

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

Common Acronyms

<i>BREC: Board Recruitment & 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, Wynston Estis, Emily Stimac, Dana Monroe, Patrick Monroe, Jasmin Woodside, Rob May, Jeremy Northway, Kestrel Bailey, Kate Woods, Frank Hall

Absent: Jeff Contreras,

Facilitator: Jasmin Woodside

Scribe: Kate Coenen

Staff: Donna Tarasawa

Owners:

Guests:

1. General Manager's Reports

The sales for March were under budgeted sales growth but margin performance was strong. The margin performance can be attributed to pursuing credit and not accepting product that isn't sellable, reducing shrink and loss. Cost maintenance is also smoother, because there are fewer price updates now than in the previous two years when inflation would cause prices to rapidly change. Merchandising is also harnessing promotion programs such as "off shelf promotions," which gives the Co-op additional discounts on products.

The coffee cart will open in a few more weeks. Staffing the coffee cart is a challenge, and there are about 30 hours per week of shifts not yet filled. The Co-op is working to hire and train employees to fill those shifts. Coffee cart hours are planned to be 6am - 2pm daily.

The note about the market study was accidentally copy-pasted into the report from an older report.

2. L3 Report - Community Information, Education & Outreach

Wynston worked with Emily Daniel to prepare the L3 report.

Item 5 of L3 sets the expectation that the General Manager be involved in community organizations and encourage staff to do the same. Cindee served on the HOPE board of directors, and Emily D is on the Visit Corvallis board. Wynston also plans to get involved with HOPE. Frank asked for clarification about the purpose of this policy. By getting involved in the community, the GM and staff raise awareness about the Co-op, build partnerships and community capital, and stay aware about developments in the community.

Motion by Jeremy, second by Emily, to accept the L3 report as in compliance.

Motion passed: 9-0-0.

3. L4 Report - Financial Planning

The policies currently covered in L4 will correspond to the policies covered in B1 and B2 in the revamped policies that the Board will finalize after the fall retreat.

The Board requested that future reports include links to the relevant documents such as the 5-year pro forma and capital expenditures budget for ease of reference.

Wynston is working on revising the capital expenditures budget because the repairs to the South Store plumbing lines will impact the cash available for planned capital expenditures.

Motion by Emily, seconded by Kate W, to accept the L4 report as in compliance.

Motion passed: 9-0-0.

4. Justice, Equity, Diversity, Inclusion (JEDI) Discussion

This discussion was facilitated by [LaDonna Sanders Redmond, a Diversity, Equity & Inclusion Trainer & Coach for Columinate](#). LaDonna is based in Minneapolis and has experience as a co-op board member. She was drawn to the organic food movement because her child was born with food allergies, and trying to find high-quality and affordable food for her son led her to look into how food affects community, health, and environmental sustainability.

LaDonna asked Board members what they most wanted to get out of the discussion, and responses included: to better understand how JEDI applies to the Co-op, to have more effective conversations about JEDI, to improve Co-op and Board diversity and inclusion, to learn how to implement better practices, and to become a community leader.

LaDonna connected JEDI to the natural food movement, as both are about “trying to undo monocultures.”

Before the Board begins training with LaDonna, each Board member will take the [Intercultural Development Inventory](#) assessment. The assessment will help LaDonna and the Board understand where the Board is in terms of how the Board thinks about “differences that make a difference.”

The assessment will show the Board where it is along a continuum of ways to understand and approach differences:

- Denial: Misses difference.
- Polarization: Approaches difference with an “us vs. them” mentality.
- Minimization: Minimizes differences and leans into similarities.
- Acceptance: Understands that bridging differences is important, but not yet comfortable with dealing with conflicts that arise.
- Adaptation: Able to build bridges and manage differences with ease.

LaDonna will then develop a training curriculum for the Board based on where the Board falls along this continuum. The training will take about 10 hours total, over two or three sessions.

The Board currently has a contract with LaDonna for this first phase of training. There are three phases of training total, which will take the Board about 18 months to complete.

Board elections are coming up in June, and there will be some Board turnover. When new Board members join, they should take the IDI assessment and debrief with LaDonna or review recordings of training sessions. LaDonna also suggested that the Board develop its own internal training process.

LaDonna said that the Board will be most successful by staying organized and engaged. This includes doing the readings and developing comfort with the material. The Board will also succeed by grappling with issues as they come up, and LaDonna will train the

Board in “calling in or calling on someone rather than calling out” to handle conflict in a constructive way.

LaDonna said that she would be willing to help the Board during the GM hiring process—for example, by helping craft interview questions to evaluate GM candidates for cultural competency. However, the Board will need to take the initiative to ask for help when needed.

Wynston will follow up with LaDonna about the cost of the training and forward that information to the Board. LaDonna has quoted a price of \$7500 for the first phase of the training, which is discounted down from the typical \$15k - \$18k cost.

Break

5. L5 Report - 1st Q. Financial Condition

The L5 Report is out of compliance on two key financial indicators: sales growth and net income. The Co-op budgeted for 5.70% sales growth in Q1 2024 over Q1 2023, and sales growth this quarter was 5.07%. Net income as a percentage of sales this quarter was 0.43%, which was lower than the budget of 1.38%.

This quarter’s bottom line was impacted by unplanned expenses (e.g. plumbing repairs for the South Store, GM transition-related expenses) and by business disruption due to bad weather.

Wynston is planning at least one quarterly meeting with store leadership teams to go over the financials.

The financial contingency plan is now at level 1. The plan was at level 2 in Q4 2023 and level 3 in Q3 2023, so the Co-op is making progress. The Co-op has made improvements to bring payroll costs within budget. The Co-op has also made improvements in coordinating marketing with promotions, like with the Earth Day promotions or the “brunch bunny” signage within the stores.

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

Motion passed: 9-0-0.

6. Policy Revamp

B4 - Membership

This policy lines up with L8 under the current policies.

Board members expressed confusion about the refundability of Owner shares:

- Is what is communicated to Owners about refunding Owner shares consistent with what is stated in the Bylaws?
- Under what circumstances would Owner shares not be refundable?
- What is the process of refunding Owner shares?

B5 - Customer Experience

This policy lines up with L11 under the current policies.

The Board decided to keep the template policy language for B5 with no changes.

The Board asked that future Board meeting packets include the language of the policies (comments included), rather than the link to the Google Drive, because the PDF links may not work when opening the packet in some software programs, and only the people with editing access to the Policy Working Document can read the comments on the policies in progress.

7. Policy Review

G1 - Principles of Cooperation

G1 is based on the Seven Principles of Cooperation put forth by the International Cooperative Alliance.

There is an 8th principle—diversity, equity, and inclusion—that many co-ops have adopted but has not yet been officially adopted by the ICA.

G2 - Governing Style

The Vision, Mission, and Guiding Principles referred to on item 1 of G2 can be found [here](#). (On the Google Drive: FA_Board > Board Manual > 1. Policy Folder > Guiding Principles.docx)

G3 - Board Job Description

The Board did not have any feedback on G3.

8. GM Hiring Plan

Since the last Board meeting, the job posting for the GM position has been posted in several places. The GM Hiring Work Group—Jeremy, Kate W, Rob, Camille, and Melanie—have started reviewing applicant resumes. Melanie is conducting the initial phone screening, and creating written summaries of each screening for the Work Group to review. The Work Group will then decide which candidates will advance to the first round of interviews, conducted via Zoom. The Work Group is currently developing the questions for the first round of interviews. After the first round of interviews, the Work Group will identify finalists to advance to the second round of interviews, which will be in person and include the full Board. The Work Group’s goal is to identify 4-6 solid candidates to bring before the full Board.

In a previous meeting, Wynston had advocated for advancing candidates to the full Board interview on a rolling basis, but Melanie suggested that batching the finalist interviews together would allow the Board to better compare the candidates.

Some discussions about the GM hiring process will need to take place without Mark and Patrick in the room—Mark because he has applied for the position and Patrick because he is a current FA employee.

In mid-May, the GM Hiring Work Group will decide whether or not to hire a recruiter, based on the rate of incoming applications and the quality of those applicants.

Now that applications are coming in, the Work Group is meeting weekly. Rob is also sending regular status updates to the Board via email. The Board can also access the applications on the Google Drive in the folder “GM Hiring 2024.”

Rob will follow up with Melanie and Emily D about promoting the GM position on social media.

Board members can help promote the GM position by sharing the [job posting](#) and [job description](#) on LinkedIn.

The Work Group's target date to complete the GM hiring process is August 1.

9. Board Candidates Presented

BREC presented the endorsed candidates for the June Board elections. There are two new candidates, Lauren Burns and Kathryn Duvall, and three incumbent candidates: Rob May, Kate Woods, and Frank Hall.

Because there are five candidates for four positions, the Board election will be using ranked choice voting. BREC is working on the logistics of implementing ranked choice voting.

10. Consent Agenda

Motion by Dana, seconded by Emily, to accept the consent agenda.

Motion passed: 9-0-0.

11. Committee Updates

ORC did not meet in April, because they had the Hummingbird and WildCraft Cider tour in Eugene. Donna is writing an article about the tour that will appear in the Scoop or the Thymes.

12. Announcements

Wynston and Jasmin attended the ODOT meeting about plans for south Corvallis.