

MINUTES [FINAL]  
Brattleboro Food Co-op Board of Directors  
2 Main Street, Room 130, Brattleboro, VT

Monday, February 3, 2020

Directors Present: Mary Bené, Judy Fink, Denise Glover, Grace Koch, Skye Morse, Beth Neher, Tamara Stenn, Jerelyn Wilson. Staff, Shareholders and Others Present: General Manager Sabine Rhyne; Board Administrator Sarah Brennan; Marketing and Community Relations Manager Jon Megas-Russell, Shareholders Bill Knowles, Tristan Roberts, Sheila Adams (Shareholder and UFCW steward). Present for beginning of meeting opening: Manager of Human Resources and Staff Development Gretchen Magnuson, Front End Manager Jaci Reynolds, and Facilities Manager Daniel Ridlehoover.

The meeting was called to order by President Jerelyn Wilson at 5:10 pm.

1. **Meeting Opening:** Three relatively- to brand-new managers (Dan Ridlehoover, Facilities Manager; Jaci Reynolds, Front End Manager; and Gretchen Magnuson, Manager of Human Resources and Staff Development) introduced themselves to Board members and guests, briefly describing the scope of their work at the Co-op, and sharing their impressions of the Co-op thus far. Board members and other guests then introduced themselves and shared one thing they enjoy doing in the winter.
2. **Agenda Review:** No changes were proposed.
3. **Approval of Minutes:** Beth moved to accept the minutes of the January 6, 2020 meeting; Judy seconded. The motion to accept the minutes with a minor edit passed unanimously with one abstention (Beth, who had missed the meeting).
4. **Shareholder Input and Board Tabling:**
  - a. Board tabling: Skye highlighted a shareholder comment in favor of preserving senior discounts. Sabine noted that she does hear on occasion from shareholders who agree.
  - b. Jon Megas-Russell shared January's feedback statistics with the Board. Some highlights: we received fewer comments in January because it's a slower month. More than half of our feedback is coming from receipt surveys. An all-time high of six shoppers were impressed with our pricing. 44% of comments were praise, 16% were complaints, 15% were product requests. A group of shareholders is interested in working with us to reduce the use of plastic, particularly in the Bulk department, and we'll be following up with them.
  - c. Discussion highlights: whether and how cashiers should mention savings, local purchases, or the benefits of shopping at and/or joining the Co-op. Our biennial online shopper survey is being rolled out this month: a terminal (and in-person assistance) is available at Shareholder Services for shoppers without ready internet access at home. We particularly hope to hear from people in their 20s – 40s with families. Jon's motivation in tracking and responding to feedback promptly is all about relationship-building and giving people a voice into the Co-op.
  - d. Note: Going forward, tabling notes will be scrubbed of shareholders' personal identifying information.
5. **GM Report** Discussion highlights:
  - A. We are exploring another source of certified sustainable salmon that a shareholder called to our attention.
  - B. The recent training for managers on microaggressions gave us a good sense of LaDonna

- Redmond's approach, and of the continuum an organization is on as it deepens its awareness of the issues of diversity, equity, and inclusion.
- C. The arbitration hearing on 2/4 (related to last summer's layoff), will entail opening arguments and cross-examinations. We'll get a decision in 30 to 60 days.
  - D. The staff survey: The survey administrator – James Morell from Columinate – has met with a group of managers and stewards to explain the process and how anonymity and confidentiality are maintained. A survey team will be formed to develop and shepherd the process, from making sure we have all the right questions, to encouraging all employees to respond to the survey. We need a 90% response rate for statistical validity.
  - E. NCG membership agreement: we'll know more by the March Board meeting.
  - F. Changes to Discount Programs – Timeline: Sabine will be writing more about it in FFT. March Board meeting: Sabine will bring a proposal for feedback and developing talking points. April meeting: she'll present a tweaked version, which will include more staff input. May: The changes will go public. July: Implementation.
6. **GM Monitoring Report:** Beth moved, and Judy seconded, to accept the QII 2 Financial Condition and Activities Monitoring Report. Ken participated via Skype. Discussion focused on the following:
- a. Policy interpretation statements: No comments or concerns were expressed.
  - b. Net profit increase: Our sales were a little under projection, but our margins and expenses were pretty good. We were lucky that we didn't get hammered quite as badly with health insurance claims.
  - c. Liquidity: Even with making our final payment to Merchants Bonding, and paying back another two years' worth of interest to shareholder lenders, we are in a solid cash position. Sabine noted that we are surveying the shareholder lenders to see how many might be willing to invest more, which could allow us to repay those lenders who wish to be repaid, ASAP.
  - d. Inventory: Our inventory numbers were superb, reflecting good decisions on what to buy/stock.
  - e. Quarterly vs Annual Trends: Some metrics have a quarter-by-quarter pattern to them, reflective of the grocery industry (e.g., 2<sup>nd</sup> quarter typically strong, vs. 3<sup>rd</sup> quarter typically weak). We are doing well with respect to cash when looked at year over year.
  - f. Current portion of loans: This is higher this quarter than last quarter because of how the loans are aging: it's a function of what time of year the loans started.
  - g. Ratios: Our EBITDAP is very strong, indicating that this is a strong business, generating good cash flow and getting good margins. However, with a debt-to-equity ratio of 5.13 to 1, we are highly leveraged. In short, we have a healthy co-op and healthy business, but a lot of debt.
  - h. The motion carried unanimously.
8. **Exploratory Conversation:** Jerelyn set the context: at the December retreat, as a thought exercise, the Board consolidated and streamlined our Ends. This conversation is meant to focus on what was most important to the founders, what was important to the shareholders in the '90s when policy governance was adopted and the Ends were identified, and where are we today. Discussion highlights:
- A. Purpose of Ends: They inform our GM's work by supporting and explaining decision-making. Example: when someone says "I don't understand why the Co-op carries anything with high fructose corn syrup", we can speak to our purpose of "providing broad community appeal". Note: Our current Ends overlap a lot; this affects how easily they can be monitored.
  - B. Historically: The focus has been on local and organic food, meeting member needs, promoting

education, environmental sustainability, health and nutrition, and financial viability. The Ends have not been significantly changed since they were first written (note: in 2013, End #3 was added).

- C. **What has changed:** Given that our competitors now carry local/organic/bulk items, what sets us apart? If we disappeared, what would be missed? How do I know this is a co-op and not Whole Foods or a Trader Joe's: what can I know about this local community by visiting this co-op?
- We are the place you go to find and try out new things that our competitors don't carry, including Fair Trade products and minimally packaged products. We also raise our shoppers' consciousness about different things we're doing.
  - Community engagement has come into a greater focus. This manifests in our educational signage and programs, in our support of new businesses learning how to bring products to market, in our return of thousands of dollars back to the community (via Bag-a-Bean, etc.), and in our broad product selection (to bring new shoppers into the Co-op). The retreat exercises generated very community-focused statements.
- D. **Community:** We have to be very explicit: who are we including in the definition of "community"? If this isn't defined, there is no accountability. We should also consider what we are NOT, and incorporate that as well. One example might be "we are anti-racist".
- E. **Heart vs Head:** Tristan (guest) observed a disconnect between what he is hearing and observing in this meeting (non-intellectual, emotions), versus how our current Ends are phrased (more analytical and "transactional"). *"I used to feel like if I left [town] and came back, I wasn't home until I stopped by the Co-op."* – Tristan. *"It's a place that I trust."* – Mary.
- F. **Next steps:** The Ends Task Force is charged with recommending whether or not to change the Ends. Given that there could be fallout from anticipated changes to our discount program, it's even more important to put front and center who we are, why we exist, and what our relationship is to the community.

## 9. Board Perpetuation:

### I. Board Monitoring Reports

- ii. Beth moved, and Skye seconded, to accept the Board's Monitoring Report for QIII 3 GM Job Contribution. Discussion: Nothing substantial. The motion carried unanimously.
- iii. Skye moved, and Beth seconded, to accept the Board's Monitoring Report for QIII 4 Monitoring Management Performance. Discussion: Nothing substantial. The motion carried unanimously.

### B. Committee Charter Approval

- iv. Policy and Bylaws charter: Jerelyn noted that the committee has developed a tool to track bylaw changes over time. Discussion, which occurred prior to a motion being made, focused on how to determine if the language of policies/bylaws is "inclusive". Adding "with the intention of being" to the third bullet point was suggested: "Is the language easily understandable and with the intention of being inclusive". Judy moved, and Grace seconded, to accept charter as amended (shown in underlined italics) in the discussion. The motion carried unanimously.
- v. Board Recruitment: Mary noted that the Board needs to recruit outside its normal sphere to ensure it doesn't become an inner circle. We need a diversity statement. Mary moved, and Judy seconded, to accept the charter presented in the Board packet. The motion carried unanimously.
- vi. Shareholder Engagement: Judy stated that the committee's charter needs to change this year based on the Board's needs, which have evolved since last year's focus on the Annual Meeting. A draft charter will be presented for Board approval at the March meeting.

- vii. Ends Task Force: As a reminder, the Task Force is not working on proposed new Ends policy language – just on whether or not the policies should be modified. They will make a recommendation at the June meeting. Mary moved, and Beth seconded, to accept the charge as presented in the Board packet. The motion carried unanimously.

#### C. Reminders

- Jerelyn stated that going forward, FFT articles will be due a few days earlier than previously stated, in order to allow for edits to be made. Due dates are shown on the Board's website, on the front page, in the calendar section.
  - The March 21 NFCA Annual Meeting is an opportunity to meet other co-ops' board/staff; Jerelyn will follow up with an email to Board members with details.
  - Open Seat Discussion: Board members shared their efforts to identify individuals to appoint to fill the remainder of Anna's seat. Guest Tristan Roberts expressed interest. He stated that his experience with the Co-op and the challenges it facing as a business is meaningful and tangible to him, while what he sees reported out from the Board about policies and bylaws is very abstract. Since the Board is interested in appointing a staff member to fill the seat, it was agreed that the opportunity should be highlighted in The Beet.
10. **What Would You Tell a Shareholder:** Board members shared what they would tell a shareholder about this meeting.
  11. **Executive Session:** At 8:19 pm, Beth moved, and Denise seconded, to go into Executive Session for the purpose of discussing whether and how to fill the Board vacancy occasioned by the resignation of Anna Edson. Present during Executive Session: all Board members and Sabine Rhyne. At 8:29 pm Judy moved, and Grace seconded, to come out of Executive Session.
  12. **Next Steps Related to Filling the Vacant Seat:** Beth and Mary will meet with Tristan. The Beet will include an announcement that the Board seeks interested staff to serve the remainder of Anna's term. The deadline for candidate interviews and materials is February 28.

The meeting was adjourned at 8:37 pm

Sarah Brennan, Board Administrator