

Common Ground Food Co-op  
 Board Meeting Minutes  
 February 8, 2016  
 6:15 pm to 8:15 pm  
 Lincoln Square Conference Center, Room 154D

Present: Jodi Anderson, Magdalena Casper-Shipp, Megan Gillette, Halie Kastl, Todd Sweet, Colleen Wagner, Julie Zilles

Absent: Charles Delman, Martha Mills

Others Present: Satina Braswell, General Manager; Phyllis Bruno, Finance Manager; Jessica Rasmussen, Gray Sutton, Jeffrey Chandler, Minute Taker

<b>Proceedings</b>	
<b>Meeting called to order</b>	At 6:15 pm by Julie Zilles
<b>1. Preliminaries</b>	<ul style="list-style-type: none"> <li>• <b>Guests/Owners</b>            Satina Braswell (General Manager)            Phyllis Bruno (Finance Manager)            Jessica Rasmussen (Staff)            Gray Sutton (Staff)</li> <li>• <b>Public Comment</b>            None</li> <li>• <b>Agenda Amendments</b>            None</li> </ul>
<b>2. Board Study</b>	<p><b>A. Board Study</b></p> <p><b>Operational Updates</b></p> <p>Satina Braswell noted the EL B1 report submitted prior to the meeting, noting the issues with sales growth. She reported that representatives from NCG will be visiting to check in and to discuss sales growth. Satina reports there is a trend of decreasing sales growth throughout the central corridor, basically excluding the coasts. It appears that competition is also a related trend. This can be linked to large big box and chain retailers, like Meijer for example, expanding their organic food offerings therefore the central corridor is experiencing more competition, whereas the coasts have adapted to their long-standing competitive market. Satina notes that sales did go down around the holidays but they have bounced back, and the staff still reports being busy.</p>

There was discussion regarding average basket size, and a changing in the demographic of our customers. The more diverse customer base is a positive transition, but that trend potentially points to a decrease in sales from regular and long-standing customers. Satina also notes the Food for All program has been promoted and used heavily as well, which tend to be items with a lower margin. There was discussion regarding a recent SKU reduction, and it was determined the decrease is not only grocery department items, where the SKU reduction had the most impact, but store wide as well.

Satina has hired the Illinois Business Consulting group to conduct a study regarding competition from our existing big box competitors. The study would include price matching comparisons and an analysis of trends in the decrease of our sales growth. They will meet this coming Friday and should have results throughout the study but with final reporting by the end of Quarter 1. Satina expects the sales growth figures to better in Quarter 2 as they implement changes based on the study, as well as a re-evaluation of pricing for prepackaged foods. There was additional discussion regarding trends in sales growth over past years and ability to track more customer data.

Satina clarified additional figures in the report noting the debt-to-equity ratio is based on a co-op model rather than a conventional model, and that the expansion expenses are reflected within the budget but will be attributed to the correct budget when the expansion proceeds.

Satina reported she is currently reviewing response from the staff survey regarding the expansion and operational readiness. Trends in responses note recent turnover, training procedures, communication, development opportunities, cross-training,

	<p>fundraising concerns and a better breakroom. Satina is developing a timeline to address these concerns and will share with the board.</p> <p>Satina reported she has had conversations with Wade Franklin, of Lincoln Square, regarding the repair of the freight elevator, bathroom availability and potential for additional space if other tenants move locations. She and the staff are also working on promotions for the store, such as savings to bring your own bag or pay with cash or check. She also noted Nicole, the store designer, along with Jacqueline Hannah and Maria Ludeke will be meeting with the whole staff in February, and also with the marketing staff to specifically address re-branding, store design and community engagement events and activities.</p> <p>Julie Zilles asked about the progress of the lease, Satina noted it is still being reviewed but will be sent to the board for review and approval by the March board meeting.</p>
<p><b>3. Consent Agenda</b></p>	<p><b>A. Public Minutes from January Meeting</b>  <b>B. Private Minutes from January Meeting</b>  <b>C. GM Operational Update (MORE)</b></p> <p><b>Action Taken</b>  The board unanimously approved the Consent Agenda.</p>
<p><b>4. GM Monitoring</b></p>	<p><b>A. EL B1 Financial Conditions and Activities</b>  The timeline for compliance was discussed. There was notation regarding quarterly versus annual reporting. Satina will provide additional data discussed earlier in the meeting in a revised report to be sent to the board.</p> <p><b>Action Taken</b>  The board unanimously voted to accept the report with acknowledgement of non-compliance with a request for monthly updates.</p>

<p><b>5. Public Expansion Update</b></p>	<p>Satina reported that they will continue to finalize the lease and prepare the operational readiness report.</p>
<p><b>6. Board Monitoring</b></p>	<p><b>A. BMR D1 Unity of Control</b></p> <p><b>Action Taken</b> The board accepted the report as in compliance.</p> <p><b>B. BMR D2 Accountability of GM</b> There was discussion and reminders regarding staff and board communication and inclusion of Satina on all emails.</p> <p><b>Action Taken</b> The board accepted the report as in compliance.</p> <p><b>C. BMR D3 Delegation to GM</b></p> <p><b>Action Taken</b> The board accepted the report as in compliance.</p> <p><b>D. Board Budget Update</b> Magdalena Casper-Shipp presented that the forecasted 2016 budget for the board will be decreased to the same as 2015. This may cause a reduction in the budget for the FinMOO or board outreach and development. She will reconfigure the budget and present in March.</p>
<p><b>7. Committee Reports</b></p>	<p><b>E. Board Development Committee</b> Magdalena Casper-Shipp discussed the logistics of the upcoming CCMA and proposed costs. She gauged interest in attending from the board members present or by contacting her directly. Todd Sweet added there is a Co-op Café scheduled in Madison, Wi if anyone is interested.</p> <p><b>F. Outreach Committee</b> Colleen Wagner reported continuing FinMOO planning, she will be meeting with Maria Ludeke and has made contact with the new owner outreach staff. She proposed April 23 in the mid-morning,</p>

	<p>though general response was an afternoon meeting might be better. Location was discussed. Colleen will continue to work with Satina, Maria, Magdalena and staff. Event promotion was also discussed. Colleen reviewed tabling alternatives, noting the first coffee with a board member will happen this month. Costs for coffee and supplies for these events were discussed.</p> <p><b>G. Policy Committee</b> Halie Kastl submitted the revised Emergency Vacancy Procedure prior to the meeting.</p> <p><b>Action Taken</b> The board approved the revised procedure as presented, Jodi Anderson abstained.</p> <p>Halie also reported that work is continuing on the procedure regarding casual employees serving as board members, as well as feedback received at the retreat.</p>
<p><b>8. GM Compensation</b></p>	<p><b>A. Proposal for Jun-Dec 2016</b> The board enters Executive Session, Phyllis Bruno, Jessica Rasmussen, and Gray Sutton leave the meeting. Satina stays with permission from the board.</p>
<p><b>EXECUTIVE SESSION OPENS</b></p>	
<p><b>GM Compensation continued</b></p>	<p>Julie opens the floor for the board to ask Satina any questions. With no questions, Satina leaves the meeting.</p> <p>Discussion about proposed GM compensation plan.</p>
<p><b>EXECUTIVE SESSION CLOSES</b></p>	
<p><b>GM Compensation continued</b></p>	<p>Satina rejoins the meeting.</p> <p><b>Action Taken</b> The board unanimously approves the proposal with the clarification of the dates and the vacation accrual rate.</p>
<p><b>9. Board Attendance</b></p>	<p><b>A. Statement</b></p>

	<p>Halie Kastl noted she did not submit a statement prior to the meeting as she wanted to take ample time to think about her decision. Halie notes personal issues that have affected her attendance lately, but she does still want to be involved and finds the Co-op to be very important.</p> <p>Halie and Satina leave the meeting.</p>
<b>EXECUTIVE SESSION OPENS</b>	
<b>Board Attendance continued</b>	<b>B. Executive Session</b> Discussion about board attendance policy.
<b>EXECUTIVE SESSION CLOSES</b>	
<b>Board Attendance continued</b>	<p><b>C. Complete Procedure</b></p> <p><b>Action Taken</b></p> <p>The board votes to accept the resignation of Halie Kastl as provided automatically by missing three meetings within 12 months.</p> <p>The board thanks Halie for her service and invites her continued participation in the Co-op, Julie notes she will be in contact regarding participation in the Democracy Project.</p> <p>Halie leaves the meeting.</p> <p>Julie notes a discussion about committee participation to occur in March to help distribute participation more evenly.</p>
<b>10. Democracy Project</b>	<b>A. Definition</b> Julie requests interest in serving on the working group for the Democracy Project. Magdalena and Colleen volunteer.
<b>Closing</b>	<p><b>A. Next meeting, March 14, 2016</b></p> <p><b>B. Outreach calendar assignments</b> The schedule for board tasks will be reviewed to fill vacancies.</p> <p><b>C. Other tasks and assignments</b></p> <p><b>D. Go around for comments</b></p>
<b>Meeting Adjourned</b>	At 8:35 pm by Julie Zilles

**TASKS TO BE COMPLETED**

<b>Who</b>	<b>Task</b>	<b>Due</b>
<b>Policy Committee</b>	Discuss and make recommendation to the board regarding casual employees serving on the board.	<b>March meeting</b>
<b>Treasurer</b>	Review and prepare 2016 board budget.	<b>March Meeting</b>