

**River Market Community Co-op
Board of Directors**

**Minutes of Regular Meeting
August 9, 2022**

Directors Present:

David Mickelson, Victoria Bradford Styrbicki, Mead Stone, Christina Arndt, Angela Hauge, Karen Hulstrand, Larry Martin, Scott Vrchota

Directors Absent:

None

The Directors present constituted a quorum.

Others Present:

Sara Morrison, River Market Community Co-op (RMCC) General Manager
Pat Rossez, RMCC Board Administrative Assistant
Venee Russ, Courtney Orawiec, and Stephen Munasinghe, RMCC Owners
Paula Gilbertson, RMCC Owner and NCG Representative

Call to Order

Mr. Mickelson called the August 9, 2022 meeting of the RMCC Board of Directors to order at 6:02 p.m. Directors attended the meeting in person while Owners participated virtually via Zoom.

Owner Comments

Mr. Mickelson welcomed the owners and asked if they would like to make any comments, to which Mr. Munasinghe thanked the Board for the opportunity to observe a meeting. Mr. Mickelson then thanked all owners for joining the meeting. There being no other owner comments or questions, Mr. Mickelson moved to the next Agenda topic.

Consent Agenda / Pulled Reports

Mr. Mickelson called upon Directors to identify any reports for removal from the Consent Agenda. Directors asked that the following reports be pulled: Growth & Engagement Committee; the Board Development Committee report, to discuss the proposal for a public location for owners to participate in Board of Director meetings and to seek mentors for Directors elected this fall; and the July Board of Directors Meeting Minutes for several corrections. Mr. Mickelson also noted a change in the meeting Agenda: the Strategic Planning Update will occur in the Closed Session.

GM Report/Open Discussion

Ms. Morrison started the discussion by noting that upon further investigation, the Payment Card Industry (PCI) issue is different than was first thought: our current technology is PCI compliant and future equipment updates will be made with components that are all PCI-compliant, and the once the network is upgraded it will be possible to map the network and achieve full compliance. Other topics she shared are that Ms. Rossez has made significant progress on drafting the SOP's related to the Board Administrative Assistant role and sales through yesterday show four departments having double-digit growth (including the deli, 19% over last year's sales). When asked what the growth is attributed to, Ms. Morrison explained it has resulted mostly from operational excellence,

achieved primarily through staffing changes and training: management has made good hires and is creating opportunities in other departments for talented, seasoned employees. When asked about total sales to date, Ms. Morrison replied that total store sales are 2.5% higher than the budget and 6.7% over last year's actual sales. Also in response to a Director's question, Ms. Morrison shared an explanation of the recent camera updates. A Director inquired about on-line shopping capabilities, to which Ms. Morrison stated that it is going well: Mercado is operational and staff is adjusting the back-end capabilities for easier and better reporting; integration with the new website was seamless. Directors congratulated Ms. Morrison on the new website and another commented that the continued sales growth is exciting.

Board's Role in Strategic Planning

Mr. Mickelson introduced Ms. Gilbertson and provided background information explaining how she and RMCC work together. Ms. Gilbertson elaborated, sharing her professional co-op experience and her role with NCG, where she supports medium sized co-ops (annual sales of \$3 to \$9 million) located in the central corridor. The Executive Committee and Ms. Gilbertson connect monthly and recently discussed the Board's role in the strategic planning process, which Ms. Gilbertson then recapped with the entire Board. She reminded the Board that they have already accumulated considerable information regarding owners' desires and that the co-op's ancestry has been captured in the existing policies (including the current Ends Statement), so the Board is not starting strategic planning from scratch – it can build upon the foundation that has already been laid. She described the Ends Statement as the co-op's 'north star' which guides the organization's direction.

Ms. Gilbertson further explained that the Board's role is to act on behalf of the owners, shoppers, and community and she advised the Board to think not only of current owners, but future ones as well. She also underscored the importance of determining how will the co-op meet the ever-changing needs of the community. Regarding the information the co-op has already collected, Ms. Gilbertson reminded Directors that much has already been done in some areas (such as the shoppers' survey, although she cautioned the Board that what people say and what they actually do differ) and pointed out that there could be more collection in others, such as the community. She described where community information can be obtained and offered NCG's help, if needed.

Ms. Gilbertson suggested that the Board's next steps may include having a robust discussion, particularly if the Ends Statement needs to change. She commented that RMCC seems to be in the gathering and conversing stage, so the question remains if the co-op will change, add to, or further define the Ends Statement. After that has been determined, the process should be handed over to the General Manager to develop a reasonable plan, using the information that has been accumulated, for the co-op's future.

Directors asked Ms. Gilbertson for her insights in a couple of areas, including if, in the Strategic Planning Dream Phase, the GM can explore a potential growth opportunity that is within her operational expertise at the same time owners' input is being obtained. Ms. Gilbertson's opinion is yes, this can be done concurrently and she thinks that while exploring options, the co-op will continue to get inputs that change the course of thinking and what options are considered reasonable. A Director asked Ms. Gilbertson to talk about the concept of the 'guard rails' that serve as boundaries for what the GM and the Board undertake while exploring potential options. Ms. Gilbertson explained that several things that serve as 'guard rails,' namely following the laws and the Ends Statement and that within those boundaries the GM can make many decisions. Ms. Gilbertson also observed that at some point, RMCC needs to move forward and expressed that the GM has a good handle on the information available and can obtain more if needed. She also shared her experience while being the manager at another Twin Cities co-op who was encountering similar issues. Ms. Gilbertson noted that this will be a constant, organic process: once the co-op starts down a path, they may need to change direction to meet the customers' and market's needs. A Director also asked Ms. Gilbertson about best practices for communicating with owners. In response, Ms. Gilbertson described stages in the process where communication with owners would likely occur and mentioned various tools and guides that are available on that topic. In closing, Mr. Mickelson thanked Ms. Gilbertson for her time; she replied that she is happy help and to support to RMCC.

Fall Retreat Planning

After discussion of alternative dates, the Board determined that the fall retreat will be held on December 10, after the annual meeting has occurred and with the new Directors on the Board. More details will follow, but it is expected to start at 9:00 and last approximately four to five hours. A calendar invitation will be sent to Directors to hold the date.

7:00 – 7:08 Break

Pulled Reports

Mr. Mickelson opened the discussion of the pulled reports. The July Board Meeting Minutes were discussed, with Ms. Morrison and Mr. Mickelson noting the items needing correction. A motion to accept the corrected July Meeting Minutes was made by Mr. Stone, seconded by Ms. Arndt, and passed unanimously.

Mr. Stone complimented Ms. Morrison on the Global Ends Monitoring Report and how she has increased the co-op's impact on the community. Several observations in the Report were discussed, including that the purchases made with 'local' (currently defined as Minnesota and Wisconsin) producers and the amount paid to staff resulted in approximately \$2.6 million that the co-op circulated back into the community. Ms. Morrison was also complimented on recent customer counts and the news releases that have been made. A Director inquired about the next employee satisfaction survey, which Ms. Morrison explained would likely happen in late spring or early summer 2023, depending on Columinate's availability. Ms. Morrison was complimented on the 401K that is available for staff. A Director also inquired about the declining WIC transaction levels, which Ms. Morrison explained she believes has resulted from the pandemic: customers are purchasing food that is less expensive and they are more likely to go to only one place for grocery purchases. In response to Director inquiries and comments, Ms. Morrison gave commentary on the discounts under the points program, trends in the Bulk department, the use of Nordic Solar/Coral Bells as the co-op's energy provider, NCG's store audits, the safety team and recent favorable safety audit, and on Twin Cities Food Justice (a new group Trista joined that reclaims food). A Director asked Ms. Morrison if she feels RMCC is in compliance with the Ends Statement, to which she responded yes. She was also asked if the current Ends Statement works well for her and her staff, to which she responded that she is not sure that the staff has considered this, but she will pose the question to them. Lastly, Ms. Morrison was asked what she was most proud of over the past year, and she responded it is her staff. A motion to accept the Global Ends Report was made by Ms. Bradford Styrbicki, seconded by Ms. Hauge, and passed unanimously.

The Growth and Engagement Report was also pulled, with a Director wanting to discuss questions or concerns regarding the upcoming picnic. Logistics were reviewed, including the number of RSVPs received, potential invitees, and the planned bean exercise. The Director also asked what else is needed in preparation for the Annual Meeting. Ms. Morrison explained past and current approaches: the staff oversees the operational components (venue, logistics) and the Board sets the agenda and supplies the engagement activity. A Director voiced their opposition to meeting indoors due to Covid concerns. Ms. Morrison and another Director commented that a venue can be booked and if Covid levels escalate, the venue can be cancelled and plans changed. A motion was made by to accept the Growth & Engagement Committee Report by Mr. Stone, Ms. Bradford Styrbicki seconded the motion, and it passed unanimously.

The Board Development Committee Report was pulled to discuss potential locations for Board meetings which would enable owners to attend in person which will hopefully encourage more of them to attend. The option to attend meetings virtually via Zoom will continue. Mr. Mickelson shared that the Committee recommends holding meetings at the Washington County Historical Society. After Directors discussed the amenities, cost, benefits (including deepening a relationship with and supporting a community organization), and other potential locations, a motion to accept the Committee's recommendation to hold Board meetings at the Washington County Historical

Society for an initial term of six months was made by Ms. Bradford Styrbicki, seconded by Mr. Stone, and it passed unanimously.

Mr. Mickelson proceeded to ask for volunteers to mentor the four new board members. Mentors would help the new directors to navigate the organization and help them be effective in their new role. It was observed that newer existing board members may not be as helpful as those that have a longer history on the board. Messrs. Mickelson and Stone volunteered to mentor new directors. At the conclusion of this discussion, Mr. Mickelson asked for a motion to accept the Board Development Committee Report: Mr. Martin made a motion, Ms. Arndt seconded it, and it passed unanimously.

Ms. Bradford Styrbicki then made a motion to accept the balance of the Consent Agenda: the Agenda and New & Leaving Owners List. The motion was seconded by Mr. Vrchota and it passed unanimously.

Owners, including Ms. Gilbertson, exited the meeting.

Director Questions & Assignments

Mr. Stone and Ms. Rossez reminded the Board that the Director Assignments will be emailed to Directors after the meeting.

Director Closed Session

After confirmation that no owners were present and the meeting recording was stopped, the Board entered a closed session in which they discussed Strategic Planning. Ms. Morrison participated in this discussion. Upon conclusion of that topic, Ms. Morrison left the meeting and the Board discussed the GM Evaluation and the Board Candidate Slate.

ADJOURNMENT

Upon the conclusion of the Director Closed Session and there being no further business to discuss, a motion to adjourn the meeting was made by Ms. Hauge, seconded by Mr. Martin, and unanimously passed. The meeting was adjourned at 8:46 p.m.

Submitted by Pat Rossez, RMCC Board Administrative Assistant