

1 CHICO NATURAL FOODS COOPERATIVE
2 Board of Directors Meeting
3 Peace and Justice Center
4 February 24th, 2016 5:30p.m.
5

6 Attendees: Secretary Phil Weintraub, Treasurer Scott Richman, President Natalie Carter, GM Liza Tedesco,
7 Board Members Alec Binyon, Laurie Niles, Seana Watkins, and Yanabah Powers, Scribe Blake Ellis .
8

9 Absent:

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0 Guests Present: Michelle Hintz- NCG Western Corridor Advisor; Joey Haney- Outreach Coordinator and Dylan
1 Tellesen- Marketing Manager
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2 1.0 OPENING PROCEDURES
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3 1.1 President calls meeting to order

1 Natalie calls the meeting to order at 5:36 P.M.
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1 1.2 Teaching Point
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1 No teaching points to share today
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1 1.3 Check In, Kudos, Celebrations
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8 2.0 PRELIMINARIES
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2 2.1 Approve the [Agenda](#)

0 **MOTION:** Alec moves to approve the meeting agenda. Phil seconds.

2 All are in favor and the agenda is approved.
1

2 2.2 Approve the previous months [Minutes](#)
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2 **MOTION:** Scott moves to approve the January minutes. Alec seconds. All board members are in favor and the
3 minutes are approved. The Scribe emails the approved minutes to the MM.
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4 2.3 Share written correspondence with board
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5 No written correspondence to share at this time.
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2 2.4 Choose Facilitator and Process Guardian

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2 Natalie volunteers to be the Facilitator; Phil volunteers to be the Process Guardian.

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2 2.5 Comments from attendees other than board members (3 minutes each)

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0 3.0 EDUCATION

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1 3.1 Committee Reports (10 min)

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a. Finance

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b. Governance

Did not meet

c. Outreach

Met and discussed potential outreach opportunities and plan to meet with the Chico Natural marketing team. Laurie suggested using Google Calendar to lay out meetings for all committee charters

d. Dev./Nom-Elect

Did not meet.

Executive Meeting met to discuss how to be more supportive of Liza. Enhanced support requires all Board Members to be aware of and complete all responsibilities and duties of each Committee.

4 3.2 Investment Shares Campaign

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a. [Toolbox](#)

4 Dylan explains the toolbox as the guiding document to assist in the process of financing the expansion.

1 Marketing is well into the planning phase (Page 7 in Toolbox document). Marketing team has tackled tasks 1-6
4 and has begun working on other phases. Task #7- Liza, Dylan, and Joey are the main investment share team,
2 but Dylan expresses the need for further help and assistance.

4 Page 17, letter c - gives an equation of number of investors that they will need. Goal of 1.2 Million Dollars-
3 need 300 owners to invest an average of \$4,000. Must contact 4 or 5 times that- must contact 1,500 owners, etc.
4 Still need to work out logistics.

4 Dylan requests additional support from board in order to contact and call members to rouse support. Roles need
4 to be defined more clearly. Joey suggests that the board help create a list of owners (potential investors) that
5 would be more likely/able to invest. The board should be contacting these people to encourage them in order to
4 get increased support and investment.

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4 Marketing team requests that board suggest potential investors and help devise a plan and list.

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4 Alec suggests that the starting point is to set a purple loft meeting to lay out the list and divide it up accordingly.

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9 Liza- Launch party at 1078. Will come up with a full campaign design that will cover all of the components
5 with a timeline plus points of input from the board. Waiting to have the revised proforma to submit to the DBO
0 for the approval process.

5
1 Joey states that more time will be required from the board for certain potential investors.
5 Dylan has an ideal budget plan and potential marketing opportunities to be discussed.

2
5 Alec suggests that the board could time a marketing blitz which would showcase investment opportunities, new
3 location, etc. Alec advocates for a much larger marketing budget for this year.

5
4 New Earth opening has caused an increased pressure and a lower sales projection, which puts stress on areas
5 like marketing, however, Liza states that we should not cut short areas that would potentially benefit the COOP
5 in the long run.

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6 **ACTION ITEM:** Solidify implementation plan before next board meeting. Create lists of target potential
5 investors!

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5 **ACTION ITEM:** Finance committee to schedule a meeting to review marketing budget and find ways to
8 increase budget.

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9 b. [I.S. documents](#)

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0 3.4 [Marketing Plan](#)

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1 This is the first year that the COOP has ever completed a marketing plan.
6 The marketing plan is a working document that is continually being built upon.
2 The plan gives a nice perspective and highlights opportunities to make gains. It identifies target populations,
6 like millennials, and potential audiences that the COOP would like to market to more effectively. The
3 marketing team came up with strategies to connect with core customers, health and wellness customers, and
6 millennials.

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6 Strategy- snack natural, focus on improving price perception, etc.

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6 Secondary strategy- increase owner engagement.

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6 Promotions Calendar outlines indicators and goals for 2016. Ownership drives, social media boosting, minor
7 campaigns, outreach events, holidays, NON-GMO Month, and internal goals to keep marketing team on track.

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8 Will add events calendar to this document as well.

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9 Weaknesses: poor price perception. COOP is perceived as being expensive even though prices are extremely
7 competitive and are typically lower than many competitors. Goal of COOP is to convince people that we do
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7 offer low prices and good deals. Must educate customers on product differentiation and emphasize our
1 “localness”.

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3 3.5 Board Study Topic - Intro to New Competitive Environment with Michelle Hintz, NCG Western Corridor
7 Advisor.

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7 Liza- Why do a board study topic? It is an excellent opportunity to educate the board and support better
5 decision making, build capacity around the work that we do, and looks at the bigger effect that we have on the
7 community. The study topic comes at a great time with our expansion in the works.

6

7 “The New Normal” - operating a grocery store in midst of a lot of competition. Spend a total of 6-12 months
7 with 2-3 months building context through orientation, 2-3 months identifying issues through board study topics,
7 and 2-3 months looking at actions.

8

7 Michelle- Trying to raise awareness about competitors- smaller players and conventional, larger players. People
9 once had to leave to find COOP’s now, the competitors have the same products so shoppers don’t have to leave
8 conventional stores. 7 P’s price product place people process promotion physical evidence. For the past year
0 their team has been studying competitors- view competitors through the eyes of the typical shopper. Next year-
8 focus on courageous leadership. Price will be a major focus as well. We will discuss difficulty of GM’s position
1 and discuss courageous leadership within all positions of a COOP. In terms of resources-discussed brand
8 identity, will host a training workshop, etc.

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3 4.0 BOARD DECISIONS

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4 4.1 Accept [GM Reporting Package](#)

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5 Liza- In compliance with B1 except for sales growth (must be over 3% to be in compliance, but we only
8 reached a 2.65%) Everything else is in compliance.

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8 Scott- Question about budgeting and planning. Since we are not reaching 3% for this year- are we out of
7 compliance with the budgeting and planning since we are not projecting as much sales growth? Liza will
8 consult with Todd about this particular condition to see if this is truly a measure of noncompliance. Could be
8 noncompliant due to unusual circumstances.

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9 **MOTION:** Natalie motions to approve the GM Reporting Package. Laurie seconds. All are in favor. Motion is
9 passed

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9 **ACTION ITEM:** Liza will follow up with Scott’s question about noncompliance due to lower sales growth.

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9 a. [B2-Budgeting and planning](#)

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4.2 [GM Monthly Written Report](#)

- a. [January 2016 Owner Report](#)

4.3 [December Prelims](#)

5.0 SELF-MONITORING -- BOARD MONITORING REPORTS

5.1 [Board Monitoring Reports](#)

If average rating is below 2.5 then board is not in compliance. Board is currently compliant.

ACTION ITEM: Board must review Board Monitoring Reports before March meeting!

Next meeting is last Wednesday of March- March 30th, 2016.

6.0 CLOSING

6.1 Review [Action Items](#), Decisions, Tasks, Assignments

6.2 Next meeting topics: review Board Calendar, monitoring schedule Agenda preview

6.3 Debrief/ Evaluate Meeting

6.4 Adjourn Meeting

MOTION: Alec moves to adjourn the meeting. Scott seconds. All are in favor. Meeting adjourned at 7:31 P.M

SUMMARY OF DECISIONS: .

MOTION: Natalie motions to approve the GM Reporting Package. Laurie seconds. All are in favor. Motion is passed

ACTION ITEM: Board must review Board Monitoring Reports before March meeting!

ACTION ITEM: Liza will follow up with Scott's question about noncompliance due to lower sales growth.

1 **ACTION ITEM** : Scott will regroup with finance committee to modify expansion policy document.

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0 **ACTION ITEM:** Solidify implementation plan before next board meeting. Create lists of target potential investors!

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1 **ACTION ITEM:** Finance committee to schedule a meeting to review marketing budget and find ways to increase budget.

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