

First Alternative Natural Foods Co-op Board of Directors Meeting
Tuesday, June 25, 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: *Wynston Estis, Patrick Monroe, Kestrel Bailey, Jasmin Woodside, Jeremy Northway, Kate Woods, Frank Hall, Mark Tarasawa, Jeff Contreras, Emily Stimac*

Absent: *Dana Monroe, Rob May*

Facilitator: *Jasmin Woodside*

Scribe: *Kate Coenen*

Staff: *Donna Tarasawa*

Owners:

Guests:

1. Managing Change as a Unified Board

Jasmin led a discussion about how the Board can best support the interim GM and the incoming GM once one is hired, as well as how to communicate with staff if a staff member approaches a Board member with feedback about the GM.

Since Cindee announced her retirement, Co-op Staff have been in a time of transition as they have had to adjust to new leadership and a new management style.

Wynston encouraged the Board to pass along any feedback they receive, and she emphasized that she is trying to establish practices that will serve the Co-op in the long run that the new GM can continue to implement.

Emily S said that Board members should handle feedback from staff like staff are trained to handle feedback from customers—by listening to them empathetically,

thanking them for their feedback, and by making the commitment to document and follow up on their feedback. Frank asked what communication has been made to the staff since Wynston was welcomed to the Co-op, and suggested sending out an update or progress report.

Patrick emphasized the need for a channel for staff to communicate to the Board. Patrick said that the Medford or Ashland co-op has a staff representative on the Board that is voted on by the staff. While Patrick is a Board member who is also on the Co-op staff, the role of the staff representative would be to solely represent staff.

At other co-ops, Wynston has seen some cases where the staff representative position on the board has been consistently filled, but she has seen other cases where the staff representatives have become discouraged because the role of the board is to cover issues of policy governance, not store operations.

Over the past 10 years, the FA Board has had a staff member as a Board member fairly often, so the Board wondered whether having a specific staff representative on the Board would be redundant.

Board meeting minutes are now available on the Co-op website, but communication has not yet been made to staff to let them know that the minutes are available. Patrick advocated for a physical copy of the meeting minutes to be available in the break rooms to encourage staff engagement.

2. General Manager's Reports

May sales were under budgeted sales growth by \$3k. Year-to-date, the Co-op is under budgeted gross sales by a little over \$11k. The crash at the North Store, and the store closure for that day, represented a loss in gross sales of about \$35k. Had the car not crashed into the North Store, the Co-op's sales would have surpassed the year-to-date budget.

The Spring Owner Drive brought in 98 new Owners, close to the goal of 100. The Spring Drive incentive—a gift bag with about \$60 worth of items—was also more cost effective than the Fall Drive's incentive of 20% off of the new Owner's next purchase.

Mark and Wynston have re-instituted a wage adjustment process for staff that are covering roles for over three weeks at a level above their typical role.

The Co-op held a harassment training in early June with 128 staff and managers in attendance. Wynston hopes to have the harassment training take place annually. The Co-op also conducted an HR audit.

The First Brew Coffee Kiosk is now open.

The deli register at North Store has been moved to register 1, opening up more space for merchandise in the deli.

Mark, Wynston, Jasmin, and Kate W represented the Co-op at the CCMA conference.

3. L6 Report: Communication and Counsel to the Board

The L6 report provides a synopsis of internal changes and issues, external changes, and broader industry trends that have been communicated to the Board.

Minimum wage is increasing from \$14.20 per hour to \$14.70 per hour on July 1, 2024. The Co-op's starting wage will be increasing from \$15.65 to \$16.20 per hour. The Co-op is continuing to attract a lot of applicants for posted jobs.

In general, supply chains are now more consistent than they were during the height of the pandemic, but there are still some issues with missed deliveries or deliveries arriving after the delivery window.

Wynston presented a revised Capital Budget to the Board. The original budget for this year was \$250k, and year-to-date the Co-op has spent about \$26k. The amount spent is lower than expected due to installation delays and contractors not meeting timelines.

A new salad bar had been planned for the North Store deli, but the Co-op needs more time to plan the layout of the deli, so the new salad bar will not be installed until the next fiscal year. The \$50k planned for the salad bar has been moved to the budget for improvements to North Store office space.

The Co-op will receive \$65k from insurance to cover repairs to the North Store and is awaiting final confirmation on another \$65k to cover replacing the freezers. Mark has been referred to a loss-of-sales specialist who can help the Co-op make an insurance claim for lost sales due to the crash at the North Store. Wynston will keep the Board

updated on the crash insurance as an ongoing item in the monthly FYI reports. The Finance Committee has also been updated regularly.

Wynston presented a quote for the South Store meeting room roof repair. The bid is \$73k, and the repair is complicated because there is electrical in the roof that needs to be re-run.

Wynston and Mark have been discussing the Capital Budget, looking at how much of the budget is allocated to different priorities: sustainability initiatives, retail-facing improvements, infrastructure improvements, etc. These projects take staff bandwidth as well as dollars, and there are opportunity costs associated with focusing on one project over another. In the case of the EV charging and solar panels, those projects were time-sensitive to take advantage of the matching funds available.

Motion from Frank, seconded by Patrick, to approve \$75k for South Store meeting room roof repair.

Motion passed: 8-0-0.

Motion from Jeremy, seconded by Emily S, to accept the L6 report as in compliance.

Motion passed: 8-0-0.

4. Owner Rendezvous Plans

Emily S is encouraging all Board members to attend the Owner Rendezvous. The event will be Sunday, July 28, starting at 11am. The business meeting will go from 11:30 to noon, and lunch will be served afterwards. The event will end at 3pm.

Donna will send a sign-up sheet for Board members to select volunteer roles for the Rendezvous.

The Rendezvous will also include organized team games.

5. Policy Review: G4 - Board Meetings/Agenda Planning

Jasmin reminded the Board that the retreat has been moved from the fall to next spring, which the Board will use to complete the policy revamp process.

The Board also discussed organizing a “meet and greet” party to welcome the new Board members and incoming GM.

The Board did not have feedback for the current G4 policy, but Kate W encouraged Board members to email her any thoughts they may have so the Policy Governance Work Group can review that input during the policy revamp. (The current G4 policy correlates to C3 and C4 in the new policy template).

The policy states that “minutes will be available to Owners,” while the Board has agreed to expand that to say that “minutes will be available to Owners *and Staff*.” For the policy revamp, the Policy Governance Work Group is working to make the policy language more broad and flexible, instead of specific instructions, so the policy language does not need to be updated as frequently.

After the policy revamp, the Board’s annual calendar will need to be updated to adjust how policies are reviewed throughout the year. During the retreat in the spring, the Board will discuss how they will plan to structure policy review going forward.

6. Approve Board Election Results

This was the first FA Board election to use ranked-choice voting, so it was an opportunity to build new election processes that BREC is documenting for future elections.

Based on voter feedback, some voters were confused by the ranked-choice process, or they had trouble using the voting website.

Improving Voter Turnout

This year, 836 Owners voted in the Board election, compared to 911 voters last year. In 2020, there were 1,175 votes cast, and voter participation has declined by about 100 votes each year since then. (In 2019, 750 votes were cast).

The Co-op has about 8,000 active Owners (Owners who have spent \$5 or more per month in the last year), so voter turnout was about 10%.

One possible cause for the decline in voter participation is the move from paper ballots to electronic ballots, which reduces the in-store visibility of the Board election. Wynston

has been talking to Emily D in Marketing about increasing visibility in the store for Board member recruitment and elections.

BREC has a budget for the Simply Voting website and the paper ballots, but their budget does not include promoting the election. The GM will need to work with Marketing to set the budget to promote the election.

One way that BREC and Marketing have improved election visibility this year was by changing the election posters to teal, which still fits within the Co-op's branding color palette but stands out more against the green used throughout the store.

The Board discussed how they and the incoming GM can prioritize increasing voter participation. Wynston mentioned that at the co-op in Madison, WI, voter participation affects GM compensation, and Patrick mentioned the SAC Food Co-op incentivizes voting by donating a dollar to a nonprofit for every vote cast.

Wynston also mentioned that the board of the Willy Street Co-op has a scorecard with four quadrants with goals that they use to evaluate their GM, which is a method the Board could use to set expectations for the GM rather than try to fit everything within the policies.

Ranked-Choice Voting and Co-op Bylaws

One issue that arose in the June Executive Committee meeting was that, while the Board had approved the use of ranked-choice voting for Co-op Board elections, the use of ranked-choice voting may not be allowed under the current bylaws. Wynston ran the bylaws by the Co-op's lawyer, who confirmed that was the case.

If the Board wants to continue to implement ranked-choice voting, they will need to update the bylaws and submit the change to the Owners for approval.

Randomizing Names on Ballots

Traditionally, names have appeared on the ballot in alphabetical order, because randomizing the names on the printed paper ballot was not feasible. With the move toward electronic voting, randomizing the order of names on the ballot is more feasible. The Board raised this issue to discuss more in-depth closer to next year's election.

Owner Survey Questions on the Electronic Ballot

Patrick used the old survey questions because he did not hear from the Board to go ahead with the updated questions provided by ORC or the edits suggested by Wynston.

There was some ambiguity about what was needed to move forward with the new survey questions.

After the election, Patrick forwarded the Owner Survey results to Emily S.

The results from the 2024 Owner Survey were:

- How do you stay informed about the Co-op?
 - Signs in the store (207 votes)
 - *The Thymes* (181 votes)
 - *The Scoop* (127 votes)
 - Social Media (94 votes)
 - Other (76 votes)
 - Chatting with neighbors (26 votes)
- What motivates you to be a Co-op Owner?
 - Supporting the local economy (468 votes)
 - Investing in an alternative business model (165 votes)
 - Owner Sale Day (99 votes)
 - Patronage dividend (12 votes)
 - Voting as a director (7 votes)
 - Serving as a director (3 votes)

Emily said she can put the 2023 and 2024 results together to see if there are any trends. The Board discussed using these questions again next year to compare results over time.

Motion from Patrick, seconded by Kate W to approve the Board election results.

Motion passed: 8-0-0.

7. Consent Agenda

Motion from Emily S, seconded by Jeremy, to approve the consent agenda.

Motion passed: 8-0-0.

8. Updates/Announcements

Wynston has not yet sent the Board members the dates for the new hire trainings, but those will be held on the third Thursday of the month.

The Board's Justice, Equity, Diversity, and Inclusion (JEDI) training will be scheduled to begin in August.

Mark and Wynston expressed their appreciation to the Board members for all of their work over the past year, especially the departing Board members Jeff and Emily. Jasmin encouraged Jeff and Emily to continue to participate in the Finance and ORC committees.

Wynston announced the First Brew Grand Opening, July 12-14. Operating hours will be 6am - 2pm.