



Board of Directors Meeting Minutes

April 6, 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, Thomas Wehland (Secretary)

Absent Board Members:

Co-op Employees: Barney Doyle, Sean Nolan, Emily Walter, Kiya Villarreal, Benjamin Hess, Dana Burstein, Jo Pumpkin

Member-owners: Kathleen Pelley, Maria Baron, Alexandra Profant, Holly K.

1. Welcome

The meeting was called to order at 6:02 by Kirsten and introductions were made.

2. Agenda Review and Approval

Agenda approved by consensus.

3. Member Comment Period

- Alexandra – My application to become a Co-op vendor is about halfway complete. One of the steps was to get liability insurance. I love that the Co-op carries Traditional Medicinals brand and hope the Co-op can carry Harney and Son’s brand tea. Thank you for getting back to me about printed meeting minutes and having them available at customer service.
- Mike – Last month we had a “we appreciate you” lunch for the staff. I was at the store talking with staff. There was a request for more janitorial support in Eureka. A request to improve the back of the house kitchen equipment in Eureka to improve prepared foods functionality. In the Arcata store there is frustration that bathroom doors have gender specific signs. And there was concern that there had been staff training on transgender rights that was scheduled for January but hasn’t yet taken place.
 - o Kirsten – the staff I spoke with were appreciative of the meal the board provided.
 - o Ben – I liked meeting some of the board members at the Eureka store.
- Roger – I overheard Erica and Kathleen in the store – they were saying that the Co-op is their backup store due to economics. A sentiment I wanted to share.
- Kathleen – I appreciate the response that I got about the end of the commercial composting at the Co-op.
 - o Kiya – our lease was up on the composter, and it needed repairs, so it was sent back.

4. Consent Agenda

Motion: Approve the April 2023 consent agenda.

- March 2023 board minutes
- Annual Membership Meeting Date: Oct. 15
- Bylaws change – must be 21 to serve on board
- March 23 Finance Committee minutes
- Finance Committee Charter update

Approved by consensus.

5. Board Correspondence – reported by Kirsten

None to report.

6. Employee Guest Speaker – Dana Burstein

I came here tonight to talk about the state of the Deli Department in Eureka. There is a constant breakdown of machinery. The moral of the team is down with the loss of some of the senior team members. It feels like more is wanted from us with less staff. We used to have more senior supervision. I feel if we had more oversight and

staffing it would help. They did recently hire more people but two are already leaving. There's just a revolving door of staff and I don't know why. There's a lack of management in the deli where there are shifts with no one to go to for guidance. Training is inconsistent and doesn't necessarily follow training binders.

- Thomas – Thank you for sharing with us. I'm happy you're here. It seems like mostly what you're asking for is human supervision.
- Ben – I believe this has been an issue in the Eureka deli for a while now.
- Kirsten – thank you Dana, for taking the time to share this valuable information. We appreciate you.

(Humnath left meeting)

7. Financial Bottom Line

a) Period 10 Finances – reported by Barney

This was a 5-week period. We were still recovering from the earthquake. We also started floor repairs in Eureka. We received our second Employee Retention Credit check for a bit less than \$900K. These three things are outliers from normal activity. We had abnormal expenses and an abnormal income. Cash is good.

- Alexander – There were recently federal emergency funds made available in California. Is that funding available to the Co-op for earthquake expense?

b) Approve Fiscal year 2024 Budget – reported by Kirsten

The Finance Committee recommends the board approve the FY24 budget.

Motion: Approve the Fiscal Year 2024 Budget.

Motion by Laura, 2nd by Brenda. Motion passes (5/0/1). Roger abstains.

c) Expense Proposal for Generators – Reported by Sean

We are looking to upgrade the generators at both stores that don't meet our needs and contribute to large financial loss due to loss of products when we lose power. The generators we propose to purchase run on natural gas and would be able to keep the stores open during power outages and maintain refrigeration. It will take about six months for installation once approved.

- Mike – Will there be any annual costs associated with the generators? And why is the Eureka generator more money even though its capacity is less than the Arcata generator?
 - o Sean – There will be maintenance overtime but no set schedule of maintenance. The company that would be installing the generators would also service the generators. A lot of the cost is associated with installation, not necessarily based on the capacity of the generator. The Eureka store is more complicated to install.
- Kirsten – I'm concerned that an earthquake could break a gas line.
 - o Sean – There is no specific fail safe when it comes to damage an earthquake can cause. This is our best bet to maintain electricity.
 - o Roger – It might be worth asking about including an accordion structure to protect the gas line.
- Roger – Did we get many bids and what company are we going through?
 - o Sean – The company is Coburn Electric, a subcontractor for Generac. We did reach out to other companies, but we had the most confidence in Coburn who has experience with larger and more complicated business like our stores.
- Kirsten – how much would we be paying monthly?
 - o Barney – The current loan payments for renovations and equipment from last year is \$7,900/month. We can pay it down up to 20% a year and we might do that in this fiscal year to reduce total interest. Having the ability to make early payments gives us flexibility.

Motion: Approve the expense proposal for generators.

Motion by Mike, 2nd by Thomas. Motion passes (6/0/0).

8. Member Discounts – reported by Kirsten

At the last board meeting we were discussing capturing member comments. We've had a lot of member comments about the change in the member discount structure. Sean is going to provide some data.

- Thomas – I overhear comments about this change on a weekly basis. Especially from those on a fixed income that don't like the change.
 - Roger – Whenever you make a change, add to the menu, don't take away things that are good.
 - o Kirsten – I know part of the reason we made the change was to increase the discount from 5% to 10% to make it better.
 - Sean – It's been a little over a year since we made this change. It started January 2022. One of the driving factors was to give a bigger discount percentage and part of that was to drive sales more. When there is a small discount people don't necessarily plan around it to make a big shopping trip. We wanted to structure the discount to also drive more sales because members would plan a big shopping day to use their discount. There has been an increase in member sales in 2022 by 2.7% compared to 2021. This started as soon as the discount started. The member appreciation months are adding member sales. We see increased growth in 2023. Member discounts have decreased by 7% year over year. We've also seen a 3.5% increase in members shopping in 2022 vs. 2021. The discount change shows increased member participation. A lot of people didn't use the 5% discount because it wasn't an exciting discount. Financially this is working for the store and increasing member participation.
 - Roger – I think the people that are most upset are those with the smallest incomes. Is it possible people could choose between giving a 5% monthly discount or 10% quarterly discount?
 - Kathleen – Low-income housing is increasing in Arcata and Eureka. Is the Co-op getting these folks to shop?
 - o Kirsten – At one point there was a discussion about doing a low-income discount.
 - Thomas – It would be interesting to see if the discount is being taken advantage of more by new members versus longtime members, as well as age. I like Roger's idea of giving people the option. It seems that throughout this discussion the board has different responsibilities and goals. We want to provide members with benefits and a sense of community. We also have a fiscal responsibility to keep the store open. Is there something we can do to bring these two things more in line so that members feel like they're getting an excellent benefit and the store stays financially strong?
 - Sean – adding and diversifying member benefits is always something we look to explore.
- ACTION – Sean will check with Jason about ability of SMS to offer a choice of discounts.

9. Member Survey Ad Hoc Committee – reported by Kirsten

I'm looking for board members to be on an ad hoc committee to work on a member survey to help with the creation of the next Strategic Plan.

ACTION: Mike, Thomas, Laura, Sean and Kirsten would like to be on the ad hoc committee.

ACTION: Emily will work with Kirsten to set up a meeting date in April, likely in person.

10. Earth Action Committee

Kiya reviewed the proposed changes to annual targets on the Environmental & Social Benchmarks that the Earth Action Committee came up with. This report is updated monthly and found at the end of the GM Report.

11. Diversity, Equity & Inclusion (DE&I) Committee – reported by Kirsten

We started this conversation at the last board meeting. The board thought it would be good for there to be a committee where all staff members are invited to participate in a DE&I committee.

STAFF DIRECTIVE: Have Sean look into the creation of a DE&I committee for staff.

12. GM Report

- Sean - We should have in-house pasta back on the shelves shortly now that we've got a new machine.
- Kirsten – Sounds like Hambro might be doing a recycling center at the Eureka Co-op?
 - o Kiya- We looked into this idea and after looking into it we are no longer pursuing it. We are working to help Hambro find an alternative location.

14. Member Comment

- Thomas – I wanted to provide context to Dana's comments. We had two seasoned deli employees who passed away suddenly within a month of each other last year. These were our friends, and it was hard on staff and moral.

15. New Business (items for next agenda):

- Member Discounts
- Board Retreat Update
- Strategic Plan Update

Consensus reached to adjourn the April 6, 2023, meeting at 8:08pm and move into Executive Session.

Minutes by Emily Walter

**North Coast Co-op
Board of Directors Executive Session Minutes
April 6, 2023**

Present at meeting:

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

Absent Board Members:

Co-op Employees: Sean Nolan

No reportable action taken.

Executive Session ended at 8:52pm