



## Board of Directors Meeting Minutes

March 7, 2019 • 6 – 8pm

Arcata Community Center Arts & Crafts Room, Arcata

*Disclaimer: This is not a verbatim transcript of the meeting and is based on the author's understanding of the meeting.*

### **Present at meeting:**

**Board Members:** Colin Fiske (President), Robert Donovan (Vice President – via phone), Leah Stamper (Secretary), James Kloor (Treasurer), Cheri Strong, Ed Smith

### **Absent Board Members:**

**Co-op Employees:** Melanie Bettenhausen, Barney Doyle, Jason Davenport, Emily Walter, Kiya Villareal, Kristen Hayen, Kirsten Lindquist, Jo Pumpkin

**Member-owners:** Kathleen Pelley, David Dahler, Kurt Christman, Bob Stockwell, Emma Stokes, Brenda Harper, Roger, Brian Corcoran, Ivy North, Kevin Hoover

### **1. Welcome**

The meeting was called to order at 6:03pm by Colin. Everyone was reminded of the ground rules and introductions were made.

### **2. Agenda Review and Approval**

The agenda is being amended so that the Open Board Seat item will follow board correspondence. We'll move the budgeting for safety item under social bottom line. Consensus to approve the agenda as amended.

### **3. Member Comment Period**

- Kurt – most grocery stores use signs for security purposes.
  - Roger – I told many people that the bulk tofu pricing is back down, and they are happy about that. There is a huge disconnect of knowing what Eureka people think. We should be more cooperative for a better future.
  - Kevin – why have the signs at the check stands about the Co-ops anti GMO policy been removed?
- ACTION: Staff will look into the missing GMO signs.
- Brenda – many people ask me about the Co-op and I suggest what they can do to help. People are concerned.
  - Kirsten – Department Heads haven't been consulted about the budget. We are concerned the board isn't asking hard questions of Melanie. We continue to be frustrated with the board.

### **4. Board Correspondence – reported by Colin**

No formal board correspondence was received in the last month.

### **5. Consent Calendar**

**Motion:** Approve the February 7, 2019 consent calendar:

- a) Approve February 7, 2019 Board meeting minutes.
- b) Direct staff to consider adding an employee member benefit of two paid hours to attend a board or committee meeting of their choice annually.
- c) Direct staff to address safety concerns with actions that can be implemented in the short term, including improved lighting, better camera placement and placement of security mirrors.
- d) Approve FY20 first quarter C share dividend at 2.65%.
- e) Approve FY19 Q3 Financials.

Cheri moved, James second, approved (7/0/0).

### **6. Open Board Seat – reported by Cheri**

Since there is a vacancy on the board for a position through October, the board decided to ask interested people to apply. An email was sent to employees to spread the word and make sure they know it's a general, not an

employee, seat. Applications will be accepted until March 22 and we hope to appoint someone at the April board meeting. Email [board@northcoast.coop](mailto:board@northcoast.coop) with a letter of intent/statement or turn it in at customer service.

**7. Review NCG Development Advisor Proposal** – reported by Colin

NCG had proposed to send an advisor to us to provide free of charge advice on our operations. After talking to them at the last board meeting, I was instructed to take their contract to be reviewed by our board attorney. Our attorney felt with the proposed changes the contract would adequately address any concerns we had. He recommends we get references with comparable relationships of NCG with other coops. The contract shows a profit of \$2M by the end of the year which seems like a stretch. We should have a clear notation that our understanding of these goals is that they aren't fully realistic.

**Motion:** Direct Colin to send a revised contract to NCG and ask for references for who they have worked with so that we can contact them.

James moved, Leah second, (4/0/2). Cheri and Robert opposed.

**8) Financial Bottom Line**

**a) GM update** – reported by Melanie

We are still waiting for the audit to be returned and then it will go to the board. The warehouse sale brought in about \$10K and we still have the box truck to sell. The Eureka hot bar is doing great even though we aren't up to capacity yet. Other changes for the deli in Eureka are coming in March. This week we are seeing positive numbers in Eureka that we haven't seen in a long time.

**ACTION:** Melanie will start an assessment of the upgraded deli and include how fast the loan used to make these improvements will be paid off. The board would also like to see the margin spoilage and comparison of two other departments, to get an idea of difference of margin.

**b) C-shares update**

There is \$330K of C shares on the waitlist to be paid.

The board would like to get more information to know if people removed themselves from the list after increasing the dividend rate and to track what happened when the dividend rate increased.

**ACTION:** James will work with Laurie to get the information needed for the March Finance Committee.

**ACTION:** Melanie will send a detailed spreadsheet to the board. This would include buy backs and new investments in C shares.

**c) NCG audit report** – reported by Melanie

NCG came last July and did a peer audit of the Co-op. As a part of this free service they wrote a report of all the improvements they recommend implementing. I included a report of what we've done in response to their report, including plans for what we still want to do. A lot of these NCG recommendations helped us tackle our financial situation.

**d) Budgeting for safety** *Moved to agenda item 10.*

**e) Securities permit renewal** – reported by Colin

We approve the updated securities permit narrative annually which lays out the general situation of the Co-op, including our finances and policies and procedures.

**Motion:** Approve the securities permit renewal application.

Leah moved, James second, approved by consensus (6/0/0).

**{5 minute break}**

**9. GM Search Update** – reported by Colin

The GM search committee met and decided to have the board adopt a set of qualities an ideal candidate would have. Board members were asked to review the list and pick their top 3-5 items in each category and they could add something if they felt something was missing. I suggest we adopt qualities that were picked by two or more people.

There was board consensus of tentative adoption of these qualities. A final list will be adopted in April. Board members should continue reflecting. Make note if you think something is missing. Non-board members can give input as well.

The qualities with at least two votes are as follows:

- Competencies: financial management, strategic thinking, building and leading teams, problem solving
- Skills: managing people, stakeholder alignment, financial reporting
- Key Experiences: retail grocery experience, managing growth and change, experience managing people, working with a Board of Directors
- Personal Attributes: accountability, embraces cooperative structure, ease with transparency, values outside expertise

**10. Social Bottom Line**

**a) GM update** – reported by Melanie

There were many people at the Hoopa store grand opening. As directed by the board, staff will receive WIC training making sure people can access benefits without feeling discriminated against and that all the paperwork is handled correctly. John Shelter is scheduled to do sensitivity training with Eureka and Arcata staff. Cooperation Humboldt, a strategic partner with the Co-op, recently purchased \$750 in Co-op gift cards to give out to people effected by the recent government shutdown. The Cooperative Community Fund had a well-attended check ceremony with 16 local organizations attending to receive their checks and share about their programs.

**b) Budgeting for safety** – reported by Colin

An employee raised concerns of safety at the Eureka store at the February board meeting. The issues were referred to the February Member Action Committee (MAC) meeting. The board adopted a recommendation from MAC on the consent calendar tonight which included low cost interventions to increase safety.

Discussion ensued on the pros and cons of hiring security, different aspects of security to focus on and next steps.

**11. Environmental Bottom Line**

It was suggested to have the Policies and Procedures Committee develop environmental and social benchmarks like we have for finances to have more guidance for what is expected in those areas of the triple bottom line.

**12. New Business (items for next agenda):**

- Approve FY20 budget

Consensus reached to adjourn the March 7, 2019 meeting at 8:23pm and move into Executive Session.

*Minutes by Emily Walter.*

**North Coast Co-op  
Board of Directors Executive Session Minutes  
March 7, 2019  
Arcata Community Center Arts & Crafts Room, Arcata**

**Present at meeting:**

**Board Members:** Colin Fiske, Robert Donovan (Vice President – via phone), Leah Stamper (Secretary), James Kloor (Treasurer), Cheri Strong, Ed Smith

**Absent Board Members:**

**Approved Guests:** Melanie Bettenhausen

No reportable action taken.

Executive session ended at 9:00pm.

*Reported by Leah Stamper*