their recruitment services, and NCG services are at no cost because the Co-op is an NCG member.

Jeremy, Kestrel, and Emily volunteered to be the Job Posting Work Group. Jasmin will forward them the resources she has compiled, as well as contact information for Carolee Coulter and Melanie Reid at Columinate and William Deal at NCG. The first step for the Job Posting Work Group will be to update the job description. The job posting will remain open until filled.

Cindee added that the Board may not find a candidate through job postings, but rather word of mouth, which was how Cindee had heard about the GM opportunity at FA. Columinate can leverage their connections to get the word out about this position.

#### *Hiring the new GM - Interviewing*

The Board then discussed how to structure the interview process. Kate W suggested a multi-interview process based on her experience with hiring. The first step would be an initial screening with one or two people to see if the candidate understands the job posting, the expectations for the position, and the organization. After that, the candidate would interview with a group of Board members, Owners, and staff to determine how well that candidate fits with the culture of FA, the Board, and the community. The last step would be an interview with the full Board with more detailed questioning. The successful candidate would then receive an offer for the position, contingent on a background check, and they would be referred to HR for the onboarding process.

The Board will need to determine which staff members and Owners they would like to bring onto the interviewing team. William Deal at NCG has also expressed interest in sitting in on the interviews. Cindee emphasized that the Board would need to make it clear to staff and Owners who participate in the interviews that while they are an important part of the discussion, the Board makes the final decision.

Bill emphasized that the ALT team can help the Board develop the criteria they will use to evaluate candidates, because store managers understand the operations side of FA and have a lot of experience in hiring. Jeremy added that looking at the interview questions used by the store departments could help the Board understand store culture and what the departments look for in their employees.

Kate W volunteered to be on the interviewing team.

## 11. Consent Agenda

**Motion by Emily, seconded by Kestrel, to accept the consent agenda.**

**Motion passed: 10-0-0.**

## 12. Committee Updates

### *BREC*

- Board members with terms coming due will need to fill out a form to inform the Board whether they plan to run for another term. They have until February 14 to complete that form and return it to Kestrel.
- Emily Daniel is looking for Board involvement in the store's social media. Patrick will email the Board with more information.
- Owner/Community Involvement has been added to the Board Skills Matrix. Board members can update the Skills Matrix to reflect their involvement.
- Cindee identified Kathryn Duvall and Kate Porsche as potential Board candidates. Cindee and Jasmin will reach out to Kathryn about serving on the Board. Kate P does not currently have time to serve on the Board but may be interested in running next year.

### *ORC*

- ORC has postponed the trip to Hummingbird and Wildcraft Cider. ORC are looking into a Saturday tour and will discuss details at the next ORC meeting. ORC will keep the Board posted on future tour plans.

## 13. Announcements

Patrick will be leaving for Japan for three weeks in March, and he will reach out to Kestrel and Frank about running the March BREC meeting.

Meeting adjourned at 8:30pm.