



## Board Meeting Minutes

12.20.2018

**Attendance:** Joanne McCaughn, Jim Hutcheon, Peter Brown, Sam Green, Grace Cox (*Staff Representative*), Alejandro Rugarcia (*Board Facilitator*), Fern Moore (*Board Coordinator*)

**Absent:** Ben Witten, Jaime Rossman

## Agenda

Agenda Review

Announcements

Mission Statement

Commitments Review

Member Comment

Deli Expansion

2019 Budget

Committee Reports

Staff Report

Break

Board Roles and Responsibilities

Executive Session #1

Executive Session #2

Commitments

Meeting Evaluation

## Announcements

- Jaime and Ben are unable to attend tonight's meeting.
- Fern is going vacation from Dec 22- Jan 3

## Commitments Review

- *Jaime will draft a policy regarding the bylaws pertaining to reviewing job Descriptions* Pending

- *Everyone will consider the Board Officer ideas and send feedback to Jim and Joanne.* Complete

## Member Comment

Newly Elected Board Members attended to observe the meeting. Introductions were made.

## Deli Expansion

Harry attended to update the Board on the Deli Expansion process. He has started negotiations on the lease. The First draft of the proposal is a 3 year lease with an additional 3 year renewal. With the agreement that there will be a raise in the lease amount by 6% each lease renewal. The owner has agreed to bring all electrical and plumbing up in the space. Instead of a purchase option he would like to do a right of first refusal. Harry would like the Boards feedback.

Finance CAT is working on new financial projections. There were questions about the sale projections. The figures used were based on current sales per labor hour and sales per square foot. Finance is not sure if we will be doing a full scale market research on that site yet. We are working on financing options that will encompass both the deli project and the Eastside remodel. We are also looking at ways to lower the startup costs, by leasing equipment, as much as possible.

Rafa has decided to take a step back from the project. We have posted the project coordination to Staff, so far the interested parties are Arwen and Harry.

## *Feedback*

Have we secured financing for the Eastside remodel.

*Not yet. But we feel secure about receiving funds. We are talking to other banks (Commencement, Timberland were also suggested by Board Members)*

Harry and Sam mentioned the need to look more closely at whether the Co-op has the proper resources (money & staff) to take on both the Eastside remodel and the Deli expansion downtown at the same time.

Is there any chance to a right to purchase instead of a right for refusal.

*Don't know. We could go back and negotiate that. Sam has reservations about that. Harry will negotiate that.*

Harry suggests that the Board could assign a person from the Board to bounce the lease negotiations off of.

Jim as acting President will act as the point person for the lease negotiations.

## **2019 Budget**

Grace and Sam presented the 2019 Operating budget for the Boards approval.

We had hoped to post an increase in cash of \$100,000. After multiple versions and care, we managed to get a net increase of \$50,348. A pleasant surprise was that our Labor and Industries costs went down by \$15,000 next year, because its been so long that we have had a time loss claim. This yielded an additional \$15,000 in profit.

There was a small increase in Revenue and Expenses. \$17 million Sales Revenue is up by 1.5 percent. There is also a 3.1 percent increase in Labor as a percent of Sales. Equalling an over all labor percentage of 24.61. This budget also shows a little improvement in Margin.

The other thing that makes this budget look better than previous versions, is that in November we had consistent sales growth at both locations. That increase in the total Sales for November and continuing in to December means that the base number that we are basing growth on is higher.

We managed to pull off a few projects in this budget, including a few Capital plans all

while showing a net increase of \$54,000. There were no changes to our health plan except including offering generics. Also there is a small wage increase. Our wage increase is lower than COLA. But last year our wage increase was higher than COLA.

*Feedback:*

Sam wonders if any affects would be felt by the new Washington state paid medical leave.

*Grace is not sure. We ran numbers on that because we already pay for Sick leave. Fred added that there is new reporting included in the changes. Jim added that Personnel is aware of the changes and is preparing for it.*

## **Proposal**

**The Board approves the 2019 Operating Budget  
Consent**

***- Grace will price out the projector paint***

## **Committee Reports**

***Advocacy*** - has not met.

***Co-Sound*** - has not met.

***Finance*** - has not met.

***Expansion*** - The Expansion Committee had an opportunity to discuss the proposed Deli expansion with Staff. Things are moving forward slowly, and no final decisions have been made. The possibility of expansion for the Deli outside of the East side location will require additional financial considerations; Grace and Harry will meet with the bank to determine what costs might be financed. The East side store remodel will address some of the Deli needs, but more information is needed from the architect/engineers involved in the project to determine what might be possible in terms of expanding the kitchen/work area at that site. East side remodel team has taken a meeting with architects and will have an assessment on scope of services and rough numbers for the project.

**Eco Planning** - has not met.

**Personnel** - The Committee is on boarding Michelle Webster as Personnel Co-Coordinator. Michelle took a leave of absence, but never resigned from the position, and is now back at the Co-op and ready to take on this responsibility. The Committee discussed the upcoming WA state Paid leave premiums for the 2019 year. Finally, they reflected on 2018 for the Personnel Committee and what we would like to bring into 2019.

**Member Relations** - The Member Relations Committee met and much of the time was spent in addressing the issues around a complicated relationship between two Co-op members, and the actions recently taken by Staff to address the situation. The issue was discussed previously by the Committee during the October meeting when a Staff person attended and provided some insights into what the issues were. The Committee at that time did not anticipate any specific/unilateral action would be taken by Staff to resolve the issues. However, the Committee did not meet in November due to the Annual Meeting activities. At yesterday's meeting, some Committee members expressed deep shock and dismay when they learned that action was taken by Staff to ban the member from the Co-op for a year, during which time training and other efforts could be made to address certain perceived biases, etc. At least one member of the Committee supported the actions taken by Staff, and another Member was so concerned by Staff's action that she elected to leave the Committee, despite the fact that she had been an active Member for an extended period of time. It was difficult to see the Committees role to be downgraded in that role.

**Local** - The Local Committee met with Robyn from Outreach and discussed ways in which the two groups can coordinate activities. They agreed that; the Local Committee will work with Local vendors to facilitate specials that match themes that Outreach is planning for 2019. Also, the Local Committee will work with Outreach to coordinate the Local Eats/Earth Day event.

**Standing Hiring** - One applicant was approved and moved into a finalist pool.

**Community Sustaining Fund (CSF) Liaison** - They recently finalized the 2018 grant process. They had 6 applicants this year. They were able to partially fund 2 projects the First Christian Church and the Family Support Center. The folks that came forward had great programs. Sadly several good programs didn't get any funds. They will consider sponsoring programs in the future.

**Organizational Health** - no report.

## **Staff Report**

The New hires are coming up on their six month evaluations. They are participating in group trainings and Finance training. They are doing just great. They are asking great questions and are engaged in the work.

At recent Collective meetings, Staff had another major go around to make progress on the Evaluation system. We certainly were not able to consent to anything. There has been a call for a full Staff restorative circle, there is also a call on full transparency of the events that unfolded before a restorative circle happens.

Staff continued to work hard on the Budget. Everyone got something, maybe not everything they wanted but something. While Staff has not seen a process plan for the Deli expansion project and Staff has not consented to anything. There is general excitement. It gives a bit of relief to have something to look forward to.

### *Feedback*

There is still interest in Board members attending Staff meetings.

***- Grace will put Board members attending Staff meetings on the BPC agenda***

Sam asked about the Alcohol Task Force work.

*There is progress. The Task force is staffed and meeting frequently as well as meeting with Merchandising and Finance folks. They are building a proposal and recommendations.*

## **Board Roles and Responsibilities**

Joanne, Peter and Jim have been developing ideas around developing Board roles from the Board Retreat. They presented their ideas briefly at last months meeting. They are seeking more feedback on developing these ideas.

### Developing Ideas

- Board facilitating its own meetings (rotating or could be assigned)
- Creating and distributing the agenda
- Specify Officer duties
- Discussion about email account
- Training of new Board members
- Assigning mentors for new Board members

### *Feedback:*

Peter feels that the Board committees should take an active role in bringing forth agenda items and also supports the idea of the Board facilitating the meeting. He does feel that the Board is Staff driven and the Board needs to step up and take that visionary role and coordinate more of the functions. He does not feel or hear the Membership. There is something needed for the Board through defining their roles and their activities.

Sam recommends to implement these changes as gradual as possible including an assessment period. He says that we should absolutely include Board members in trainings. He recommends including another Board member to the Board Email address. There needs to be a plan to include Agenda creation and clear Email account agreements.

Joanne wants to build a relationship with the Staff and the Board that is powerful for both of us. At the same time she wants the Board to feel appreciated. She believes that is to the communities detriment that we don't address it. She hopes that Jim as the chair of the Board will lead us in this work.

Jim is in agreement with Sam. He also feels that we can and should be involved in Board member trainings.

### *Next Steps:*

Grace will be coordinating the Board training and will invite the seated Board members to participate. The Board could participate in coordinating the Organizational training. The scheduling of these trainings are a nightmare. Any Board members who want to help plan and participate in the Organizational training please contact Grace.

- *Jim commits to coordinating organizational training with Grace*
- *Fern will add Peter to the Board email address*

## **Commitments**

- *Jaime will draft a policy regarding the bylaws pertaining to reviewing job Descriptions* Pending
- *Grace will put board members attending staff meetings on the BPC agenda*
- *Grace will price out the projector paint*
- *Jim commits to coordinating organizational training with Grace*
- *Fern will add Peter to the Board email address*

## **Meeting Eval**

## **Decisions out of Meeting**

1. Approval of November Meeting Minutes - Decision made via email

## **Consent**

## **Next Meeting**

**2019 Board Committee Assignments**  
**2019 Board Officer Assignments**  
**Board Training**  
**Developing Board Roles and Responsibilities**