

Durham Co-op Market Board of Directors Minutes

Date: Wednesday, December 13, 2023

Location: Online via Zoom

In attendance: Summer Alston, Zoey Best, John Bonvechio, Matt Colley (GM), Josh Collier, Donna Frederick, Lenore Hill, Kim Ionescu, David Mendel, Anwar Simon, Ethel Simonetti (Guest), Don Moffitt (Guest), Teri Riley (BA substitute)

Absent: Elizabeth Figgie (BA)

Meeting called to order: 7:03 pm

Agenda Review: No changes

Review and approve minutes from November 15, 2023, meeting: No edits

Motion: I move to approve the November 2023 meeting minutes: Summer

Second: Josh

Ayes: Kim, Zoey, Lenore, David, Anwar, Josh, Donna

Nays: None

Abstains: None

FYI Report Q&A:

- Second best sales in store history for Thanksgiving. Seeing prices stabilize, so sales numbers are dropping slightly. Increased customer count, decreased basket size.
- Four departments beat last year's sales. Prep Foods, up 18%; Refrigeration, up 5%; Produce, up 10%; Meat, up 1.3%.
- Lost insurance coverage due to three claims in two years. Currently have insurance but no coverage for spoilage. The insurance company wants DCM to enter into a preventative maintenance agreement. Having an estimate next week. Then can get insurance, but it's not good coverage.
- Next step is to look at a generator, one that runs on natural gas. If can get a generator that can power the whole store this could be a help to the community. Matt is working on quotes. If can only get a generator that powers refrigeration that will still be a very good thing.
- Prices are a huge variation, and the generators can take many months to arrive.
- Had a successful PTO drive for an employee who is struggling and missing work. PTO donation program was suggested by Matt several years ago and is very successful.

GM Monitoring Report – B7: Communication to Board:

Compliant on all items. Kim said that Matt is excelling in communication. Point to correct – the monitoring table is maintained by the president, not the secretary.

Motion: I motion to approve the B7 Report: Donna

Second: Summer

Ayes: Josh, John, Kim, Anwar, Zoey, Lenore, David, Donna

Nays: None

Abstains: None

B8: Board Logistical Support

Compliant in all parts of the policy. Matt mentioned that Teri filling in for Elizabeth this evening is a great example of that support. Kim is grateful to Elizabeth and Teri for their support. Sees opportunities to improve our organization.

Motion: I motion to approve the B8 report: Summer

Second: Lenore

Ayes: Anwar, Kim, Josh, John, Zoey, Lenore, Donna, David

Nays: None

Abstains: None

Board Self-Monitoring Survey – C8: Governance Investment

Kim sees some room for improvement, and it's a potential topic for next month's retreat. Would like to get more in alignment with expectations. The Board is very intentional about the use of the budget.

Discussion about getting third party help with Board training, and that this would be a good use of funds. The Board is historically very responsive to requests for additional training by a Board member.

Discussion about whether numerical surveys are a good way to get robust feedback. Are self-monitoring surveys the best way to get information, or might there be another way to get engagement? In the past the questions were read aloud, and that was difficult.

Guest Speaker – Don Moffit, Columinate

Don was invited to give board education on the challenges of retail operations, fiduciary responsibilities, policy governance and monitoring reports. The Board has said that they prefer guest speakers for education.

- The Co-op is more than the store. The Ends Policies include things beyond retail, like building the community.
- Retail, especially grocery, is harder than ever. Increased competition (Amazon, Aldi). It's hard, entry level work. Low gross margins and increasing labor costs.
- Don discussed gross margin, gross profit, margin minus labor, and other math of running the Co-op.
- Discussed that Board members are fiduciaries, whose legal responsibilities include the duty of care, the duty to act in good faith, and the duty of loyalty. Policy governance is how that happens.
- Discussed looking deeply at Board reports, checking the interpretations with organizations like Investopedia and CoMetrics.
- With monitoring reports, the Board can accept the report as presented, request additional information, reject an interpretation, reject a plan. Rejection means try again, within a time frame.

John asked about the future of single-store co-ops – can they be viable? Discussion about merging with other stores or creating cooperative arrangements for buying with other stores/co-ops.

Upcoming Events, Reminders, and Action Items:

Kim working on finalizing retreat details. January 18 and 19, in the afternoons, with dinner on the 18th. Reach out to Kim if you would like to facilitate a part of the retreat. More details to come by the end of December.

Meeting Adjourned: 8:45 pm