

Onion River Cooperative - Board of Directors Meeting
City Market Community Room, Downtown Store, Burlington VT
Monday, February 18th, 2019

| Time | Topic | Action/Result | Presenter |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------|
| 5:30-6:00 | Gather: eat and chat | Eat, connect, enjoy | All |
| 6:00-6:10 | Preliminaries: Review agenda Review minutes (1) Review action items (1) | Decide (a) | Faye |
| 6:10-6:15 | Open Member time | Members bring topics to the board's attention | Members |
| 6:15-6:25 | Elect officers | Decide (b) | Faye |
| 6:25-7:05 | Board Perpetuation Committee (2,3) Review Board Member job description draft (20 min) Review Board Education Committee Charter draft (20 min) | Discuss, decide (c) | Julia, Jim |
| 7:05-7:15 | Half-time stretch | Rejuvenation | All |
| 7:15-7:35 | GM reporting (4, 5) Monthly GM update B6: Emergency General Manager Succession | Learn, monitor, decide (d) | John |
| 7:35-8:00 | Board & GM responsibilities re: public policy (6,7) | Discuss, decide | Faye |
| 8:00-8:10 | Report back from NOFA-VT Winter Conference | Learn, discuss (e) | Leah, Joanna, Charles, Eric, Sarah |
| 8:10-8:20 | CCMA: Show of interest in going | Learn, discuss | Faye |
| 8:20-8:25 | Open Board Time | Board members bring topics to the Board's attention | All |
| 8:25-8:30 | Future planning Open member time follow-up, if any Review calendar | Decide | Faye |
| 8:30-8:35 | Wrap up Action items, meeting evaluation Transition to executive session | Assess | All |
| 8:35-9:00 | Executive Session (if needed) | Learn | John |
| 9:00 | Adjourn | | |

Attachments

1. Draft of last month's minutes and action items
2. Draft job description for Board Members (this will be sent via email on 2/13)
3. Draft charter for Board Education Committee (this will be sent via email on 2/13)

4. GM Monthly Update
5. GM Monitoring Report: B6: Emergency General Manager Succession
6. Proposed B5 policy
7. Memo from John about how he would interpret new language in B5 policy (this will be sent via email on 2/13)

Meeting preparation

- a) Read the minutes and note any questions/corrections.
- b) Consider if you would like to run for a Board Officer role and come prepared to vote on Board Officers.
- c) Review the draft job description and draft committee charter from the Board Perpetuation Committee and come prepared to discuss, and decide, if possible.
- d) Read the monthly GM update, note comments and questions, and come ready to discuss. Read the B6 Report, note comments and questions, come ready to monitor.
- e) If you attended the NOFA-VT Winter Conference, please come prepared to share a top take-away from your experience.

President's Note:

Dear Board,

Thank you for your flexibility this year, as this meeting is one of a few on the calendar for 2019 that we are adjusting around holidays and availability. We will kick off our meeting with Officer elections. Many thanks to those of you who have served with me as a Board Officer over the past year, and to all those who are interested in taking on an Officer role this coming year!

This month we have a fair amount of time dedicated to our ongoing conversations on Board perpetuation and how we address the co-op's engagement in public policy. Our goal is to help Julia and Jim continue to move forward in their work as the Board Perpetuation Committee, and to make some decisions about our policies and understandings on how the Co-op engages in public policy. Because our February meeting is a week early, the two draft documents to review from the Board Perpetuation Committee as well as John's memo with his interpretation of the new language in the B5 policy will be sent separately on February 13th - the Wednesday before the meeting. Please take some time to carefully review and consider all of the related materials.

We will also take a few minutes to identify who on the Board is interested in attending CCMA, the annual national conference for food cooperatives. This year's conference will be held June 6-8 in Durham, NC, and has a theme of "Cooperative Tapestry: Fostering Democracy and Equity in our Communities". Check out the website for more information, at www.ccma.coop and be prepared to share if you are interested in attending. We will make our final decision in the March meeting.

Thank you for the thought and care you bring to our co-op!

Warmly,
Faye

Onion River Co-op/City Market

Board of Directors Meeting

January 28, 2019

Board Attendance:

Sarah Alexander, Board Member, Secretary
Eric Boehm, Board Member, Vice President
Faye Mack, Board Member, President
Allison Searson, Board Member
Joanna Grossman, Board Member
Jim Rudolph, Board Member
Julia Curry, Board Member
Leah Soderquist, Member, Board Member
Charles Baldrige, Board Member, Treasurer

Absent:

none

Also in attendance:

Michael Healy, Board Facilitator
John Tashiro, General Manager
Kim Nolan, Head of People and Culture
Claire Ross, Assistant Director of Operations - Purchasing
Allison Hope, Director of Community Engagement
Madelyn Cataford, Director of Finance
Carolyn Zeller, Member and Board Minutes-Taker
April Harkness, Hanover Co-op
Serrill Flash, Member
Jeannie Bartlett, Member
Wanda Hines, Member and Director of JUMP
Liz Blum, Hanover Co-op

A quorum was established and the meeting started at 6:00 PM.

Preliminaries

Review Agenda

The Agenda was accepted as written with no changes.

Review Minutes

The December 17, 2019 minutes were accepted as written.

Review Action Items

The Action Items list was reviewed and accepted with all 6 items removed. First time ever!

Open Member Time

Members and Board Members introduced themselves.

Wanda Hines offered Board Members some JUMP materials and discussed moving from City Market vouchers to City Market gift cards for JUMP clients.

Liz Blum, Hanover Co-op Board Vice President, and April Harkness, Hanover Co-op Member Outreach, thanked the Board for allowing them to visit. They noted they were creating a Diversity and Inclusion and Racial Equity committee and were seeking information on others' experiences and advice.

Michael Healy shared his gratitude and memories of two Co-op-related people that have passed away recently. Mike Rogers was a City Market Board Member and Board Chair. Bill Gessner supported and advised Co-op Boards all over the country. Allison Hope also shared that Co-op partner, Enid Wonnacott, Executive Director of NOFA-VT for over 30 years, also passed away last month.

Review Board Member Code of Conduct

Faye asked Board Members to please review the code of conduct and return completed forms to John. Board Members discussed their potential conflicts.

Report Back from Recent Trainings

Faye and Leah shared very positive feedback from recent CDS Consulting Co-op trainings and encouraged others to attend as applicable.

Board Monitoring

Review BOD Officer roles & declaration of interest

Faye reminded Board Members that the Board votes on its slate of officers at the February Board meeting. The Board asked clarifying questions and shared their interests. Faye interested in continuing as Board President. Sarah is happy to continue or have someone else share interest in the position of Secretary. Eric is interested in remaining Vice President and Charles is interested in remaining Treasurer. Allison is interested in Treasurer or Secretary.

Board Self-monitoring

D10: Community Service Award

Joanna presented D10 to the Board and reported the Board is in compliance.

Board Perpetuation Committee Update

Julia and Jim shared a document titled "Board Perpetuation Committee Update and Proposals" that was emailed to Board Members prior to the meeting. They shared that the goal of the Committee is to improve the process to ensure great candidates and improve Member voting in Board elections. The Board reviewed the document, had discussion and asked clarifying questions.

Discussion included but was not limited to improving mentorship to new members, feedback on including resumes which tend to skew towards professional work, re-writing application questions and posting the answers to questions would be preferable when comparing candidates. Jim and Julia will share a draft Board Member job description at the February Board meeting.

GM Reporting

Monthly GM Update

John presented his report to the Board. Highlights included, but were not limited to:

- December exceeded budget in both stores by \$120 and \$240k. We're on schedule for January and future months.
- We've continued to review and coordinate requests for a variety of products and product parity between stores with success.
- John mentioned that Monday and Tuesday the South End store had water main issues and he is working with the city on best practices to prevent and respond.

The Board asked clarifying questions.

B4: Financial Condition

John presented the B4 report to the Board. The Board asked clarifying questions. Faye asked about Membership decline. The Board accepted the report as demonstrating compliance with the policy, including the noncompliance noted in B4.10 with expectation of further plan and analysis next month.

Vision 2025 Charter Draft review

Faye shared appreciation for the detailed charter draft. The Board asked clarifying questions and discussed the document.

Summary of Bank Resolution

The Board reviewed and unanimously approved the resolution as presented and written to re-appoint John Tashiro and appoint Madelyn Cataford, Kim Nolan and Eric Pierce as authorized representatives to act on behalf of City Market in all matters relative to our cash management including but not limited to bank accounts, credit cards and loans. The resolution also removes Tim George, former Director of Finance, from these accounts.

Review Draft of Board & GM Responsibilities on Public Policy

Faye presented a proposal of a spectrum of responsibilities of engaging with public policy with goals of creating clarity and shared expectations. Board members discussed the draft and asked clarifying questions. Most Board members seem to prefer an option somewhere options 2 and 3, wanting to be informed in a timely manner but also being understanding of time and work constraints, and supportive about being proactive to make a decision about this policy. Faye will work on some draft language to share back with the Board.

Open Board Time

Board members shared thanks for everyone who spent extra time and effort on Board projects this past month. Faye expressed gratitude from Hunger Free Vermont staff to Vermont retailers, including City Market, for quickly sharing information about early SNAP benefit disbursements related to the government shutdown. Julia expressed excitement about collaboration with VSECU and other cooperatives, in light of the recent co-op gathering she attended. Charles enjoyed seeing cooperative awareness and celebration in his trip to New Zealand. John reflected on the fact that Monday after a huge snowstorm both stores were open and running to support and serve the community.

Future Planning

Open Member Time Response

Faye responded to Wanda that the Board needs to review her request and will respond after that.

Confirm Meeting Date Changes

John confirmed that the dates on the Board calendar are the updated meeting dates.

Confirm NOFA Conference Attendance

Board members confirmed that they are still planning to attend as noted via email.

Review Board Calendar

The Board reviewed the calendar.

Wrap Up

It was great to have folks from Hanover and Board members would like to follow up with them.

Executive Session

The Board transitioned into Executive Session at 8:47 PM to ask questions about the B4: Financial Condition, receive an update regarding the P&S Agreement, and be informed on personnel communications and legal matters.

The Board came out of Executive Session at 8:58 PM.

Adjourn

The Board adjourned at 8:58 PM.

Action Items

Jim and Julia will draft a Board job description and share at the February Board meeting.

Faye and Eric and John will present updated language for Public Policy at the February Board meeting.

John will share Membership analysis feedback at the February or March Board meeting.

General Manager's Monthly Report (in Support of the B-5 Policy)

February 18th 2019

In Policy B5.1, the Board asks that the GM "make the Board aware of relevant trends, public events of the organization, or internal and external changes which affect the assumptions upon which Board policy has previously been submitted."

What's Happening

It has been 14 months since we opened the South End store and are continuing to make good progress with increasing our operational efficiencies as a multi-store format and entering our eighth month into our FY19 year. Our 2nd quarter sales as well as January sales performances have exceeded our budget forecasts and we are continuing to make up a significant amount of the sales shortfall from 1st quarter.

- At the end of January 2019, our employee count was 329 compared to 322 last year.
- The revised New Employee Orientation (NEO) trainings are coordinated for content and now being coordinated by speaker availability for the increased number of NEO sessions being offered.
- With January sales exceeding budget targets and the first week in February continuing to look positive, we remain optimistic with reaching our annual sales goal.
- As noted last month, the HR team has been working to re-ignite a diversity committee. There was push back from the Union regarding the application process and as a result, an enriching conversation took place between their executive committee and our HR team. Our intention is to bring a more collaborative approach to looking at inclusion, exchanging accusation for appreciative inquiry. The application submission period was extended by two weeks.
- The Prepared Foods departments at both stores are working to implement a catering software platform, called TripleSeat, which automates much of the manual, error-prone and excel-based activities currently being used to manage our catering programs. The new platform will simultaneously allow us to scale up our catering efforts while improving the ease and customer experience for those that use those services.
- Michael Clauss, Executive Chef, has completed HACCP (Hazard Analysis and Critical Control Points) Certification, which is an international standard for the control of food safety. It is of interest to us for many reasons, particularly as we look to increase the amount of prepared foods we prepare and share between our two stores.
- Congressman Welch held a cbd/hemp roundtable conversation in our South End Community Room in late January which included City Market staff. The group discussed opportunities and challenges in these industries.
- Our annual We "Heart" Local Food Recipe Contest runs January 28th - February 11th this year and features sweet potatoes. Visit our website: <https://www.citymarket.coop/we-heart-local-food> to find more details. As of Monday, February 4th we had 19 entries with one week to go!
- Our month-long Member Drive started on February 1 with in-store signage, radio ads, tabling throughout the month, a free large Bee's Wrap for all new Members and a raffle for City Market gift cards at the end of February for all active Members.
- Our fourth annual Cheese Brackets start in March – we start with 16 local cheeses and "grate" that list down through a popular online survey. The top 8 are featured in in-store tastings and customers help decide the winner! In 2018, the Vermont Cheese Champion was Briebe from Barn First Creamery.

South End (SE)

- Along with the very frigid temperatures of January came a number of water main breaks throughout the neighborhoods in proximity to the SE store, including two in just a two day span. Operations were briefly impacted in each event, the first resulting in low water pressure throughout the store and the closing of our employee restrooms, but no impact to food service, and the second shut off water to the store entirely for approximately an hour.
- With the warmer days in early February, combined with freezing nights, we experienced a number of water leaks coming from our roof, all of which resulted in repair/patching of the roof membrane.

Downtown (DT)

- In preparation for the upcoming budgeting process, the work to create a comprehensive, 10-year infrastructure assessment and capital plan, has been completed by Operations and presented to the Executive Team, as well as Director of Finance.

Finance:

- Monthly sales for January were \$4,389,897, an increase of 5.2% over 2018 and 7.2% above budget
 - Downtown at \$2,827,314, a decrease of 32.2% over 2018 and 3.4% above budget
 - Average daily sale was \$91,204 compared to \$93,556 in 2018
 - Average Member basket size was \$29.56, non-Member basket size was \$19.97
 - Average daily register transactions were 3,625, a decrease of 0.1% over 2018
 - South End at \$1,562,583, an increase of 22.8% over 2018 and 14.52% above budget
 - Average daily sale was \$50,406 compared to \$41,047 in 2018
 - Average Member basket size was \$39.91, non-Member basket size was \$23.84

- Average daily register transactions were 1,505, an increase of 23% over 2018

Rally for Change:

- January results yielded total donations of \$19,808
 - 10% Partner: Howard Center Street Outreach Team \$1,980
 - 40% Partner: Co-op Seedling Grants \$7,924
 - 50% Partner (constant): Chittenden Emergency Food Shelf \$9,094

In addition CEFS received the following: \$394 in cash, \$5,300 in product donation, the Co-op's quarterly donation of \$1,250
Total with Rally = \$16,848

Local Food:

- Local Food sales for January were \$1,698,383, an increase of 8.9% over 2018
 - Downtown at \$1,092,258, a decrease of 0.5% over 2018
 - South End at \$606,125, an increase of 31.2% over 2018
- Percentage of local sales compared to store sales at 38.8.1% vs 37.4% in 2018
 - Downtown was 38.7% vs. 37.7% in 2018
 - South End was 38.9% vs. 36.4% in 2018

Organic and Fairly Traded Products

- Organic produce sales for January were \$480,097, an increase of 7.0% over 2018
 - Downtown at \$283,243, a decrease of 5.2% over 2018
 - South End at \$196,854, an increase of 20.4% over 2018
- Organic produce represents 70% of total produce sales
 - Downtown at 66.9%
 - South End at 74.9%
- 407 fairly traded products sold, an increase of 14% over 2018
 - Downtown at 342
 - South End at 340

Co-op Membership:

- Member sales in January were at 67.5% (\$2,961,449) of store sales
 - Downtown at 63.5% compared to 70.1% in 2018
 - South End at 74.5% compared to 72.4% in 2018
- Membership at 12,888 is down from 13,335 in 2018, a decrease of 3.4%
 - New members originating in the Downtown at 80 and South End at 64
 - Partially Capitalized Membership reached 9,684 compared to 10,330 in 2018
 - Fully Capitalized Membership reached 2,299 compared to 2,171 in 2018
 - Non-shareholding Membership totaled 905 compared to 834 in 2018
 - Employee Membership for January was 47% compared to 60% in 2018
- Member Worker hours totaled 1,055 in January compared to 1,145 in 2018
- Of all Member Worker hours, 88.8% were performed in the community compared to 91.8% in 2018

Food for All

- FFA sales were \$201,924 in January compared to \$169,421 in 2018, an increase of 19.1%
- Membership in FFA was 1,121 in January compared to 1,121 in 2018

3Squares/WIC

- 3SquaresVT/WIC sales were \$86,920 in January compared to \$71,202 in 2018, an increase of 22.1%

Member Loan Campaign

- Having received approval from the Department of Financial Regulations (DFR) for the Second Loan Offering, the Co-op is moving forward to seek the completion of new paperwork and collect the remaining loan amounts to finally complete the process.

75 Briggs Street Parcel

- The Co-op and Petra Cliffs have planned to have the closing of their P & S agreement within February.

E-Commerce

- As part of developing the long term approach and plans with Rosie, the Co-op connected with Concord Food Co-op to understand why they decided to conclude and close down their e-commerce initiative with Rosie. In addition, we are reaching out to other co-ops about the impact and performance of their e-commerce initiatives recognizing the service benefits and relevance between pick up compared to delivery
- While we had looked at the possibility with using a different service platform offered by Rosie for catering orders, we concluded that it would be better to pilot another platform eg TripleSeat for operational ease and investment costs.

General Managers Monitoring Report
Prepared by: John Tashiro
February 18, 2019

Policy Type: Executive Limitations
Policy Title: B6 – Emergency General Manager Succession
Adopted: (before 12-03)
Last Revised: March 24, 2008

The GM reports some non-compliance with parts of this policy. All data is for the reporting period covering the past 12 months, February 1, 2018 through January 31, 2019.

B6. In order to protect the Board from sudden loss of GM services, the General Manager will have one or more other managers sufficiently familiar with the Board and GM issues and processes to enable either to take over with reasonable proficiency as an interim successor.

GM Interpretation: This policy addresses the potential situation in which the GM is unavailable to work due to an unintended absence so that GM/Board functionality continues. As such, the GM is to designate an interim successor and to craft and execute an appropriate training program.

Operational Definitions:

- 1) The GM will identify an interim successor and a secondary interim successor from within the Executive Team and communicate those names to the Board and staff.
- 2) The interim successors shall be active Board meeting participants throughout the year so as to be reasonably proficient and current in the Board/GM activities.
 - a) The interim successors shall attend at least two Board meetings and review each monthly Board packet in the reporting period.
 - b) The GM will provide training for the interim successors with the Board Consultant on basic GM/Board functionality.

Data:

1. For the reporting period, Kim Nolan, Head of People and Culture, served the role of interim successor and Eric Pierce, Head of Organizational Operations, served the role of secondary GM successor. Both Ms. Nolan and Mr. Pierce are members of the Co-op's Executive Team. As members of the Executive Team both individuals are involved in the Business Plan, financial performance and strategic direction of the Co-op. The roles of interim successor and secondary interim successor were communicated to the Board in February 2018. The Co-op's organization chart reflected these roles for both Ms. Nolan and Mr. Pierce..
2. Ms. Nolan and Mr. Pierce were both active Board meeting participants throughout the year and are deemed proficient and current in the Board/GM activities.
 - Ms. Nolan attended 3 meetings, 2 Board retreats, and reviewed and contributed to all Board packets throughout the reporting period.
 - Mr. Pierce attended 2 meetings, 2 Board retreats, and reviewed and contributed to all Board packets throughout the reporting period.
 - Both Ms. Nolan and Mr. Pierce had received training from the Board Consultant on basic GM/Board functionality.

B6.1. The GM shall not fail to notify the Board should a change in the emergency succession plan occur.

GM Interpretation/Operational Definitions:

- The GM notifies the Board immediately of any unexpected change in either of the interim successor designation.

Data:

- Effective February 18, 2019, the GM will notify the Board of a change in the primary or secondary designated interim successor to report to the Board President.
- There are no changes in the emergency succession plan for the reporting period covering the past 12 months.

Policy Type: Executive Limitations
Policy Title: B5 – Communication and Counsel to the Board
Adopted: (before 12/2003)
Last Adopted: Proposed 02/18/2019

With respect to providing information and counsel to the Board, the General Manager (GM) may not cause or allow the Board to be uninformed or misinformed.

Accordingly, the GM may not fail to:

1. Make the Board aware of relevant trends, public events of the organization, actual or potential actions and decisions related to public policy, or internal and external changes which affect the assumptions upon which Board policy has previously been submitted.
2. Keep the Board informed about all relevant financial, legal, and operational issues.
3. Submit timely, accurate, and understandable monitoring data required by Board policy under “Monitoring Management Performance.” Content of monitoring reports shall include the following:
 - a. Policy criteria repeated in the report.
 - b. An explanation of the GM’s interpretation of the policy.
 - c. Data that address the policy criteria.
 - d. Data should focus on results rather than activities, and should demonstrate whether actual situation is a reasonable interpretation of policy.
 - e. No excessive information.
 - f. An explanation and a plan to move toward compliance, if the report indicates an out-of-compliance situation.

