

Los Alamos Co-op Board Meeting Wednesday, 25 September 2019

Agenda item 1. Welcome and Introductions Call to order 6:05 PM

Board members in attendance: Joshua Faulconer (President), David Hampton (Vice-president), Robi Mulford (Secretary), Steve Snapp (Treasurer), Jeff Jansen, Marshall Jansen Jaimé Barber, and Laila Badran
Also present: Jim Fischer (General Manager) and Ed Santiago (Member-owner)

Agenda item 2. Agenda Review

Agenda amended to include a section on “Competitive Immunization” after Item 11.
Agenda approved as amended 7:0 (one absentee)

Agenda item 3. Review of August Meeting Minutes

August minutes approved 7:0 (one absentee)

Agenda item 4. Review Minutes of Special July Meeting to Vote on New GM

Minutes amended to include Steve Snapp, who was present but is not listed.
Minutes approved as amended 8:0
A copy of the minutes of the Special July Meeting is signed by every board member, to provide a copy for use by the bank in adding Jim to the accounts.

Agenda item 5. Open Member/owner time and comments

Member/owners ask for information regarding the investor letter. Steve summarizes the content of the investor letter and says the investor meeting will be included in the November board meeting. The delay in issuance of the letter was a consequence of the delay in receiving financials for Q2. Further discussion of the investor letter is after Agenda Item 8, below.

Agenda item 6. GM Reporting

Jim reports that morale is high.

There is no replacement for the grocery department manager, and the assistant has resigned. Consequently Jim is filling in as the Grocery Manager. He may take on part-time staff to help with stocking the shelves. The board feels that the workload may impede execution of the GM duties, but Jim feels he can do both. The initial search for a new Grocery Manager will be within the current employee pool.

The job fair at Oke Owenge produced some potential staff for the Front End.

The Meat and Cheese department has had some increases and decreases in staff. Lis will have the opportunity to make a hire, in order to have some help. The store is bringing in Thousand Hills.

Deli has put out some new dishes. The webpage advertisements for the daily lunch offerings are beautiful and useful.

Produce had a chile shortage, but Jim was able to obtain many sacks locally and fill the gap.

Front End has had some turnover. A “Manager in Charge” will be established. Whoever is running the Front End will be the Manager in Charge, to provide a point of contact, an immediate decision-making capability, and an in-store manager at all times.

An incident occurred in which a customer threatened another customer. Jim calmed the situation and obtained a police presence for a few minutes. The aggressor understands that better behavior is required, and that another outburst will result in a directive to have her banned from the store.

Jim attended a GM conference in Minneapolis which provided numerous contacts and benefits.

Sales dropped 10% from the previous high values (from 90828 and 88864 to 79990, with hash) and reached a value 4% below last year’s take for the same week. This may be due to the end of peach season and the last of the green chile. It is possible that the ongoing construction on the front hill road, and associated tailbacks and wait times, are discouraging customers. The decrease in income is making Jim hesitant to add staff. Cash is at 69K, with the anticipated number increasing by about 11K after bills are paid. [Note in preparation: 84236 with hash as of Sept 29 85778 with hash as of October 6]

Steve suggests that the board establish a set of financial metrics for inclusion in the Weekly Dashboard. The new metrics will reflect a set of financial goals, which the board should establish. Improved metrics will enable detection of abnormalities promptly. The “Weekly Dashboard Definition” is added to the agenda for the annual retreat, which takes the place of the next board meeting. Some suggestions for other elements of the Dashboard included new hire announcements and notice of incidents at the store.

The board discusses the need for a new Grocery Manager. We can view Jim’s dual duty as GM and Grocery Manager as a variation in the previous model for staffing, in which the GM job is skewed toward grocery operations. The weakness in this model is that in case of a GM transition, we lose corporate knowledge in both the GM and Grocery Manager roles. Jim can manage grocery, but he needs stockers and other labor. The board recommends that Jim take trainee staff on buying trips, and show them how he operates, so they can begin to learn the skills of buying, timing, and negotiation. Mentoring a new Grocery Manager is a slow process.

A new Point of Service system called Catapult is being considered.

Agenda item 7. Staff Auxiliary Board Member Reporting

At present there is no Staff Auxiliary board member. Jesse Samdahl will locate a new Staff Auxiliary board member among the staff.

We accept the suggestion to increase the term of the Staff Auxiliary board member to 6 months. The quarterly term was established to increase board-staff interactions and expose a larger fraction of the staff to the board, but it is too short for the Staff Auxiliary to learn how the board works, or to make any contribution.

Agenda item 8. X2 – Staff Treatment

The Staff Survey was completed, and we received results from Sarah Dahl on the afternoon of September 22. Few board members were prepared to discuss them. Key elements included inadequate address of sexual harassment concerns, and a sense that staff has difficulty being heard by management.

Inviting Sarah Dahl to present and explain the results in a teleconference costs \$125. The board takes the decision to ask Sarah to make a presentation, at 8:30 preceding the 9:00 start of the retreat on the 19th of October.

Approval of X2 is postponed to a later meeting, since X2 is still unavailable.

Agenda items noted, no scheduled October board meeting

We discuss a possible additional board meeting on 23 October, but decide to include the accumulating overdue agenda items in the retreat:

- Hear Sarah Dahl present the results of the Staff Survey
- Discuss the investor letter
- Brainstorm Dashboard elements and goals

The Investor Letter

Steve summarizes the investor status letter. We sent an initial letter to confirm that every investor could be contacted. Jim has the spreadsheet of investor contact information. There is a letter drafted that summarizes the financial position of the Co-op and the decision not to commence paying on the loans. We will invite investors to the November meeting. The November agenda will include about an hour for Steve et.al. to make their presentation to the investors. “The numbers are what they are.”

Agenda item 9. X3 – Financial Conditions for Q2

X3 is not complete. Michelle, the accountant, has been too busy to complete preparation of X3, and has been absent on family business.

Steve, Dave, Michelle, and Jim will have a separate meeting to

- a. draw a boundary under the last set of reliable financials
- b. identify “holes,” i.e. tasks complete and incomplete
- c. define the scope, role, and duties of an assistant for Michelle

Michelle had discussed hiring an assistant, Gloria (Graham? Gramm?) but did not do so because the expenditure (\$25/hour) was not approved. [note in preparation, assistant has been hired.]

An independent audit is discussed. First, we will hear Steve and the committee’s evaluation of the current deficiencies and uncertainties. With the scope of the problem in hand, we can recommend that the GM take a decision to offer a contract to a second accountant to correct and complete financials for the first and second quarters. This contract may be drawn with Gloria, with another independent accountant, with an agency, or with a remote resource, as determined in conversation with the committee and the board. Timing and staffing of an audit received no further discussion, pending receipt of further information on the problem.

The board will expect a detailed financial report monthly. The numbers need to be exact, and updated monthly. Concrete and complete financial reporting provides a snapshot of a well-defined financial condition at the GM transition.

The board will receive a summary from Steve and the committee, and determine a path forward.

X3 is not available, and consequently no decision is taken to approve X3.

Agenda item 10. X7 – Executive Succession

Chris Laino and Lis Sterns are prepared to take over the GM position in an emergency. They are willing to serve in this role. Lis was acting GM last week, in Jim's absence.

X-7 requires submission of a written report to the board, addressing the requirements set forth in the Governance Policy. Jim will prepare a written report.

Without a written report, X-7 cannot be approved.

Agenda item 11. Retreat Committee to organize retreat and set agenda with Todd

Marshall announces the retreat, 9-4 on Saturday 19 October at Project Y (as available.) The presentation from Sarah Dahl will precede the retreat, 8:30-9.

Todd is preparing an agenda, to which we should add:

- Dashboard elements and
- an improved framework for Jim's communication to us.

and may add the additional agenda items:

- enacting new bylaws to define [Marshall's] responsibility to recuse himself in case of a conflict of interest, since he has relatives who are staff
- Amending the bylaws to define employee eligibility to join the board
- Growth options
- addressing competition
- "competitive immunization" (vide infra)

Todd will stay at the Holiday Inn near the Coop. Marshall collects dietary requirements and menu suggestions to convey to Chris.

Agenda item 11a. "Competitive Immunization," New Initiatives in Outreach Department

A social media plan modelled after Seth Godin's book "Tribe" is being piloted. Steve and Kate are developing this plan, with input from Dave and Robi.

Kate will produce 1 or 2 videos weekly, currently modelled on the "Staff Pick" theme, which shows a staff member advertising a favorite product, and includes some personal tidbits introducing that staff member. The first video, Chandler showing off the peaches, is out on Facebook and looks good. Farm visits may provide a second theme for future videos.

The strategic value of this campaign is to increase the population of the Co-op “Tribe” by recruiting new members as Co-op enthusiasts. The Tribe should extend well beyond the membership.

Kate wants her own camera to prepare these videos. (She is currently using Steve’s camera.)

A weekly newsletter is planned. The newsletter will be distributed to subscribers, a broader community than Members. The newsletter content will be aligned with the Staff Picks and other elements of the media campaign.

A food truck to provide an in-town presence is discussed. The truck would provide outreach playing to the strengths of the Co-op. The truck would also alleviate the overhead incurred in packing and unpacking for events such as the Friday concerts. The truck would have deli items and might also include a small selection of grocery items.

The economic advantages of the truck are evident, but there would be an additional staffing cost, in deli food preparation and in manning the truck. The board recommends that Jim task Chris with developing a business plan and specifying requirements. Jeff has a contact in Santa Fe that builds and outfits custom food trucks.

Food Truck locations might include Trinity on the Hill, which has ample seating and is amenable to hosting a food truck or cart. The food truck would provide opportunities for people at the hospital to buy Co-op food, and well as serving HRL and some customers from the main tech area at TA-3. A location near Barranca Mesa and North Mesa would also be a convenience to the community.

Agenda item 12. Other Business

The next board meeting is the Retreat on 19 October. No meeting is planned on 23 October.

Monthly GM/Board meetings: Robi Mulford is scheduled for October 9.

Marshall Jansen submitted minutes from his meeting on September 11.

Laila Badran is scheduled for November 13.

Adjourn 8:04 PM Approved 8:0

No executive session is held.