

Common Ground Food Co-op
 Board Meeting Minutes
 August 12th, 2019
 6:15 pm to 8:15 pm
 Urbana First United Methodist Church, 2nd floor Parlor – Urbana, Illinois

Present: Karen Carney, Magdalena Casper-Shipp, Charles Delman, Colin Dodson,
 Margaret Johnstone, Marissa Stewart, Julie Zilles

Absent: Evelyne Tardy

Others Present: Gary Taylor, GM
 Jeffrey Chandler, Minute Taker

Proceedings	
Meeting called to order	At 6:15 pm by Marissa Stewart
1. Preliminaries	<p>A. Guests/Owners</p> <p>Gary Taylor, GM</p> <p>Jeffrey Chandler, Minute Taker</p> <p>B. Public Comment</p> <p>None</p> <p>C. Agenda Amendments</p> <p>Discussion regarding attendance in October for board processes, Marissa Stewart clarified that a quorum of the board would be of the current board members, not the potential nine total members.</p>
2. Board Study	<p>A. Wegner Audit Report</p> <p>The board participated in a live call with Bruce Mayer and Kyle Schaff from Wegner's CPAs. They first reviewed the auditor's statement, noting a clean analysis of the financial statements, which is the highest review they can provide. They highlighted positive remarks on the current ratio, the debt-to-equity ratio, the statements of income (noting gross sales are up, which is better than the market trend), gross profit, personnel</p>

percentage, and net income before income tax. They concluded that the financial results are good for Common Ground Food Co-Op. They also provided a management letter, noting two significant deficiencies: 1) the bank reconciliations should be reviewed by co-op staff on a monthly basis, with that documented for future audits; and 2) credit card charges and expense reimbursements of the GM should be reviewed and documented by the board, either in the minutes or in with an email record. They also suggested other best practices, including a disaster recovery plan. Mayer and Schaff asked management to respond to this letter to the board for further review and discussion.

Julie Zilles asked whether the equipment, which is listed as not being documented, is the same equipment listed in the 2015 audit; the auditors noted that Gary Taylor provided whatever invoices he had available, so that number has decreased. Magdalena Casper-Shipp asked whether a similar recommendation regarding the GM's credit card was made in 2015, since the GM at that time decided not to have a credit card at all. The auditors recommended that any charges made by Gary should be submitted to the Treasurer or board for review. They also noted management was great to work with and the audit was a good experience this year. The call was concluded.

Charles Delman asked Gary if and how he would address their recommendations. Gary noted he and Lauren are working on the bank statement review process, and he is willing to comply with any credit card audits the board requests. The disaster

	<p>recovery recommendation is a larger project that can be addressed in the future as other projects conclude. An Accounting Best Practices document/project would also be a lofty undertaking. Marissa asked that Gary reply formally to the board by next month, so they board can discuss how they would like to proceed. There was additional discussion about credit card review processes and logistics.</p>
<p>3. Consent Agenda</p>	<p>A. Public Minutes from July Meeting B. GM Operational Update (MORe) C. Resignation of Charles Delman</p> <p>Action Taken</p> <p>The board unanimously approved the consent agenda as a whole.</p>
<p>4. GM Monitoring</p>	<p>A. Executive Limitation B1 – Financial Conditions</p> <p>Charles noted the sales have been stagnant the past few months. Gary concurred the momentum is down, adding that basket size is up but customer count is down. Gary further noted there are incentives and programs in the works to bring in more customers. Charles also noted an interpretation should be included for the policy regarding subsidiary corporations, or the policy should be removed as no interpretation has been offered in years.</p> <p>Julie noted inconsistency with the number of sections out of compliance, Gary specified three are out of compliance. Julie would also like to see the current ratio reported quarterly. She further noted some typos. There was discussion on how best to return to compliance for net income, to which Gary responded that payroll is up \$40,000 over the same</p>

	<p>quarter last year. In addition, the audit expense was larger than last year, as were legal expenses regarding personnel issues. He expects those issues to resolve themselves, except payroll which is being addressed. He hopes to return to compliance by Q3. Julie asked when sales growth should rebound, to which Gary detailed advertising, owner benefits, and pricing updates, with increasing customer count as top priority. Pricing updates are also crucial to prepare for an increasing minimum wage.</p> <p>The co-op is also targeting students and highlighting its “people’s choice” status in its marketing efforts, and is working on getting established with GrubHub. The board requested a revision to include discussion points in writing.</p> <p>Action Taken</p> <p>The board tabled the report for revisions due at the September meeting.</p>
<p>5. Committee Updates</p>	<p>B. Board Development Committee</p> <p>Magdalena reported that she and Margaret held a candidate information session, and only one candidate (Colin) attended. Marissa volunteered to review applications and alter for anonymity. The committee discussed an extension for applications, but agreed that the timeline would not allow enough time for the interview process. Todd Wallace is available any weekend in November for the board retreat. Margaret Johnstone noted she is using her personal information to log into the website, so a business or generic account should be set up so that the account can be passed down when she is no longer on the board. Colin and Margaret agreed to meet to set up a</p>

central account.

C. Owner Outreach Committee

Karen Carney noted the committee has not met.

D. Policy Committee

Charles reviewed policy changes as recommended by the committee in regards to board directors who are also employees: excluding the GM from serving on the board, defining conflicts of interest, and limiting officer roles that may be held by board directors who are also employees. He also noted the issues of staff treatment and providing access to board policies, and it was agreed that there needs to be further board discussion of these points. There was discussion regarding establishing and monitoring a safe and non-discriminatory customer, staff, and board experience, and whether that belongs in the policies or as a targeted project/discussion later. General consensus to table and focus discussion on antidiscrimination policies and board policy access at a future meeting.

Action Taken

The board approved the policy revisions as amended and discussed.

Julie asked about communication regarding the by-law amendment. Charles noted he will discuss it along with additional MOO information in his upcoming newsletter entry. The committee will provide language for Marketing as soon as possible to be distributed in the same way as newsletters, and will hold an information session prior to the next board meeting, as well as being prepared for questions at the upcoming tabling with

	<p>candidates.</p> <p>E. Visioning Working Group Karen reported thank you notes have been sent to working groups participants. The committee has met with local producers, and is planning information for the MOO.</p>
<p>6. Board Admin</p>	<p>A. Board Budget Update Magdalena reviewed the board budget this year so far, noting the audit as a big expense. Legal fees have not yet posted. Next year's budget to be presented next month.</p> <p>B. CBL 101 Session in Chicago Karen noted she is planning to attend this on Sep. 21 and is willing to drive board members or candidates. She offered to share details via email. Colin also expressed interest.</p> <p>C. Board Retreat Scheduling Magdalena is working on this event. Julie noted options regarding someone hosting Todd or putting him up in a hotel.</p>
<p>Executive Session Opens</p>	
<p>7. Personnel</p>	
<p>Executive Session Closes</p>	
<p>8. Closing</p>	<p>A. Next meeting September 9, 2019 B. Outreach calendar assignments Sept Tabling: Margaret & Julie Newsletter: Charles C. Other assignments Sept Study Session: Visioning D. Check-out The board thanked Charles for his service and contributions.</p>
<p>Meeting Adjourned</p>	<p>At 8:05 pm by Marissa Stewart</p>

