



Board of Directors Meeting Minutes

Tuesday, August 11, 2020 (5:00pm - 8:00pm ET)
Virtual Conference call via RingCentral

Minutes unanimously approved via email on August 21, 2020

Board Members in Attendance: CE Pugh, Dave Blackburn, Erik Davis, Nancy Muller, Rosemary Mahoney, Zoila Rivera

Others in Attendance: Mark Regni (CEO), Benjamin Goldberg (CFO), Dawn Rowney (Board Admin)

Members in Attendance: Ed Oaksford, Raymond Hubbard

The Meeting was called to order at 5:03pm ET

Agenda Review – There were no changes to the agenda. The May 12, 2020 meeting minutes were unanimously approved via email prior to tonight's meeting.

Open Member Time/ Member Questions

Ed Oaksford shared appreciation for the new co-op and being able to attend the meeting, as the Co-op has been an important facet in his vegan lifestyle.

The Board received one email from a member prior to the meeting. They were sent a response, a summary of which is included here.

Q. Why is it believed that CCM will succeed where NLM failed?

A. There is lower overall debt and lower rent, and less competition with Earth Fare and Lucky's closing. The remodel will also provide for a much improved shopping experience and the increase in product choices at various price points will appeal to the broader community, not just shoppers looking for natural and organic foods.

Q. What financial connections are there between the NCG investor and CCM besides the initial investment?

A. None.

CEO Reporting

Mark Regni provided the Board with a monthly update report, as well as quarter and year-to-date financial reports. The remodel has commanded much attention, with all 19 new refrigerated cases installed and stocked, the new floors slated to be completed by

the end of August, and interior paint and signs to follow that. The Deli design is still awaiting City approval for a building permit, which should happen soon. Exterior improvements have been presented to the property manager, who has submitted a plan to the landlord.

Future goals, once the remodel is complete, include reaching 1,000 members by the end of 2020 (currently 824) and launching an aggressive marketing campaign to bring in new shoppers to enjoy the improved shopping experience.

Management provided an updated financial forecast for the second half of 2020 due to the effects of Covid-19 on shopping patterns. This was accepted by the board.

CEO Monitoring Reports

B Global Executive Constraint

Nancy Muller moved to accept the report. Rosemary Mahoney seconded, passed unanimously

B1 Financial Conditions

After discussion, the Board accepted the report with the following conditions: in B1.8, the remaining loan funds should be corrected to say "\$400,000"; the B1 report next meeting should include quarterly data in addition to year-to-date data. Also, the board agreed that future comparisons to budget will be based on the July 2020 revised forecast.

Rosemary Mahoney moved to accept the report, with conditions. Nancy Muller seconded, passed unanimously

B4 Member Rights and Responsibilities

After discussion, the Board accepted the report with the following conditions: "FAA" should be corrected to say "FCC;" the Membership Agreement should be revised by the management team to be more user-friendly, informing the Board of major changes.

Nancy Muller moved to accept the report, with conditions. Rosemary Mahoney seconded, passed unanimously

B5 Customer Treatment

After discussion, the Board accepted the report with the following conditions: The policy shall be modified to say "The CEO must not fail to be responsive to customer needs." The Board encouraged management to consider conducting customer satisfaction surveys after the remodel.

Dave Blackburn moved to accept the report, with conditions. Nancy Muller seconded, passed unanimously

Additional Policy Consideration:

B2 Plan & Budget

After discussion, the Board agreed that review of Monitoring Report B2 should be at least biannual (twice yearly).

Nancy Muller motioned. Dave Blackburn seconded, passed unanimously

Board Policy Review

There was a discussion encompassing how the Board feels it is doing thus far, how it will determine its compliance of board process policies, and the proper steps to adjusting the agenda. The impact of COVID-19 has made it difficult to measure success this early on, but small steps have been taken in the right direction, such as inviting members to join the virtual meetings, providing timely responses to member questions, and filling out the Board seats, which will hopefully be completed by the November meeting. It was unanimously decided that the Board will hold a board process policy compliance rating session in May 2021 when all board process policies have been reviewed. One consideration for future years is to consider compliance for select policies at each board meeting. The Board Education portion can be replaced by items of importance as the Board sees fit, most notably Strategic Planning sessions.

Policies Reviewed

C Global Governance

C1 Governing Style

C3 Agenda Planning

After discussion, the Board accepted Policy C3 with the following conditions: change occurrences of “multi-year” to say “annual” with the intention to adjust this language as needed in the future.

Rosemary Mahoney moved to accept the policy, with conditions. Zoila Rivera seconded, passed unanimously

Board Education

CE Pugh shared a PowerPoint outlining the National Co+op Grocers (NCG) finances, programs, benefits, and contributions. NCG’s ability to see the bigger picture in the grocery industry on a national scale was noted and their investment in CCM was emphasized as a huge asset to the co-op. It was requested that a CCM bylaw orientation be held once all Board seats are filled as a future Board Education agenda topic.

Closing thoughts

It was unanimously agreed that board meeting agendas and minutes be posted to the CCM website for easy public access as soon as they are available. A Strategic Planning Session process will be put together and sent out prior to the next meeting, and November's meeting will focus on the co-op's next 3-year plan. The Board was happy to see some members attend the meeting and feel that the virtual meeting process is working well. They also expressed gratitude for the great jobs Mark, Ben and the staff are doing.

Nancy Muller moved to adjourn the meeting. Erik Davis seconded, passed unanimously

The meeting adjourned at 7:55pm ET

A brief Board Executive Session followed the end of meeting.