



North Coast Co-op
Board of Directors Meeting Minutes
February 2, 2017 – Ten Pin Building – 793 K Street, Arcata

Present at meeting:

Board: Mary Ella Anderson, Colin Fiske, Robert Donovan, Ed Smith, Leah Stamper and Cheri Strong

Staff: Duncan Thomas, Nicole Chase, Melanie Bettenhausen, Alisha Hammer, Vincent Graves-Blanford, Michelle Sanders, Brandy Cogburn, Lauren Fawcett and Kala Eichamer

Member-owners: Roger, Brenda Harper, Susanne Stafford, James Kloor and Lisa Blanford.

Guests: John Vieira, project consultant with Supermarket Source.

Meeting was called to order at 6:04pm by Leah Stamper at the Ten Pin. Participants introduced themselves.

Agenda Review:

MOTION: Move to approve the February Board agenda.		
Comments: Under item 10 add Finance Committee and discuss process of adding seats. Clarification that the Board appointment discussion will take place in the regular meeting, action will be taken in the Executive Session and reported out.		
Stamper/Fiske	MOTION	6/0/0

Approval of the Minutes:

MOTION: Move to approve the January 5, 2017 Board meeting minutes as amended, see below.		
Comments:		
Strong/Anderson	MOTION	6/0/0

Member Comment Period:

- Brenda Harper takes the opportunity to thank Duncan for sealing up the holes in the Arcata store parking lot.
- Roger has been approached by many workers in the store and told that they feel safe coming to board meetings now.

Board President Report:

- Discussion of the need to make a designated Board box at customer service in both stores, often when board members come in to sign documents no one working knows where they are.
- Roger James has agreed to act as facilitator for the upcoming board retreat which both management and the board will attend. April 15 was the tentative date but could possibly conflicts with protest march that will be going on April 16, it is also Easter weekend. April 29 works but the Humboldt Aquatic Center is not, look in to availability of April 30. Mary Ella Suggests considering having the Jefferson Community Center in Eureka as the venue. Consensus that April 29 is the date (Sunday could be the back-up date), pending finding another venue. The Ten Pin could be an option. Roger thinks Jefferson is a good idea, having the event there could be a unique opportunity to interact with that part of our community. Susan Stafford comments that the rates are competitive.

Securities Personnel Contract:

- After reviewing the current contract Robert would like to discuss the last paragraph that states the security personnel have no responsibility to become physically involved in a conflict should one arise in the store. They only create the image of a presence and only carry insurance on themselves. Not being legally required to become involved physically strikes him as disingenuous. Colin would not want them to become physically involved as it could lead to unnecessary confrontation. Ed understood they were hired to be an image and someone to talk to. He mentions the incident in the past where a guard physically getting involved did not go well. Having armed guards is not good for the image of our store. Duncan sees the presence of security personnel as a positive thing for customers and employees in both stores. Mary Ella

adds that she feels more comfortable with unarmed security personnel that do not become physically involved, she thinks the members wouldn't like it.

- Melanie is meeting with the security company on March 2, the contract we have is old and needs to be updated. Clarification is needed as to what is covered by their insurance, liability and implications in certain situations. She is not sure of how the guards themselves feel about their position in our stores. The Board agrees that the General Manager is taking care of the changes that need to be made to the existing contract. Colin mentions in house security, Melanie replies that staff will not in a position to consider this possibility for quite some time. Mary Ella likes the idea of having greeters vs. stern military type of presence. Melanie points out that there are critical situations especially in the Eureka store that security is needed for.

Board Tracking System:

- Update from Colin and Melanie, copies are provided to the board to look over. Colin has been emailing with Melanie and they have come up with a tracking sheet that is essentially a spreadsheet with directives the board has given to staff, dates and descriptions of the directives. Melanie adds that this is the first step, next they need to integrate the two versions. Melanie points out that what is not included in the spreadsheet is the ancillary stuff that happens in meetings where decisions are made but a directive is not issued. These things need to be taken from the minutes and incorporated into the tracking system, either by the board assistant or General Manager. Consensus to move ahead with staff editing and updating the spreadsheet and board will have read only access.
- Leah brings up the topic of earthquake insurance, Melanie notes that the policy was renewed in August prior to her taking over as GM. Leah would like to have a conversation including what is covered, is it inclusive of lost product? Looking into this is on Melanie's list, it is part a larger project of looking into expenses with Brandy Cogburn.

Co-op News Change:

- Staff is proposing to transition Coop News from monthly to quarterly. This will save money and time while creating the opportunity to have more in depth content. The recently approved Newsletter policy says that the board must approve any changes. If published quarterly content would double. Board reports would be published monthly in stores and on website. Nicole informs the board that staff will be creating an area in each store dedicated to Board notices and articles. Colin emphasizes the importance of making an effort to promote the content not just in the newsletter, and recommends sending a monthly email for board schedule and articles. Currently, the highlighted items are advertising it is hard to find the substantive content. Leah asks if dates for meetings have been scheduled at least three months out. All of them have been except for the Finance and Nominating committee meetings. Roger seconds the importance of information boards in the stores.

MOTION: Move to approve changing the Co-op News publication from monthly to quarterly, contingent on staff committing to prominently post all board information in a timely manner in both stores.

Fiske/Smith

MOTION 6 /0/0

Committee Reports/Motions:

- **Member Action Committee:** Reported by Nicole Chase.
 - Recap of the progress made on the fragrance survey and next steps. There will be an article published in the March Co-op News, Brenda and Kristie will report out their findings. They found some products with synthetic fragrance in both stores.
 - Discussion of the possibility of the MAC hosting a movie night to boost member participation. Nicole asks where the funds would come from. Colin thinks the could be funds in the board budget. Member only event or free for members was discussed. Nicole has the budget but doesn't know what has been spent. A date for this event has yet been set. Estimated cost would be \$315.00 for movie rights and venue. Melanie points out that FY2018 planning is starting, Nicole could put in a

funds request for the year. Nicole will ask accounting for reports and have it built into the budget for the coming fiscal year.

- **Durable Goods Bank:** Nicole updates the group about possibly working with scrap Humboldt and donating the 'funky bags'. Colin says that he spoke with Maggie Gainer about this during her Zero Waste presentation she said they could potentially be interested. Nicole has researched and found examples of other cooperatives and organizations that have adopted a program similar to this.

- **Policy and Procedures Committee:** Reported by Colin Fiske.

- There was a presentation by Zero Waste Humboldt at the last meeting. Colin has created a discussion draft Zero Waste policy to review at the next PPC meeting.
- The latest purchase policy was discussed, there has been no actions yet, it was a lively discussion.
- After consulting the attorney and PPC Colin has rewritten the Single Membership policy as follows.
- Proposed Policy to Transition to Single-Person Memberships:
Following approval of this section, any new memberships shall be owned by only one natural person or by only one organization. Further, as of the date this policy is approved, no existing memberships may add any additional owners with any rights of membership. Any non-organizational member, whether he or she became a member before or after this policy was approved by the membership, may add or remove one or more individuals as "household shoppers" for his or her membership. A "household shopper" is defined as someone who has been identified as such to the Corporation (through procedures established by the Corporation) by a member and may shop on his or her behalf. Household shoppers are not members and have no claim of ownership or associated rights to the membership. The Board of Directors may establish from time to time a maximum number of household shoppers per membership.
Individuals on existing memberships owned by more than one natural person shall be encouraged but not required to purchase individual memberships.

MOTION: Approval to move forward with putting the proposed Policy to Transition to Single-Person Memberships as amended to vote by members then added to the bylaws section 1.09.

Fiske/Stamper

MOTION

6/0/0

***Nominating Committee will add this to the ballot for voting on in October.**

- **Earth Action Committee:** Reported by Leah Stamper.

- January was a small meeting. The committee discussed Zero Waste topics including the possibility of practicing zero waste at all board and committee meetings and events.
- Colin shares his updated ZW policy, see the January EAC meeting minutes for the full draft.
- Also discussed were ways to track waste as staff moves forward with the deli remodel. The committee came up with several indicators to track based on major changes to be made to the layout of the Eureka store as a result of the remodel.

- **Finance Committee update:**

- Mary Ella points out that currently only one member seat has been filled on the committee. There is no procedure for advertising and filling the seats that she is aware of. Mary Ella would like to advertise the open seats. Ed comments that it would be wise to advertise one seat at a time to stagger so that the turnover is not all at once. Current member seat holder Chris Copple is aligned to turnover when the board does in October. Mary Ella will contact him and see if he is still interested in his keeping his seat as he did not attend the last meeting. Mary Ella will move forward with filling one of the member seats and reiterates the importance of members participating in the financial details of the Co-op.

Deli Remodel Presentation:

- Melanie updates the group on the deli remodel history. In the past, the department heads were not involved, Melanie has been working with them which has lead the deli expansion into a reset of the entire Eureka store. This radical change has opened up staff acceptance of the changes. Working with John Vieira, a consultant with Supermarket Source, department heads have been feeling heard. Melanie presents the new floor plan to

the board. Major changes include the Produce department moved under the atrium where the natural light will compliment the produce. The bulk department will come to the front of the store. These two changes will bring two very low waste departments to the center focus of the main entrance. Wellness will be tucked in where bulk is now and will be staffed to help shoppers with questions. This new plan resolves some problems in preparation and presentation in the meat department. There will be an improved wine area like the one in the Arcata store. A cheese island with prep area staffed by a clerk will be included, shoppers will be able to have cheese cut to order. Deli area will include self-serve coffee, taqueria, sandwich bar, sushi, pizza, kombucha& juice bar. Reusable plates, bowls, cutlery and cups will be offered. This is not a firm proposal but Melanie asks the board if they like the direction this is going? John Vieira introduces himself, he has a work history well rounded in all operations of a grocery store and is now focused on store design. He only works with independent grocers. He has encountered many different store formats. In his opinion this remodel fits what the customers are looking form he is looking forward to implementation of the plans.

- Roger asks Johns opinion on the store location, he thinks it is fine, likes the bones of the building. The atrium will be highlighted, the back areas of the store may need to be reworked.
- Colin recalls the discussion of the remodel at the recent EAC meeting. Measuring changes in sales after the prominent placement of produce and bulk in the front of the store is an example of a metric that could be used to measure waste. Discussion of the pros and cons of the idea of forcing customer flow through the produce department to get to the rest of the store. Ed thinks that this would turn away some customers who just want to grab and go. Duncan adds that proposing one central entrance and exit and could aid with customers experiencing the rest of the store. Vince points out that the need to consider not inhibiting work flow. With large freight moving through the store it is a priority to consider before changing the flow of the store, safety first.

General Managers Report Highlights:

- **New Local definition:** Cassie will be informing members soon in the February Co-op News. Colin wants to make sure that the message is getting out there and let people know what we mean by Local. Melanie informs the board that Cassie has implementation plan. There will be a new look to the local logo and rebranding focused around that.
- **Securities Permit:** Melanie updates the board on all the documents needed to change the securities permit and add more B shares. Include audited financials, four year funds flow analysis and statement of cash flows. Melanie shares with the board the Resolution exhibit document that needs their signature. Melanie emphasizes the need for a concrete course of action to have this document signed within the next few days. Email correspondence could be a possibility, Melanie wants to get it done but doesn't want to rush the board. Cheri motions to vote tonight, Colin doesn't feel that the resolution is ready. Some things need to be clarified, wording in disclosure reads that discounts are right of membership, refers to Page 3 of the disclosure document. Melanie, this is a description of what we are offering now, a snapshot. Leah seconds looking over this more. Colin thinks that there are additional requirements in the bylaws that are should be added. Melanie points out that this document is from the perspective of securities activities. Colin points out that this is the document we give to members who purchase shares and some of the statements are not entirely accurate which could be interpreted as misleading. Melanie is trying to do as little as possible to get more B shares in a timely manner. In the future, this document could be edited. Colin, if the issue is not legally binding it could be ok but he still thinks it should be updated to be more clear to our shareholders. Mary Ella comments that it is clear that we will edit this in the future. Ed thinks the board should run with this and amend the document in the future. Colin points out that item three should be changed from is to may be.

MOTION: The board moves to accept the shareholder disclosure document for submission to the Department of Business Oversight with the condition that staff will update this document in the future.		
Fiske/Smith	MOTION PASSES	6/0/0

MOTION: The board resolves to make the Exhibit 22.A Resolution as amended with wording changed from is to may be.
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Fisk/Smith	MOTION PASSES	6/0/0
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MOTION: The board moves to accept the Securities Permit application.		
Stamper/Fiske	MOTION PASSES	6/0/0

- **Audit Resolution:** Melanie and Brandy have met with the bank and are working to increase account security. Brandy is streamlining accounts and will look at where we might want to move non-operational monies. A more thorough report will be presented at the March board or Finance Committee meeting.

MOTION: Approve the January 2017 General Manager's report		
Anderson/Donovan	MOTION	6/0/0

Board Appointment:

- **Selection of Director seat:**
 - Board asks questions of the candidate present, James Kloor. He is glad to see that the Co-op is a cohort for the Humboldt Area Foundation racial equality work. He is CFO at the Sanctuary and the got organization started. He is not deterred by long meetings. He is just a Co-op shopper at this time and is interested in further investment. Mary Ella, conflict of interest in owning C shares and making FC decisions regarding percentage rates? Group Process? With agendas and proper facilitation great. Roberts Rules.
- Roger submitted a letter at the Arcata front end, the board did not receive it.

New Business: not at this meeting

Board Correspondence: None

Member Comment Period:

- Lauren, the board needs a mailbox at customer service in both stores, Nicole will talk with Vince.
- Dave Feral comments that it seems clear that he has withdrawn and is resigning. While at standing rock he met a larger contingency of people supporting water rights. Earth rights and treaty rights asserting and protecting clean water and air need support. On March 25th, the World Water Rising event will take place at the Blue Lake Casino, the intent is to raise awareness and money to go into grant funding water protection response. There will be local performers and live stream in of people from other areas. Dave would like to give a short power point at the March Board meeting. He explains that he felt that this movement needed his support.

March meeting agenda:

Presentation from Dave Feral about the World Water Rising event.

Consensus reached to adjourn the February 2, 2017 meeting at 8:58 pm and move into Executive Session.



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Board of Directors
Executive Session Minutes
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Board: Mary Ella Anderson, Colin Fiske, Robert Donovan, Ed Smith, Leah Stamper and Cheri Strong

Approved guests:

The board decided to appoint James Kloor to the vacant Director Chair.

Reported by the Board Secretary to the Assistant to the Board at the March Board Meeting.