



## Board of Directors Meeting Minutes

February 2, 2023 • 6 – 8pm

Zoom Call

### Present at meeting:

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

**Absent Board Members:** Thomas Wehland (Secretary)

**Co-op Employees:** Alex Villagrana, Barney Doyle, Kiya Villarreal, Sean Nolan, Emily Walter, Mireille Roman, Jason Davenport

**Member-owners:** Kathleen Pelley, Holly K., Dwight Winniger, Corinna Johnson, Jen Callen

### 1. Welcome

The meeting was called to order at 6:06 by Kirsten and introductions were made.

### 2. Agenda Review and Approval

Agenda approved by consensus.

### 3. Approve January 2023 Board Minutes

Amend agenda item 8 in the minutes to state Finance Packet, not finance committee.

**Motion:** Approve the January 2023 board minutes as amended.

Motion by Humnath, 2<sup>nd</sup> from Brenda. Approved by consensus.

### 4. Member Comment Period

- Corinna – I'm a board member of the Humboldt Trails Council and member of the Transportation Safety committee. I'm not happy with the bike racks at the Arcata store. I'm here to ask for better bike parking.
  - o Kiya – this is something we are actively looking into. We are aware that we need better bike parking.
- Holly – I'm not a fan of Eureka Natural Foods but they have been offering good discounts. I'm concerned they are pulling customers away from the Co-op. I think we need better marketing so that members know when sales are taking place. I want the Co-op to promote Seeds for Change more.
- Roger – I spoke to some out-of-town members. They seem to be upset about the monthly 5% discount versus the 10% quarterly discount. They miss some of the bakery items that have been discontinued. Just want to keep in mind to serve those out of town.
- Roger – we have a little over 14,000 members with less than 1% of the members having the largest investment. This brings up having a larger member base, to keep our membership strong. Perhaps if A and B share members had a larger investment, they would be even more supportive of the Co-op.
  - o Mireille – We need to look at the demographics of the community to encourage wider participation in Co-op membership.

### 5. Board Correspondence

- Holly – I'm not impressed by communication from the Co-op. There used to be more tangible newsletters with a better Co-op vibe. Also, I'm not shopping there as much, so maybe I'm a bit out of touch.

### ~~6. Employee Guest Speaker~~

### 7. Financial Bottom Line – reported by Barney

We just received the P9/Q3 financials. They will be presented to the Finance Committee. Cash is up. We'll be holding a Finance Committee meeting later this month and then a short meeting at the end of March to review the Draft FY24 budget.

## 8. **Cyber Security** – reported by Jason

I would like to say that the Co-op is good when it comes to cyber security. Our first line of defense is that staff only have access to what they need to do their jobs. Only two staff members have administrative access to our computer systems. We do network segmentation - public wifi, employee computers and point of sales are all separate networks. We open no ports on our firewalls which stops lots of attacks. Where it gets more challenging, and where we're most susceptible, are fake emails, cold calls, and fake invoices. I'm not aware we've ever paid a fake invoice because of our own internal protocols. Our membership database is not internet facing which keeps it much safer than if it was accessible online.

- Kirsten – what should the board be looking for as far as phishing.
  - o Jason – trust nothing. Only when you know for sure do you trust. If you aren't sure about something, or are questioning something because it doesn't seem right, get rid of it. You can also contact me or Ed and ask about it. Never click or open anything that you question. You can forward the email to me or Ed. Ed is a great team member when it comes to maintaining the Co-ops security.
- Mike – do we store credit card numbers anywhere in our systems?
  - o Jason – we don't save any credit card numbers.

## 9. **Policies and Procedures Committee**

The Policies and Procedure Committee recommended adding a section to the Board Policy Manual to have the board review board stipends at least every three years.

**Motion:** Add Section K 12 in the Board Policy Manual as recommended by the Policies and Procedures committee: K 12 The board shall review the board stipend at a minimum of every three years so that it can be adjusted if deemed appropriate.

Motion by Roger, 2<sup>nd</sup> from Brenda. Motion approved. (5/0/1).

## 10. **Fiscal Year 2024 Draft Budget Update**

The budget is coming along, and we are on track to get approval at the April board meeting.

## 11. **Quarterly Strategic Plan Review**

The renovation project addressed a couple areas in the strategic plan. We continue to make progress in many of the goal areas.

- Brenda – what are NCG core sets.
  - o Sean – NCG is the National Co-op Grocers that we are a member of. Core sets is a program that NCG started about a year ago. It creates roadmaps for best products to carry and help with good pricing. They provide support and overall, we are seeing benefits from it.
- Kirsten – I noticed the DE&I goal is complete.
  - o Sean – we hired a consultant to work with the management team, managers, and HR team. There were several courses spread out over a year. It was educational. We didn't get as much practical next steps as we hoped and we're currently figuring out what's next. This training was tailored to Co-ops and how certain policies and management styles create systemic issues. We are looking into additional training sources for all staff, including onboarding.
- Mike – curious about the last strategy on the local food economy goal for tracking local sales.
  - o Kirsten – we could put out the number of how much money we pay all the local co-op vendors annually.
  - o Sean – It's nice to see that local sales have gone up the past three years.
  - o Kirsten – I would be interesting to see how many different local products we sell per department.
  - o Barney – we are currently working to create a better process for local vendors.

## 12. **Board Directives to Staff** – reported by Mike

The board reviewed directives to staff that have not been closed.

I would like to see a process of input, processing and then feedback from members to the board. I think an excel sheet would be helpful to make sure that comments are being tracked and responded to.

- Emily – directives to staff have been a way for the board to nudge staff to do or look into operational items. Staff then can say yes, or no, as far as following through with the directive. The word directive is a bit misleading, as the board can't force operational decisions upon staff.
- Sean – it sounds like Mike is looking for a mechanism to track feedback that captures member comments to the board.
- Kirsten – it sounds like we're in agreement that we'd like a tracking method. I would like to see a member survey conducted this year.

Directive – look into a volunteer program at the Co-op.

- We've looked into the feasibility of volunteers, but the biggest issue has been with our insurance.
- Decision: we will close this item and not move forward.

Directive: Create SOP for cyber security.

- Barney – Including information specifically for board members at board orientation.

Directive: Incentivize durables

- Sean – this is one of those items that is never finished, and in that sense, I would consider this item complete.
- Mike – I saw an old item about a report about diversifying our vendors. Is that report available?

### 13. GM Report – reported by Sean

We redid the epoxy flooring in Eureka. The project went smoothly and we're glad to have it complete. Sales remain steady.

- Mike – benchmarks % of sales to member owners. Do you have ideas of how we increase that target?
  - o Sean – We are focusing on increasing financial incentives for members throughout the year, in addition to member quarterly discounts and bulk days.
- Roger – I would like the Co-op to be upfront with information about the loss following the earthquake and more information about the Tesla batteries.
- Brenda – what happened to the generator in Eureka?
  - o Sean – there was damage to the Eureka generator from the earthquake. But that generator is also too small and needs to be upgraded, which we are looking into.

### 14. Member Comment

- Laura – I'm a former Co-op employee who worked in marketing who planned a few Co-op events. Every month should be 50<sup>th</sup> anniversary planning and celebrating this year.
  - o Alex – we are working on it and should have a celebration date by March.

### 15. New Business (items for next agenda):

- Draft FY24 Budget Update
- Board Retreat
- Comment tracking method

Consensus reached to adjourn the February 2, 2023, meeting at 8:11pm and move into Executive Session.

*Minutes by Emily Walter*

#### **ACTION ITEMS**

- Emily will look up recent Policies & Procedures Committee PPC minutes that discuss increasing membership fees and send to the board as background information before moving forward with a formal discussion at a committee meeting.
- Kiya will look into how much money we pay all the local Co-op vendors annually.
- Sean will look into progress on the member database from the Staff Directives.
- Emily and Sean will work together to draft a tracking method for the board to track member comments.
- Emily will make sure Cyber Security is incorporated into board orientation.
- Sean will get the report about diversifying our vendors to the board.

**North Coast Co-op  
Board of Directors Executive Session Minutes  
February 2, 2023**

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**Absent Board Members:** Thomas Wehland (Secretary)

**Co-op Employees:** Sean Nolan

No reportable action taken.

Executive Session ended at 9:20pm