

**First Alternative Natural Foods Co-op Board of Directors Meeting**  
**Tuesday, August 27, 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:** Rob May, Patrick Monroe, Jeremy Northway, Jasmin Woodside, Lauren Burns, Mark Tarasawa, Wynston Estis, Kate Woods, Kathryn Duvall, Frank Hall, Dana Monroe

**Absent:** Kestrel Bailey

**Facilitator:** Jasmin Woodside

**Scribe:** Kate Coenen

**Staff:** Donna Tarasawa

**Owners:** Bill Glassmire

**Guests:**

## **1. Owner Comments**

Bill Glassmire invited Board members to attend a community workshop, "Doing Resilience (in the Face of the Long Climate Emergency)." The workshop will be held at the Episcopal Church of the Good Samaritan on Saturday, October 12 and Sunday, October 13.

The purpose of the workshop is to develop a community-wide, collective response to climate change and create working groups to carry forward the ideas developed in the workshop.

Bill also thanked First Alternative for supporting events around the community.

## **2. Welcoming New Board Members**

The Board welcomed new members Kathryn Duvall and Lauren Burns. Jasmin led the Board in icebreaker questions to introduce the Board members to each other.

### **3. Elect Officers**

Jasmin invited nominations for each position on the EC, beginning with President.

**Jasmin nominated herself President, and Frank seconded the nomination. Vote approved, 8-0-0.**

**Jasmin nominated Dana for Vice President, and Kate W seconded the nomination. Vote approved, 8-0-0.**

**Jasmin nominated Rob for Treasurer, and Rob accepted the nomination. Vote approved, 8-0-0.**

**Jasmin nominated Kate W for Secretary, and Kate W accepted the nomination. Vote approved, 8-0-0.**

### **4. Inter-Cultural Competence Discussion**

The Board met with LaDonna Sanders Redmond on August 18 for the orientation to Intercultural Development Inventory assessment. The Board members will be receiving the link to the IDI assessment soon. After taking the assessment, LaDonna will meet with each Board member individually to discuss their responses, and then the Board members will have a group debrief about the assessment.

As part of the training, the Board members will also be reading two books: *The Half Has Never Been Told* by Edward E. Baptist and *My Grandmother's Hands* by Resmaa Menakem. Wynston has created a spreadsheet that Board members can use to indicate which books they would like and whether they would prefer to access the books in print or digital format. Mark has ordered copies for the Co-op to loan to Board and Staff members for DEI training.

The Board discussed having a standing agenda at the beginning of each meeting to talk about DEI progress.

## 5. General Manager's Reports

Year-to-date, the Co-op is \$92k over budgeted gross sales.

Mark and Wynston have reviewed the Co-op's general liability and D&O insurance coverage. Replacement coverage has been increased from \$360 per square foot at North and \$390 per square foot at South to \$450 at both stores. This increase reflects the rising cost of construction over the past few years and ensures that the Co-op has adequate coverage.

The Co-op's insurance carrier opted not to renew the contract for the Director and Officer insurance. The current contract is in place until October 10, and Wynston and Mark will meet with the insurance representative on August 28 to review quotes for a new contract.

July events included the Sage concert series, Open Streets, and Owner Rendezvous. The First Brew coffee kiosk also held its grand opening. There is an Owner coupon planned for September offering \$1 off purchases from the coffee kiosk.

Frank raised a concern about wait times at the coffee kiosk. Kate W asked whether First Brew could take coffee orders for events, and Wynston said she will follow up with the South Store manager.

Wynston is writing an article for the September issue of the Scoop. The article will include a reminder for shoppers to use a cart or basket in the store rather than place items directly into their grocery bags.

Wynston proposed adding a GM report on the HR Audit to the Board's Annual Agenda Calendar for September or October. The Executive Committee will discuss this when planning the Board meeting agenda at the next EC meeting.

Perimeter repair at North Store is scheduled for August 30, and the 11 door freezer replacement cases are scheduled to arrive in late October or early November.

The Co-op will be offering marionberry and apple pies in addition to pumpkin pies for Thanksgiving.

The EV chargers are still in the permitting phase as the city reviews the Co-op's flood emergency plan. The Co-op hopes to have this project completed by the end of September.

## **6. Amended L1 Report**

Wynston submitted an amendment to the L1 Report presented in January 2024.

The report stated that no employee grievances were filed in 2023. The amendment to the report clarified that a grievance had been filed but was later withdrawn.

**Motion from Rob, seconded by Frank, to accept the amended L1 report as in compliance.**

**Motion passed: 8-0-0.**

## **7. L5 Report - 2nd Quarter Financial Condition**

*Dana Monroe joined the meeting.*

The financial contingency plan is at level 1. The Co-op is in compliance with all financial indicators except for net income, which was under budget for the quarter.

Sales growth for the quarter was 5.39%, over the quarter sales growth budget of 4.78%.

Net income was 1.28%, under the budget of 1.77%. The net income is under budget in part due to expenses related to the GM transition, which were not planned for in the budget.

Frank asked what high-growth co-ops are doing to drive their sales growth, and Wynston said that the new GM could follow up with NCG support personnel. Some corridors have corridor GM meetings, so the opportunity is there to learn from other GMs.

Construction is complete on the annex, but the Co-op still needs to receive the Operator and Maintenance manual before making the final payment.

The plumbing repairs at the South Store are complete, and repairs are underway to close up the walls that had to be opened to replace the plumbing lines. The upstairs employee bathroom is set to have fixtures installed the first week of September. Wynston is waiting for bids from HVAC contractors for repairs to the South Store meeting room roof. The South Store upstairs offices will need to have flooring replaced and be refurnished. There are also remodel plans for North Store office space. Repairs that the Co-op does not have bandwidth to complete this year will need to be planned into the maintenance budget for 2025.

Looking at the 2nd Quarter Financial Statement, Frank asked why Total Other Long-Term Assets was \$88k less in 2024 than in 2023. Mark said he would look into that and follow up with Frank.

Rob praised management for their work in improving sales per labor hour. He also expressed concern that average customers per day has remained below 2019 levels.

Wynston pointed towards the deli as a growth opportunity for sales, as it is a growth category nationwide.

Mark reported that this current quarter has shown the biggest sales growth of any quarter this year. While second quarter year-to-date sales were roughly \$15k over the budgeted amount, July brought sales to \$90k over the budget, and year-to-date sales as of August was \$78k over the budget. This is remarkable as Q3 tends to be slower for sales.

Kate W praised cashiers for proactively reminding Owners about their coupons and Owner Sale Day, which has helped her plan more shopping trips at the Co-op.

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

**Motion passed: 9-0-0.**

*Break*

## **8. L7 Report - Quality Products**

The L7 Report discusses product criteria for local, sustainable, and organic products available at the Co-op.

Wynston praised Co-op Staff for their work in upholding high standards for the store.

Wynston said that the challenge with natural foods is to find the right balance of local products, which tend to be more expensive due to their small-scale production, and products that are more financially accessible. The Product Selection Guidelines give managers a tool to maintain this balance at the Co-op. FA's Product Selection Guidelines were adopted in 2001 and are reviewed annually by management.

Wynston presented customer satisfaction survey data, and 81% of customers surveyed were satisfied with the range of products available at the Co-op. Satisfaction for the store overall and for the various departments is largely on the increase and above the NCG benchmarks. The departments with the most room to improve were the Wine and Beer Department and Wellness Department (58% satisfaction and 56% satisfaction, respectively). This specific survey did not include customer comments, but the Co-op does receive comments showing appreciation for Co-op staff and products.

The report includes many different metrics, and the Board discussed how to streamline the report to include only the most relevant data. The GM has the discretion to interpret the policy and select the data to demonstrate compliance to the policy, so the format of the report can change with the new GM. The Policy Governance Work Group will also consider how to make this report more concise as they update the policy.

**Motion by Jeremy, seconded by Patrick, to accept L7 as in compliance.**

**Motion passed: 9-0-0.**

## **9. Committee Assignments**

Jasmin presented the committee assignments for the 2024-2025 Board term. The assignments are as follows.

Policy Governance Work Group: Kate Woods (Chair) and Kathryn Duvall.

BREC: Patrick Monroe (Chair) and Lauren Burns.

Finance: Jeremy Northway (Chair) and Rob May.

ORC: Kestrel Bailey (Chair) and Frank Hall.

## **10. Preliminary Governance Budget**

Rob presented the Board's preliminary Governance Budget. This budget details what the Board needs to run its programs. The preliminary budget for 2025 is \$101k, comparable to the \$103k budgeted for this year.

The Discretionary Budget will include itemized projects for consulting services (for example, \$10.5k for the IDI training with LaDonna). Board Development will include budget for 3 Board members to attend the CCMA conference.

The Governance Budget will become more refined as the budgeting process continues. The budget still needs updated numbers for D&O insurance, as well as more complete budgets from BREC and ORC. The budget will also need to be adjusted if the Board plans to have Owners vote on updated bylaws, or if the Board decides to go with a new vendor to run elections.

### **11. Board Self-Evaluation**

So far, only three Board members have responded to the self-evaluation. Kate C will resend the link to the self-evaluation, and Board members have one more month to submit responses.

### **12. Present '24-'25 Scoop Calendar**

Board members reviewed the Scoop assignment calendar and made adjustments based on member availability. Kate C will send the updated Scoop assignment calendar to the Board. Jasmin reminded the Board that all members should review the Scoop articles, and each month two Board members are designated Scoop reviewers.

### **13. Consent Agenda**

**Motion by Patrick, seconded by Kathryn, to approve the consent agenda.**

**Motion passed: 9-0-0.**

### **14. Committee Updates**

BREC: Patrick will meet with Camille on August 28 to discuss suggested changes to the bylaws.

Finance: Rob praised Jeremy's work as the new Finance Committee Chair.

## **15. Announcements**

The City is looking at zoning changes in South Corvallis. Under these changes, the zoning for the South Store property would change from Commercial 2 to Commercial 3.

The zoning change will increase the South Store's property value, and it will shape plans for expansion (for example, the building will need to be a minimum of two stories tall). Jasmin has also reached out to a city planner to look at the code to see how the zoning change would affect the recycling center.

Jasmin is reaching out to OSU's Institute of Traffic Engineers to do a traffic count study at the South Store.

Wynston and Jasmin are reaching out to the city council to outline current challenges with traffic circulation.

## **16. Adjournment**

After adjourning the meeting, the Board went into Executive Session to discuss updates to the GM hiring process.