

Silver City Food Co-op — Board Meeting Agenda
Wednesday December 19, 2018— 4:30 p.m. to 7:00 p.m. —
LOCATION: 907 Pope St.

Present: Board Members Jennifer Johnston, Scott Zager, Jean Beffort, Laurie Anderson. General Manager Joe Zwiebach, Assistant Manager Mike Madigan, Co-op Members Susan Van Auken and Victoria Reece. Scribe Jo Lutz. Board Members Shanti Ceane and BIT Bart Roselli arrive at 5:15. Member/Contract Accountant Betty Mishuk arrived 5:30.

I. Welcome (4:30-4:35pm, 5 minutes)

- A. Approve agenda with amendment to III. C. for clarity.
- B. No announcements

II. Old Business (4:35-4:50pm, 15 minutes)

- A. Board approves November board meeting minutes by consensus with two small edits.
- B. Board approves 2019 board budget by consensus.

III. New Business (4:50-5:20pm, 30 minutes)

A. FN Committee recommends net profit be allocated to Expansion account. GM says that a different account called “Restricted Net Savings Surplus” was already created for profit. The currently named Expansion account is really an equity account which the store also uses for fixed assets. GM suggests opening new account for fundraising. The Board approves by consensus that net profit will be allocated to the Pope Street Expansion project, in an account to be determined.

B. MC and management recommend GMM date of May 5, 2018. Board approves this date by consensus.

C. A Board Member proposes a wording change to policy D2.1 and ROD proposes changes to D5.2 in order to save future election postage costs. This change clarifies language to say that voting shall be emailed to those members with emails and mailed only to those with no email. Original text: “Mail out ballots or GG with ballots to all members of record (coordinate date with Board).” To be replaced by new text: “For all member/owners with a listed email, email out notice of election along with link to voting materials and information to last known email. For member/owners without a listed email address, mail notice of election and a printed ballot to last known physical address (coordinate date with board).” The Board approves this change by consensus. The second proposal regards changing board compensation to a discount rather than gift card to avoid gross receipts tax. A Member said that she was on the Board when it changed to gift card because the discount was used much more by some than others. Assistant GM suggests a percentage discount with a numerical cap. Some Board members agree with this notion, and also suggest running by the CDS consultant. The Board tables discussion.

D. First read of the president’s 2019 board calendar. Most Presidents calendars run June-May. It is a working document. The Board discusses how the alternate-month member engagement meetings are working. It is agreed that it needs to be better publicized to the membership. The Board looks into whether all meetings are required to have a 10-minute member comment session and found that they are. A Board member says that the 10-minute session are not that functional and that members can always email the president to get on the agenda. The board tables calendar discussion.

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IV. Time was made for member comments:

A member found an article called “Skills for Building the Board-GM Relationship,” reads four paragraph. Work must be aligned and coordinated. Will email policy/governance document.

V. Monitoring Reports (5:20-6:20pm, 60 minutes)

- A. B3 (Preliminary Annual Financial Plan) 15 min presentation by GM, 10 min Q & A: GM gives presentation with projector. He wants to plan for long-term, not short-term financial health. Displays a monitoring checklist of B-reports, then the budget. Right now 907 is not in the budget. The co-op might have to replace the POS system for \$7-16k. GM is trying to postpone this change until the move. A Board member wants to know why the 2018 increase in produce sale was not counted on for the projected 2019 budget. The GM says we did a lot of things this year to pump sales that we can’t do every year. Part of the cost decrease was charging cost for avocados. A board member asks him o display graphs of revenue and profits over time. There is a distinct peak in 2016. Then it took a dip due to café. Then personnel got tightened up. There was drop in profits in 2014-15 due to 92k increase in payroll. Projected growth was not met. A Board member asks about tracking 907 costs. The contract accountant has made a separate tracking system.
- B. B6 (Communication and Counsel to the Board) 15 min presentation by GM, 10 min Q & A. GM displays monitoring checklist. He expresses the need to update the FTP site. The Donations program is having good results, about \$19,000 so far. The employee medical reimbursement program Medalot is on the ropes. Challenges to ACA makes it hard to plan, and might make trouble with the ADA because if people with pre-existing conditions cannot to enroll in insurance, they also cannot take advantage of Medalot for which insurance is a precondition. As a result no medical benefits will be offered next year. The staff will be offered a choice about what to do with the \$25,000 formerly spent on them, it could be bonuses instead. A Member asks about HSAs. GM needs to look further but preliminary research has indicated challenges. The GM says he will get more information about HSAs before putting a choice to the staff.
- C. B10 (Board Logistical Support) 10 min presentation by GM, 5 min Q & A. GM is positioned as single-point logistical support. Would like to appoint someone else but it doesn’t make sense at this time. He is okay with Board members talking directly to staff as long as he knows about it. A Board member wants to know if this board is directing staff without GM knowledge. GM says if they are it is very minor. The board member accuses the GM of lecturing, and another Board member calls timeout. Assistant GM says that in the past several years that Boards have gone well above and beyond what they are allowed to ask of staff. A Board member says the current Board has responded appropriately to all such incidences. Other challenges this year have included the GMM, partly because of the timing of key staff changeover. The Board meeting location was challenging but has now been solved by the purchase of 907. GM also encourages everyone to submit on time for the GG.

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D. Board acknowledges B3, and B6 Monitoring Reports by consensus. B10 is tabled for later discussion.

VI. Break (6:20-6:40pm, 20 minutes)

VII. Committee Decisions and Announcements (6:20-6:50, 30 minutes)

A. Member Connect (MC) Notes. Committee Chair invites Bart to MCC. Bart is encouraged to attend as many committee meetings as he wants, though only one required. Jan. 2 is the next MC meeting.

B. Recruitment, Orientation and Development (ROD) notes. Election calendar is complete.

C. Board and Manager Evaluation (BME) notes. Proposing changes in how the GM is evaluated. Going forward the GM would be evaluated on B-policy summary, store performance, and objective feedback on management style that effected store performance.

1. Board Approves 2018 GM evaluation process by consensus and tables changes to 2019 GM evaluation process.

D. Finance Committee (FN) Meeting notes. No questions or comments.

E. Pope Street Project Committee (PSPC) notes. The bubble plans are done. PSPC is looking into a Healthy Food Financing Initiative grant, probably for installing refrigeration. For this they need refrigeration plans. They have been interviewing and are close to hiring an architect hourly. The Board will also need artist renderings and plans for the member loan campaign. PSPC is hiring as local as possible, but expects that not all talent will be available in Silver City.

F. Bylaws Review Committee (BR) had no meeting.

VIII. Board Meeting Closure (6:50 – 7:00, 10 minutes)

Review task list, tabled items, if any, and calendar.

The President will find out who is getting Cooperative Grocer.

Tabled Items:

Proposal to change wording in D5.2

Tabled acknowledgement of B10

Tabled changed to 2019 GM evaluation.

Out of town Dates:

Scott gone 12/24 to 12/28

Shanti gone 12/28 to 1/3

Executive Session to follow on board group evaluation