



Minutes of River Market
Board of Directors Meeting
Tuesday February 9th, 2016
6:30 p.m. in the River Market Loft

Attendance

Directors Attending

Alison Komarek
Dan Puraty
Matt Ludt
Sara Morrison
April Rust
Mandi Leonard
Carolyn Scott
Kellie Seth
Nate Hart
Elissa Cottle

Directors Not Attending

Brock Ehnert

Also Attending

Mead Stone
Nicole Sullivan
Allan LeValier

Call to Order 6:34 pm

President April Rust called the River Market Board of Directors meeting to order at 6:34 pm. Introductions were made around the table.

Owner comments

Allan LeValier spoke to the Board. He gave a brief history of himself. He has been an owner of River Market Co-op since 1996. His father was with the Credit Union and he grew up in rural areas requiring community input. Allan has owned and run a Montessori school, a small bakery and has had an organic farm. He has also been involved in working through mime with children overcoming abuse. He and his wife own a painting business.

Allan presented a letter to the Board regarding a proposal for a means based discount. In recognition of this he will refuse any of his own senior discounts until all who do not have the means will also receive a discount. Allan talked about the current River Market discounts including the senior discounts for owners and non-owners every Tuesday and all other owners once a month. Some co-ops are moving away from senior discounts even though many seniors are in need of the discount. Allan questioned if the current discounts are

balanced enough and contemplated if they could be perhaps spread out more to include other non- seniors who are also in need. This needs based discount could be applied on an individual basis with a path to ownership. The Board listened to Allan’s proposal. Mead Stone has also met with Allan regarding this over the last year. The Board and the GM will take this into consideration for future policy and operations.

Allan also stated that he would appreciate seeing more communication from the Board in the newsletter as well as having increased options for an emailed newsletter rather than mailed.

Points of order

- April Rust stated that the D3 Report by the Board will be postponed until the March Board meeting.
- Discussion of a request for a C-share refund will be added into the agenda prior to the committee updates.

Approval of Procedural Documents

The Consent Agenda was called.

- Item H, the D4 Report was pulled by Nate Hart.
- April Rust pulled item F, the D1 report
- Item G, the D2 report was noted for a clerical error. Dan Puraty’s last name was spelled incorrectly. As this is a clerical error the report was not pulled.

Board Study and Engagement – Ends Discussion: Positive Environmental Impacts

During the Study and engagement portion of the meeting the Board discussed the Ends statement and in particular the second bullet point which is “Positive Environmental Impacts”. The notes will be posted on backpack.

Business

BOD/GM Open Discussion – 8:10 pm

- Mead Stone talked in general about current discounts that are offered at the River Market co-op. Although Mead agrees in principle that it would be a good thing to be able to offer more discounts based on needs the finances, sales and profit margins of the co-op need to be taken into consideration to assess the co-op's ability to offer discounts. Similar programs at the Wedge and Seward are paid for by patronage refund which we haven't had since 1996. The monthly 5% discount currently offered at River Market was changed to be on an unlimited amount instead of a limit of up to \$5. The new Ends Statement which includes equitable economic relationships has now been active for about two years giving opportunities for these things to be addressed. Last month was the first Board Visioning meeting in which equitable economic items were being discussed. Mead likened it to a large ship that is now being steered in a direction but changes cannot happen overnight.
- Over the last three years River Market has had approximately 300 new owners a year showing great growth. Even with the slowing down of sales for the last year our Co-Co-Gap average is a sales increase of 11.4% which is in the upper quartile of co-op sales now.
- New ownerships on average have been about 10 a week for the last three weeks, well above what are budgeted. About half of those new owners have been from Wisconsin.
- Gayle Graham, GM of Mississippi Market had an article in their latest newsletter which touched on the controversy of GMO products. There has been a great deal of green washing in the industry, e.g. gluten free coffee. The idea of green washing is largely to confuse consumers and play on fear. Therefore, when it comes to the GMO issues the co-op needs to be cautious not to make customers afraid to buy any products in our store.
- River Cast meetings which are the open book management meetings are every Tuesday at 1 pm in the back for the staff and board members.
- The employee satisfaction survey talked about the need to talk more to the staff about what a co-op is so that they can in turn explain this more to the customers. This is now discussed at the River Cast meetings.
- Instead of the employee of the month they now have a gotcha card system, where by any staff found doing something good is placed into a vote to get a \$50 gift card.
- The board liked the way the employee of the month used to allow them to get to know the staff better and thought that as a replacement to that there could perhaps be interviews in the newsletter.

Spring Retreat Planning 8:22 pm

- The Spring Retreat date is set for April 16th, 2016.
- Bill Gessner will be facilitating the retreat and also coming to the April Board meeting on the 12th of April.
- There is no location or time yet.
- The theme / topic for the retreat is: the next steps for growth and expansion.

Board Budget Priorities discussion and CCMA participation

- River Market will not be sending any of the co-op staff to participate in CCMA this year in order to cut expenses. NCG will still be taking some of our staff.
- This year's CCMA is being held in Western Massachusetts.
- CCMA for 2017 will be held in Minneapolis
- The Board discussed sending directors to CCMA this year as part of the discussion of the Board budget.
- The cost to send one person to CCMA this year is estimated at about \$2000 per person which includes airfare, registration fees and dormitory style accommodation. The dates for the CCMA are June 9th – 11th and the early bird rates apply until April 15th.
- This year, directors who are going will be asked to pay for all fees and costs themselves and then be reimbursed later. Mead will send out an informational email and it will be further discussed at the March Board meeting.
- The Board budget came in over budget in the categories of board admin and the CDS consultant. This will be discussed further at the March Board meeting.
- The Board engaged in a discussion over the feasibility of being able to cut the Board Budget. Our Board Budget is about 50% to 60% less than other co-op boards' and in the last few years was cut by about 20%. A part of the board budget is about investing in the board to encourage people who would like to serve. The Board needs to always evaluate how to best invest that money for future people to join the co-op which is why the discussion of the budget is brought forth in the months prior to the budget being set. It is important to be intentional about how we spend the budget.
- The International Summit of Cooperatives Conference in Quebec is on this year's budget. The investment is more than \$3000 per person sent.
- The question of what would be the best investment for the development of our directors' budget will be further contemplated.
- The budget for meals during Board meetings will go down since there is no longer a catered meal at the meetings.

C-Share Refund

- An owner submitted a request for an early refund of a C-Share.
- The request was submitted on February 9th, the day of the Board meeting. All refund requests need to be submitted in writing in time for admittance into the Board meeting packet which is always the Thursday prior to the Board meeting.
- The Board needs to adhere to policy set up in this matter. The policy also states that there needs to be just cause and therefore needs to be sent to the Policy and Rules Committee who would then bring it to the Board.
- The remodel payout of C-Shares was set to start in year 2020. Asking for a refund prior to this date is effectively breaking contract which is why the Board has the right to ask for just cause and either approve or disapprove it.
- The Board has the right to rescind ownership.
- The owner who has submitted the request will be sent a letter to notify her that we have received her request and it will be placed in the Board packet for the March Board meeting.
- The question was asked as to whether they are transferable and if someone could buy those shares. This will be investigated further.

Policy and Rules Committee Update 9:04 pm

- They have been attempting to set a date to meet. Four dates have been given and the one that the most members are able to attend will be set.

Growth and Engagement Committee Update

- They have had a meeting. There will be a further meeting to discuss the Board bulletin board. Consistency of the director photo backgrounds will be discussed.
- It was asked if when researching growth and engagement matters, can directors talk to different groups and board members as a member of the board? The answer is yes, as long as it is for learning purposes which is different from making a statement on behalf of the Board.
- The committee would like to talk to other similar co-ops. Mead Stone will help make some connections.
- The parameters of the committee were discussed in order to make sure that they are not crossing too much into matters which are operational. The committee will check in with the GM in regards to this as matters are discussed. The charter states that there may be a collaborative partnership between the committee and the GM.

Board Development Committee Update

- They met over a conference call.
- They talked about recruitment and selected Maple Island Brewery.
- The committee would like to invite people to join the directors prior to the next Board meeting.
- They also looked at The Loft which rents out two rooms for about \$200 a night during the week. One can bring your own food. The fire code restricts the number of people in the space to a limit of 25.
- They would like to have more recruitment events throughout the year to get more people involved.
- Dan Puraty did not like the New Director binders being placed on memory sticks last year and therefore offered to do the printing of the paper binders this year. The only cost will be that of the supplies and printing.

Events/training

- Nothing to report.

Media: Currents; Website, etc.

- There is an article from the Board going in the next issue of Currents
- February 20th is the Deadline for Currents.
- There will be a meet and greet at 6 pm before the March 8th Board meeting. All are invited. Mandi Leonard will talk to Andre about having some food for the social.
- All directors are asked to be at the March Board meeting at 6pm in time for the social. At that meeting each director will be asked to introduce themselves and say a little about themselves.

Reports 9:30 pm

- The D1 report – Unity of Control was pulled by April Rust to look at the future considerations section and ask the Policy and Rules Committee if they felt a need to discuss it further. No discussion was needed.

Sara Morrison moved to approve the D1 – Unity of Control Report. Mandi Leonard seconded. Motion carries.

- The D4 report – Monitoring the GM’s performance, was pulled by Nate Hart to make sure that the dates that state the period of the report should correspond with when the report was last written. Reports should start from the last date it was previously done and go up until current. The report dates will be modified and resubmitted into the March packet for review.
- The B1 Report - Financial Condition was discussed. The primary issue is in gross profit. According to CoCoGap we have four upper quartiles for sales growth over a year average. River Market is in the upper quartile for sales per labor hour. Inventory was reduced by 21,000 last year and dollars invested in inventory is in the upper quartile. Mead is part of the Central Corridor Risk Management Committee who weighs the risk of any co-op in the corridor through a percentage rate. The risk could be as high as 100% but usually gets to 16% before any board is notified. We are at 8% and the standard rate is 8%.
- The plan for labor is to reduce the number of hours. Last week labor cost was reduced by \$1000. The plan is to reduce labor by 50 hours by the end of February and 100 hours by the end of March.
- Regarding the deli and meat departments they are looking at gross profit specifically and are making changes but it takes time to get results. Last quarter the deli made a 34% profit and the month of January was 40% profit. The deli department is investing a lot of time to getting ingredients listed and calculated based on cost per dish. It is difficult to keep recipes exactly the same due to the availability of some ingredients.
- A number error was discovered in the bulk department inventory. There was a misplaced figure which means there needs to be a \$6000 adjustment.
- The yearend depreciation comes in July.
- The grocery department is doing the best and the Health and Beauty department is also doing very well.
- This year we had 70% in labor turnover whereas in past years turnover has been about 30%
- The B1 report is not in compliance.

April Rust motioned to accept the B1 report as out of compliance. Sara Morrison seconded. The Motion carries.

Director Questions & Assignments

March Assignments:

Leadership Tasks and Work

- Plan Spring Retreat
- Present draft of Board Budget at March meeting to ensure approval by April 30th Deadline

Board Monitoring Reports

- D.3-Delegation to the GM
- C.2-Board's Job
- C.4-Board Meetings
- C-5 Director Code of Conduct
- C reports have been assigned to the Policy and Rules Committee

Study and Engagement

- Board Budget and Financials

Board Tasks and Work

- Report on Ownership Qualifications as it relates to Board Candidate Recruitment
- Board Budget Approval

GM Activities

- B.5 Treatment of Consumers
- GM Monthly Report

Policy and Rules Committee

- Plan & Submit report on Ownership Qualifications as per AOI & Bylaws

Other

- CBLD Consultant Call
- April 20th Deadline for Currents.
- Submit Ends discussion bullet points to April Rust
- All directors are to be at the March board meeting at 6 pm in time for the meet and greet.

Open Session Adjournment 9:54 pm

Respectfully Submitted

Nicole Sullivan

Board Administrative Assistant