

Meeting of the Neighborhood Co-op Board of Directors
Tuesday, August 28, 2018 at the Neighborhood Co-op Community Room
1815 W. Main Street, Carbondale, IL 62901

On August 28, 2018, the Board of Directors of this corporation met in the community room of the Neighborhood Co-op. The business portion of this corporation began at 6:28pm.

1. Board members present: Lauren Bonner, Mary Avery, Margaret Anderson, Richard Thomas, Barbara James, Jak Tichenor, Kristy Bender, and Leslie Duram
 2. Board members absent: Susan Barry
 3. Officers present: Francis Murphy (General Manager), Richard Thomas (Chair), Kristy Bender (Vice-Chair) and Wendell Pohlman (Secretary)
 4. Officers absent: Susan Barry (Treasurer)
 5. Guests: Dr. Jane Cogie
 6. Since a majority of the Board members were present, a quorum was met.
- A. Introduction Facilitator – Trish Wright
1. Mission Statement - Margaret
 2. Assign Roles
 - a. Time keeper – Trish
 - b. Scribe - Jak
 3. Review Agenda
 - a. E.1 moved to Policy Development & Finance Committee report
 - b. C.1 – GM Report – Barbara has some questions – moved to New Business
 - c. C.3 – Financial Conditions – Quarterly – Barbara and Mary have questions – moved to New Business
 4. Previous Meeting Minutes - **Approved**
 5. Owner Comment Section – Dr. Jane Cogie - Sierra Club – Chair
 - a. Jane wanted to talk with the board about *Carbondale Community Solar Working Group*, a local group created because of Illinois' Future Energy Jobs Act that passed in Dec. 2016
 - i. They have been meeting to understand what the Act actually is and how it works.
 - ii. They met the 2nd and 4th Tuesday of each month if anyone is interested in more information
 - iii. A lottery system will help decide subscribers but prioritization will focus on small-scale subscribers.
 - iv. Ameren has signed on
 - v. Looking for land about 10-15 acres
 - vi. Galesburg, IL is doing a community array
 - vii. First Christian Church has theirs up and running.

- viii. They are looking for groups and individuals interested in subscribing, would the Neighborhood Coop be interested in being a subscriber?
 - ix. Two events are happening:
 - 1. Sept 7th at the Carbondale Civic Center
 - a. Reception at 5:30
 - b. Screening of Reinventing Power at 6:15pm
 - 2. Sept 8th *Unity March* – on the NE side of Carbondale from 11-3pm which is also linked up with the *People Climate Movement* which is having events across the country on the same day, and other groups
6. Distribution of Board Compensation

B. Committee Reports

Standing Committee

1. Policy Development & Finance Committee - *Richard*
 - a. They are going to start working on a Procedures manual
 - b. Board members, please, look at the Procedures folder on Basecamp to see what is in there.
 - c. They met electronically to discuss this.
2. Boardlink Committee – *Margaret*
 - a. The communicated electronically
 - b. They are lining up speakers and finishing the promo sheets for Amy
 - i. Monday, Sept 17th at 7pm, Dr. Matt McCarroll will discuss home brewing in the Neighborhood Co-op Community Room
 - ii. Dr. Carroll will need a laptop for Power point presentation - TASK
 - iii. Dinner for the public – pizza and salad
 - iv. The committee will get together with Board Development Committee and talk about OAwkweekend and discuss the survey - TASK
 - v. Nov. 5th Mike Hatfield will be the guest speaker about mushrooms
3. Board Development Committee - *Kristy*
 - a. They met after the last Board meeting, July 24th, 2018
 - b. Annual Owners Meeting day is set – April 27, 2019
 - c. Amy and Francis did all the changes for the Board Application – Thank you.
 - d. We need to update the list of potential candidates for next year’s election and put the list on Basecamp in News to Share - TASK

C. Consent Agenda

1. Treasurer Oversight Report – Move to next meeting
2. B3 Financial Conditions – Annual (from July)
3. B10 Marketing

D. Unfinished Business

1. Board Retreat update – *Richard*
 - a. Sunday Sept 30, 2018 – 10 - 5pm at **Art Space 304**, 304 W. Walnut St. Carbondale, IL 62901
 - b. Continuing to talk with Leslie Watson about the agenda
 - c. She will discuss other Coops similar to ours
 - d. Please send any agenda items to discuss to Richard
 - e. To attend: Richard, Mary, Margaret, Barbara, Jak, Francis, Leslie, and Susan

E. New Business

1. GM Report - *Francis*
 - a. Barbara has some comments:
 - i. She thinks the Board Application is very readable.
 1. Editing every 4th Monday to once a month
 2. Ends Policy not End
 3. Please look at how the last 2 sentences read
 4. TASK – Francis will update the Application with these changes
 - ii. Question – Where can Barbara read about the New Link card?
2. B3 Financial Conditions – Quarterly
 - a. Mary has two questions:
 - i. On the Liabilities and Owners Equity sheet, why is there large difference between Fed Income Tax payable \$4200 – 6/30/18 and \$1,075 – 6/30/2017?
 1. Estimated income taxes are paid in advance and we have to estimate what we think we will need to pay.
 2. The extra tax payments are forwarded to the next quarterly payments, if there is an over payment.
 - ii. On the Schedule of Expenses, there is an expense of \$898 for returned checks, why?
 1. In this instance it was particularly individual
 2. We are in the process of getting the money back
 3. The next step is filing charges
 4. It is expensive to run a check on every check
 - b. Barbara, asked about the \$22,393 “Other income” increase
 - i. That was a performance penalty payment from the Coop’s primary distributor, UNFI. The Coop received

it because NCG negotiated a contract with them that if they had out-of-stocks of 10% or more of items they had to pay the penalty.

3. Proposal: Approve new election timeline – *Kristy* – **Approved**
 - a. Posted on Basecamp and everyone has looked at it
 - b. Questions and comments – AOM aka Owner Fest
 - c. Comment – calendar and timeline Amy & Francis did a great job
4. NCG 2017 Participation Report, summary and discussion – *Francis*
 - a. A brief history:
 - i. The impetus or catalyst for organizing regional cooperative grocers associations (CGAs) was John Mackey, CEO of Whole Foods, speaking at a co-op conference where he basically said he was going to put co-ops out of business.
 - ii. Francis was in North Carolina at the time and was a founding member of the Southeast CGA.
 - iii. It started very grass roots. CGAs have been made of the General Managers of co-ops.
 - iv. The NCGA started in 1999 when 6 regional CGAs realized they needed to join together to be a national organization. In 2014 NCGA shortened its name to NCG.
 - v. Currently NCG is seeing a 30% turnover of GMs per year. Many original GMs are retiring and others are burning/failing out.
 - b. The document from the NCG is to educate co-ops boards about their involvement in this ‘virtual chain’.
 - c. CoMetrics – a data cube of all the co-ops’ financial data.
 - d. Our Co-op’s comparison group is with other medium-sized co-ops, i.e. co-ops with annual sales between \$3.9 million – \$6.1 million.
 - e. The Neighborhood Coop is using *Open book management* (OBM) that has helped employees’ work together and breakdown departmental barriers through cross training.
 - f. By being efficient they get bonuses and the employees realize that when they work together they all benefit.
 - g. OBM is a hard system to maintain but the weekly huddle is a helpful.
5. Items related to Executive Session – taking notes - *Richard*
 - a. Leslie Watson says that we definitely should be taking notes
 - b. Very brief notes
 - c. Should be a separate document than regular meeting minutes

F. Announcements

1. Next Meeting: Tuesday, September 25, 2018

2. Monitoring Report
 - a. GM Report
 - b. B5 Communication and Counsel to the Board
 - c. D2 The Board's Job
 - d. Treasurer Oversight Report – (Susan absent) Move to next meeting
3. Facilitator: Trish Wright
4. Items that did not fit earlier

H. Closing

1. Review Decisions
 - a. Approve new election timeline with minor changes
2. Review Tasks
 - a. Dr. McCarroll will need a laptop for Power point presentation.
 - b. Boardlink committee will get together with Board Development Committee and talk about Owners Appreciation weekend and discuss the survey.
 - c. Update the list of potential candidates for next year's election and put the list on Basecamp in News to Share.
 - d. Francis will make 3 changes to board application.
 - e. Policy Development & Finance committee will begin reviewing Procedures.
3. Evaluation of Meeting
4. Evaluation of Board activities between meetings
5. Adjourn – 7:53

F. Parking Lot

1. Further exploration of what to do with the information from Leslie Watson regarding 3 recommended co-ops where the economic driver is something other than education level.
2. Continued Discussion of the NCG 2017 participation report.

EXECUTIVE SESSION was not held