



Board of Directors Meeting Minutes

January 18, 2023 • 6 – 8pm

Zoom Call

Present at meeting:

Board Members: Kirsten Lindquist (President), Brenda Harper (Vice President), Thomas Wehland (Secretary), Humnath Panta (Treasurer), Roger, Mike Connors, Laura Jones

Absent Board Members:

Co-op Employees: Alex Villagrana, Barney Doyle, Kiya Villarreal, Sean Nolan

Member-owners: Kathleen Pelley, Maggie Gainer, Susan, Julia Arnold, Cynthia Coronado, Karen Zimbelman

1. **Welcome**

The meeting was called to order at 6:05 by Kirsten and introductions were made.

2. **Agenda Review and Approval**

The Employee Guest Speaker and Strategic Plan Review agenda items are being postponed until the February meeting.

Agenda approved by consensus.

3. **Approve December 2022 Board Minutes**

<p>Motion: Approve the December 2022 board minutes. Approved by consensus.</p>

4. **Member Comment Period**

- Mike - A member relayed a request that the hot bars have items that rotate to have more variety.
- Roger – I heard from workers about lack of presence of managers on the store floor and also that it's been uncomfortably cold working on the floor.
- Maggie - It was a delight to be invited to this meeting via email. I hope to receive more emails in the future. I really appreciate the Co-op.

5. **Board Correspondence**

The board received an email that expressed concern about removal of the plexiglass from the register area. No further action is required.

~~6. **Employee Guest Speaker**~~

7. **Earthquake Response** – reported by Sean

We had a large earthquake in late December and the entire county loss power. The infrastructure of the buildings is fine but there was a challenge to clean up the mess from the earthquake. The biggest issue was the power being out. Our current generators allow us to run basic electricity enabling us to remain open but it's not enough power to maintain refrigeration. We immediately did a flash sale of 50% off all refrigerated product to try and get as much off the shelf as possible. The Eureka generator was damaged which made it extra difficult. We are looking into finding better generators for both stores to avoid product spoilage. The Arcata store was slammed with customers all day. All the employees worked hard and did an amazing job. While both stores did a great job during the power outage, we are looking into ways to improve keeping the stores open during power outages easier.

- Barney – We're looking at a minimum of \$210,000 total loss to the store based on product and sales loss. Insurance does not cover this loss because it the power outage was caused by an earthquake, and we do not have earthquake insurance because it's prohibitively too costly.

The Tesla batteries in Eureka are supposed to be able to run the full store for up to eight hours during a power outage. We recently discovered a caveat in the paperwork that there is a five-year period in which the store does not receive the power from the batteries, but that it goes to the state.

- Barney – I have spoken to the auditors and because the Tesla Batteries are only benefiting the state and not the store, we will not be listing them as an asset and they will not be depreciated.

8. Financial Bottom Line – reported by Barney

P8 covers the month of November. Cash on hand continued to go down slightly as we continue to pay for the renovation. Benefits costs were under budget, and we hope that continues. We had a net loss for the period, but we had expected a larger loss due to the Arcata renovation. We are encouraged that we did better than anticipated. Year to date we are looking at a loss of \$679,000, mainly due to lesser sales than budgeted. The main reason for lesser sales is due to the renovations. Health cost benefits have also been much higher than budgeted for and is not something we have control of.

9. Policies and Procedures Committee – reported by Thomas

The Policies and Procedure Committee discussed a proposal about changing C share buyback structure that would allow the Co-op to initiate repurchase of C shares. We reviewed feedback from the boards attorney who discouraged the Co-op moving forward with the proposal. The committee was not actually interested in moving forward with this proposal, but we had checked in with our attorney simply to understand the legality of the proposal. To note, any changes to the structure of repurchase of shares would have to be voted by the members.

Motion: Approve the December 2022 Policies and Procedures Committee minutes.
Motion by Humnath, 2nd from Thomas. Approved by consensus.

10. Draft Board Budget

The board reviewed a draft budget for board costs for fiscal year 2024.

Motion: Accept the budget as presented.
Motion by Thomas, 2nd from Roger. Approved by consensus.

11. 50th Anniversary Check-in

We are planning a big in-person celebration this summer and having a scaled down Annual Membership Meeting in October. Throughout the year we plan on including a lot of Marketing content such as throw-back articles in the Co-op News. We'll be asking members to submit their memories and stories of the Co-op. We are planning special sales. We are working on special Anniversary logo and commemorative merchandise.

- Kirsten – We are going to be selling a special, limited sparkling wine from a local wine grower.
- Brenda – I hope we can set the celebration date as soon as possible so that folks that have been involved with the Co-op and may live out of the area can plan on attending.

~~**12. Board Directives to Staff**~~

13. GM Report

The board reviewed the GM Report. December was all about the holidays, the earthquake and storms.

14. Member Comment

- None

15. New Business (items for next agenda):

- Board Directives to Staff
- Quarterly Review of the Strategic Plan
- Cyber Security Education from IT
- Draft FY24 Budget Update

Consensus reached to adjourn the January 18, 2023, meeting at 7:47pm and move into Executive Session.

Minutes by Emily Walter

**North Coast Co-op
Board of Directors Executive Session Minutes
January 18, 2023**

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Absent Board Members:

Co-op Employees: Sean Nolan

No reportable action taken.

Executive Session ended at 9:00pm