

River Market Community Co-op Board of Directors

Minutes of Regular Meeting January 10, 2023

Washington County Heritage Center and Zoom

Directors Present:

In-person: David Mickelson, Mead Stone, Angela Hauge, Christina Arndt, Karen Hulstrand, Luke Engel, Courtney Orawiec, and Stephen Munasinghe

Via Zoom: Larry Martin

Directors Absent:

Scott Vrchota

The Directors present constituted a quorum.

Others Present:

In-person: Sara Morrison, River Market Community Co-op (RMCC) General Manager (GM)
Pat Rossez, RMCC Board Administrative Assistant (BAA)

Call to Order

Mr. Mickelson called the January 10, 2023 meeting of the RMCC Board of Directors to order at 6:02 p.m.

Owner Comments and Points of Order

Being no owners present to comment and after one point of order (incorrect date on meeting agenda) was noted, 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 to pull the Policy & Rules Committee and Ends Ad Hoc Committee Report. Mr. Stone commented that a motion will be needed for Ms. Morrison to extend RMCC's line of credit with Lake Elmo Bank; this will be discussed later in the meeting.

GM Report/Open Discussion

Ms. Morrison reported that last quarter's financial numbers have not yet been finalized. She also shared that she transferred cash from checking to short-term certificates of deposit (CD's) to take advantage of CD's higher interest rates, so cash balances will be categorized differently on the balance sheet. She also provided an update on the "Growers, Grazers, Makers, and Bakers" grant program. Ms. Hauge and Arndt volunteered to help review applications and determine the grant recipient. Next, Ms. Morrison illustrated the co-op's various expenses and funds available for discretionary use (what is left after all expenses are accounted for) by playing the 'penny game'. The board discussed how much additional revenue is needed to generate enough 'fun' money to pay for items that come up during the year. Lastly, Ms. Morrison noted that she is currently working on the budget the board asked her to prepare regarding strategic planning activities. She shared that she is on track for providing a budget by the end of this month and described sources of information that will be used in its preparation. Mr. Mickelson reminded directors of Columinate resources available on financial training and the related role of directors. Additionally, Ms. Morrison offered to show QuickBooks to any director that is interested in learning more about the co-op's finances and how they work. In response to a director's

inquiry, Ms. Morrison recapped the recent BOGO (buy one, get one free) sale. This was the first BOGO offering by NCG and UNFI for the co-op so there were good learnings, especially around product availability as several items sold out.

Post Retreat Follow Up

Mr. Mickelson reminded directors that strategic planning was the focus of the retreat and stated that he and Ms. Morrison have met with Todd Wallace (the Columinate retreat facilitator) to maintain the momentum created. Ms. Rossez compiled a listing of “To-Do’s”, which Mr. Mickelson posted to Basecamp and urged directors to review. He assumes that the Stewardship Committee will assign individuals to work on the To-Do’s, noted that work on several is in progress, and stated that more information will be forthcoming.

Spring Retreat Planning

It was determined that the retreat will be held on Saturday, April 22, starting at 9:00 am and finishing in the afternoon. Mr. Mickelson noted that the strategic planning artifact that Ms. Morrison is compiling will be the focus of the retreat and then suggested other potential topics: deep dive/gap analysis on C & D Monitoring reports, revisit (review and discuss) policies, have a guest speaker/thought leader from another co-op, review and discuss the 10 Principles of Policy Governance, discuss items that surface in board meetings that are appropriate to discuss elsewhere, and develop a topic list for the Board blog. Mr. Mickelson will post these ideas on Basecamp and asked directors to add ideas they have.

Monitoring Reports

Given their importance for understanding and discussion, Monitoring Reports were in the regular agenda instead of the Consent Agenda. Ms. Morrison led the review and discussion of the B.7 Communication with the Board Report. Directors discussed the importance of all the compliance reports Ms. Morrison provides for the board. Mr. Mickelson reminded directors that a decision tree is available in Basecamp to help determine what to do when a report is not in compliance (it is also posted on the wall in the co-op conference room). A motion to accept the B.7 Report was made by Mr. Stone, seconded by Mr. Engel, and was unanimously approved. Directors agreed that Ms. Morrison does a great job communicating with the board.

Next, the B.8 Board Logistical Support Report was presented by Ms. Morrison. Ms. Morrison reported compliance with all parts of this policy. She also noted that it is the GM’s responsibility to include the data in sub policies that she thinks is ‘reasonable’ and directors should let her know if they have a different view of what is relevant or should be included. Directors discussed the responsibility of maintaining the Board’s bulletin board, located in the store, and the director information contained on the RMCC website. It was determined that the responsibility will be returned to Operations, with the BAA organizing the effort. A motion to accept the B.8 Report was made by Mr. Stone, seconded by Mr. Engel, and was unanimously approved.

Mr. Engel then presented the C.2 Board’s Job Report, focusing on sections where individual directors noted non-compliance. Those points were discussed and directors who noted non-compliance were encouraged by Mr. Mickelson to suggest practices that would remedy the issue. A director suggested a Standard Operating Procedure be developed to strengthen practices related to #5, “Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.” A potential improvement would be to clarify what the Growth and Engagement Committee does so their responsibilities do not spill over into Operations. Directors discussed and agreed that within #5, the question is meant to capture the distinction of roles within the board, not with the GM or owners. At the conclusion of the discussion, Ms. Hulstrand made a motion to accept the C.2 Report, Ms. Arndt seconded it, and it was unanimously approved.

Next, Ms. Hulstrand shared results of the C.3 Annual Agenda Planning Report. After discussing the differences between the workplan/fiscal year and the board calendars, Ms. Hulstrand reviewed the results of the report’s three subsections and suggested reviewing the workplan at the mid-point of the year - this is for the Policy & Rules Committee’s consideration. It was also suggested that reviewing the annual workplan be an agenda item at the fall retreat, with the new seated board members present. The board then discussed if the reports could be streamlined. Mr. Engel made a motion to accept the C.3 Report, Mr. Mickelson seconded it, and it was unanimously approved. Mr. Mickelson then read guidance from Columinate on the purpose for C Reports and why they are important.

7:11 – 7:17 Break

Location for Board Meetings

Mr. Mickelson recapped the history leading up to the current six-month, \$50 per meeting, agreement with Washington County Heritage Center for hosting board meetings. Discussion ensued regarding the pros and cons of holding meetings at the current location, the co-op, and other potential locations. Following the discussion, a motion to retain the meeting space at the Washington County Heritage Center for the board calendar year ending October, 2023 was made by Mr. Stone, seconded by Ms. Arndt, and passed unanimously.

Pulled Reports

Mr. Mickelson opened the discussion of the pulled reports. The Policy and Rules Committee Report was pulled to hear more about the discussion leading up to the Committee's decision not to give volunteers gift cards from RMCC's Board of Directors. Committee members shared the feedback received from researching this topic and described how it influenced their decision. It was concluded that the volunteers who are on committees could be recognized at the annual meeting. A motion to accept the Policy & Rules Committee Report was made by Mr. Stone, seconded by Ms. Hauge, and passed unanimously.

The Ends Ad Hoc Committee report was also pulled. A director voiced their sensitivity regarding the 'health and well-being' theme, how there may be an associated gap in the Ends policy and reporting, and he urged the board to be careful not to tell owners/shoppers how to put this theme into practice. Another director did not see this to be an issue as the Ends are directed to the GM, not to owners and other constituents. This prompted additional discussion on the Ends Statement, if they replace mission statements and values, and who they are directed toward. A director reminded the board that RMCC does not have to follow the same practices regarding Ends Statements as other co-ops; rather, the board can do what is deemed to be in the best interest of RMCC. Ms. Morrison reminded directors that the Ends Statements drive decisions and should not change often. A motion to accept the Ends Ad Hoc Committee Report was made by Mr. Stone, seconded by Mr. Engel, and passed unanimously.

Mr. Engel made a motion to accept the balance of the Consent Agenda: the Meeting Agenda, November Open Meeting Minutes, and the New & Leaving Owners List. The motion was seconded by Mr. Stone and passed unanimously.

Director Closed Session

After confirmation that the meeting recording was stopped and no owners were in attendance, the Board entered a closed session.

Return to Open Session

Upon the conclusion of the Director Closed Session, the Open Session was resumed to conduct additional business. Discussion resumed regarding the renewal of RMCC's line of credit with Lake Elmo Bank. A motion to renew the \$60,000.00 line of credit with Lake Elmo Bank for another year and allowing the Secretary and President to be signors was made by Mr. Stone, seconded by Ms. Arndt, and was unanimously approved. Also, a director noted that the before any changes are made, more board discussion is needed regarding shifting the evaluation criteria contained in Board Monitoring Reports from compliance (or not) to how well the board understands the policy and if improvement is being made. Lastly, a director asked if action items that arise during board meetings need to be tracked, as often they are discussed but not acted upon.

Adjournment

There being no further business to discuss, a motion to adjourn the open meeting was made by Ms. Hulstrand, seconded by Mr. Stone, and unanimously passed. The meeting was adjourned at 8:11 p.m.