

Daily Groceries Co-op - Board Meeting  
Tuesday, March 14, 7:00-8:00PM  
Athens Clarke Heritage Foundation

Present: Delene Porter, Matthew Epperson, Diona Fredo, Alex Rilko, Rashaun Ellis, Lisa Merva,  
Tom Reynolds, Will Hodges, Willow Tracy

I. Welcome

- A. Celebrate Lisa's 1 Year Anniversary!!
  - a. Regarding recent positive store performance it's more than the numbers; everyone is smiling.
  - b. We're no longer on the High Risk committee with National Cooperative Grocer's Association – we've demonstrated significantly reduced risk!
    - i. We will continue monitoring ourselves internally.
- B. Celebrate Daily's 2016 financial success!!
- C. Approve Minutes- January and February
  - a. Tom moves, Rashaun seconds, all in favor. We will amend February's minutes to reflect that Will & were present via phone.

II. Big Apple Updates

- A. Planning Bill Gessner and Don Moffitt site visit
  - i. Lisa, Will, Alex have been on calls with CDS; we're putting realistic numbers into the pro forma.
  - ii. Particular worry is a 10,000 sq. ft. retail space will have too large of a perishable section resulting in either too much empty space to avoid wilted product, or too much wilted product to serve the customer base.
  - iii. Only tonight do we have the completed pro forma.
  - iv. If we have a bigger retail space we will have extra shrink, extra labor, and the sales won't cover those increased expenses. However, at 6,500 we may lose some of the hot bar and café/deli area.
  - v. Beer & Wine should be bumped up in terms of sales to students and downtown market.
  - vi. It will take a year longer to reach profitability going for 10,000 sq. ft. compared to 6,500. A 6,500 sq. ft. retail space would still require over \$4M raised, \$2M in member loans.
  - vii. Competition? Varsity is still a question. One owner has not budged on selling the land, but he could. Publix hasn't been a major competitor for our shoppers.
    - 1. Whole Foods close to Boulevard is a major concern.
    - 2. Trader Joe's basket size is sensible given price perception.
    - 3. EarthFare does not have a price perception edge on us.
    - 4. Aldi is a niche market.
  - viii. Prepared foods sales are trending greater over time. Hendersonville is a 10,000 sq. ft. store and doesn't feel overwhelmingly large. There are not many examples like ours and it creates some doubt with CDS.
  - ix. Bill and Don want to do in-store intensive stuff, also meeting with the board.

- x. We have a \$39,000 planning budget for pre-capital campaign.
- xi. Bill and Don want to do a 3 day retreat, largely with Board and Lisa but also Management Team with the objective of preparing for the capital campaign.
- xii. Delene will email a time suggestion to the board from the next CDS call.

### III. Member Forum

- i. No comments or questions were brought up during the member forum.

### IV. General Manager Updates

- A. January's performance was great for sales growth.
- B. Cash has dramatically improved in last year since January 2016, from \$-7,000 to \$52,000.
- C. We are sending 5 employees to the co-op café in Raleigh.
- D. Transfer of membership:
  - i. the Board can propose a vote to amend the bylaws with 4 weeks' notice of the vote given to the member, then hold a vote, and pending a majority approval of those who vote, this will amend the bylaws to allow for membership transfers.
  - ii. We will ask Thane and then proceed one way or the other.
- E. Policy Reports- B9: Succession
  - i. Matthew is working as the interim GM. He has been trained previously on most GM capacities.
    - 1. 4.75 / 5 for readiness compliance. We report in compliance.
  - ii. Will motions, Alex seconds, motion passes unanimously.
- F. Dividend Allocation Recommendation
  - i. It would be inopportune to declare a dividend just prior to a capital campaign.
    - 1. We will update members about our successful performance and our decision to not allocate this money as patronage but instead reinvest it into expansion planning.
    - 2. Lisa will draft this letter to members and Delene will edit and add to it.
  - ii. Tom moves, Will seconds, all in favor and motion passes unanimously.

### V. Board Policy & Governance Updates

- A. Policy Reports- C2: Board's Job
  - a. Create and sustain a meaningful relationship with member-owners.
  - b. Hire, compensate, delegate responsibility to, and hold accountable a General Manager. (See D. Board GM Relationship Policies)
    - i. Use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
  - c. Have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of Ends, Executive

Limitations, Board Process, and Board-Management Relationship, as described in the Policy Governance principles.

- d. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
- e. Rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship.
- f. Perpetuate the Board's leadership capacity using ongoing education, training and recruitment.
- g. Perform other duties as required by the bylaws or because of limitations on GM authority.

B. Alex motions, Will seconds, all in favor.

VI. Future meetings

A. Board Meetings- 4/11, 5/9, 6/13, 7/11, 8/8, 9/12, 10/10, 11/14, 12/12

B. CBLD 101- 5/6/17 Raleigh

VII. Executive Session