



## Board of Directors Meeting Minutes

October 4, 2018 • 6 – 8pm

Eureka Co-op – Eureka, Arcata

### Present at meeting:

**Board Members:** Colin Fiske (Board President), Robert Donovan (Vice President), Leah Stamper (Secretary), James Kloor (Treasurer), Cheri Strong, Ed Smith, Mary Ella Anderson

**Absent Board Members:** None

**Co-op Employees:** Melanie Bettenhausen, Emily Walter, Cheryl Diaz, Mark Thompson, Laurie Talbert, Alisha Hammer, Michelle Sanders, Travis Morgan, Heather Pendery, Kirsten Lindquist, Lauren Fawcett, Alanna LaBelle, Kiya Villarreal, Jason Davenport, Heather Legg, Terrence Dahlia, Diane Mollring, Kristen Hayen, Kim Simon, Charlie Dawson, Jessica Stonebarger, Rob English, Edward, Jackson, Mara Segal, Sue Coulter, Robert Weston, Jessica Galaviz

**Member-owners:** Laura Jones, Diane Sharples, Barney Doyle, Lisa Blandford, Roger, Brenda Harper, Torri, Michael Reeves, David Dahler, Sarah, Nicole Matonale, Greg Stafford, Victoria Pumpkin, Sara Schubert

### 1. Welcome

Meeting was called to order at 6:04pm by Colin and introductions were made.

### 2. Agenda Review and Approval

Consensus to approve the agenda.

### 3. Member Comment Period

- Terrence D. – works at the Arcata Co-op. I've always felt the Co-op cared about employees and their families. Moves by management make me question where we are going, especially for our long-term employees. Two long-time employees whom I've worked with for ten years have been laid off. Both are hard-working and honest workers. Both predate my time at the Co-op. Melanie recently wrote an article about who are our next long-term employees. Rich and Joe were these incredible people. We should be embarrassed of this poor decision. I care about the Co-op and all the employees, even those I disagree with. I'm not trying to attack anyone. Times are tight. I think belts can be tightened elsewhere other than long-term employees, making them feel insignificant. What board members are supporting this? This will reflect how I vote. I'm feeling lucky to be part of the union. I appreciate everyone here.
- Charlie D. – two months ago I came to my first board meeting. I was concerned about decisions being made making the Co-op feel like it was going in the direction of a corporate-like business. I was assured the Co-op was not going in that direction. The thing about Safeway that stunk when I worked there was the decision of us between them. I didn't feel respected there. My work was not acknowledged there. The Co-op is so much better than that. The thought of what would happen if I got fired like others are scares me. I like the Co-op but it's scary right now. Decisions are being made for the people that are not responsible for the fallout of those decisions. Those being fired were not making the decisions that put us where we are right now. It's concerning to see management and the board moving in a direction that is making decisions in panicked haste that will have long-term ramifications. I'm not reassured. I want you to be aware that our employees are scared to talk.
- Diane S. – this is the first I've heard that tenured employees were let go. Generally, the last hired is the first fired. You don't go for your long-term employees. Let the new hires go and if work isn't needed by the long-term employees, their jobs should be shifted, not eliminated. Last time we had this issue in the 1980s there was a 10% pay cut across the board. Not one person got fired. I'm concerned there are people with no fiscal experience of what to be doing right now. Last hired first fired is generally how layoffs are dealt with.
- Kirsten L. – I wrote a letter to the board and circulated it to co-workers. Only people in the union felt safe enough to sign-off on it. Kirsten read her letter (see attachment A). I'm concerned about the leadership. Why can't employees know who is being laid off? There is a lack of transparency of updates with the financial situation.

- Roger – the Co-op Annual Membership Meeting is coming up and I encourage everyone to attend. Invite a member who you think wouldn't go or invite a potential member. This is the first board meeting in Eureka in ages, I like the idea that there could be two boards one for each store to cooperate with each other. A lot of workers are here. They are the backbones of the store. I encourage you to attend board meetings more often, even when its boring to keep things on track.
- Jessica G. - Some of the layoffs are concerning with regards to how they affect Joe Parks. He has extensive knowledge of the POS system. He really made it work for the Co-op. He's a long-term employee, who seems so valuable and it seems wrong that he's being laid off.
- Mark T. – I'm upset about layoffs of two long-term members, the reduction in hours to union staff and the fear that has been created with nonunion staff. Is the board aware of the numbers that we are supposed to reach? Since Vince is no longer with the Co-op the numbers are expected to be a lot higher. They are so high that they are even higher than a great day pre-Eureka Natural Foods opening in McKinleyville. We are expected to reach these high numbers for ten weeks. It's setting us up for failure. We were told these hour cuts are temporary until we get to budget, but we can't reach these numbers. We are set up for failure every week. In an email from Melanie Bettenhausen it said we need the best customer service and increasing sales is the only way out of this. There have been no talks on what we can do to give better customer service or increase sales. It's been hourly cuts and layoffs, but we aren't talking about increasing sales. Is reducing hours working? There was no wait between reducing hours and layoffs. It all happened at the same time. I'm not surprised Kristen's letter was not signed by nonunion members. There is a lot of fear. We are asked to do more work in less time and now there are layoffs. Now there is a temporary operations manager position that I don't know what it will entail. I'm disappointed that sales weren't talked about. We were set up for failure and people have lost their jobs. All members of the demo department are laid off. Vendors now talk to the Department Heads. I haven't been trained to deal with demos. There is no plan.
- Sue C. – there was a plan in place to remodel the Eureka deli and change the store around. We spent a lot of money to do it and it's not happening. Some cash on hand was spent on equipment and we don't know who authorized that. I've heard \$450,000 for consultants to up to \$750,000. We don't know what it cost us. How much does this have to do with our financial troubles right now? We have equipment that we don't need and are now trying to sell it. How much did we spend on the remodel? I know sales are down. We haven't been given a total of what was spent.
  - o Melanie – we spent ~\$600,000 getting all the permits and everything ready for the remodel. We are no longer paying the consultant. You may see him here, he's providing consult, but no longer being paid. Specific upgrades here were \$350,000. We've gotten some equipment free, some will be new. The hoods that we don't need were \$57,000. The General Contractor made the call to get them made before he should have. They were ordered days before the remodel project was put on hold. I didn't authorize the hoods to go into production, but once they were we had to buy them.
- Susan S. – Vince's Facebook post says he was let go because he was questioning financial situations. Have any of the board or management team gotten fiduciary training?
  - o Mary Ella – fiduciary responsibility came up when I was elected. I take it seriously. I want a forensic audit of our books.
  - o Susan S. – you have a problem with corporate culture here which is not being supported in asking the hard questions. There must be transparency.
- Michael R. – there needs to be consensus towards transparency. Where does the board stand on this? I suggest creating a website that has our detailed financials. The remodel consultant that is helping us now. How much was he paid?
  - o Melanie – over two contracts it was about \$200,000.
  - o Michael R. – I think there is a lack of management oversight. This could be taken care of by having a website with our financials. The board should pass a resolution that we not enter into contracts that members can't see. The workers are baring the brunt of poor administrative decisions and lack of financial transparency. Working hard and selling more is preposterous. Spending \$200k on consulting is a reason why the Co-op is being drained. With \$200,000 we would never have to import an onion again. Put your money where you mouth is and let's get it together.
  - o James – the next Finance Committee meeting is Nov. 29, 6-8pm at the Ten Pin building.
  - o Colin – we do get an annual audit. We are putting out RFPs right now to change our auditor because we aren't satisfied with the current. It's clear there are communication issues.

- Michael R. – I think if the Co-op is going to spend \$200,000 it should be a decision of the members.
  - Robert – we found as a board that the auditor was receiving information that wasn't useful. They can only audit the information they receive. The General Manager has been reviewed by the board, including staff and management, and a recurring outcome is that Melanie is so much better than what we had. Melanie has been busy fixing many problems, and the board asked the Melanie to do this remodel. Melanie has been operating under the supervision of the board.
- Heather L. – at the last quarterly huddle we went over finances with administration and Department Heads. Melanie told us about the money spent on the remodel and how it effects our cash on hand. Would we be in this situation had we not pushed so far into the remodel. She said eventually we would. I want someone to take responsibility for this. The board? Melanie?
  - Melanie – I do take ownership of what is happening.
  - Mary Ella – I regret voting for the Eureka remodel. I regret putting Melanie in a position for which she is not qualified. She's never run a business before. We need someone who knows how to run a grocery store. I feel so bad. I don't want this toxic environment. This board is responsible for this.
- Mara S. – blaming is not going to help. How many people have read all the newsletters that have come out this year? Many employees came to me to complain about Vince being let go. I told them to write letters to Melanie and maybe only two wrote letters. I'm not feeling great about our employees only being active when they are mad. It would be great if information is presented in a way we can understand. Everyone needs to take responsibility to stay informed. Its not my call to say whether the \$200k to the consultant makes sense or not. People need to attend the meetings.
  - Jessica G. – the last time I attended a board meeting with a lot of people in attendance was in opposition to the deli remodel which was pushed through though even though employees were against it. It's discouraging.
- Mary Ella – we need pressure from the members to keep the store on track. Members need to give their guidance. This is a majority rule board.
- Member – there was talk about doing another project or developing a new warehouse location. Is this still going to happen?
  - Melanie – we were in talks with the City of Blue Lake. I've heard nothing from then in a very long time and am not pursuing anything at this time.
- Kirstin L. – I'm feeling disempowered that nothing is going to happen. You listen, but what will come from it. I'm asking the board. I don't know what the process is.
  - Colin – we are Melanie's boss. She makes the operation decisions. We give her feedback. We appreciate everyone here because we haven't heard all these things. Some of this is new to us and I imagine much will be covered under the GM report agenda item tonight. The board doesn't make operation decisions, but we do respond when we think something needs to change. It's upsetting to hear about fear and disempowerment because that is the opposite of what I'd like to see. I don't have an answer of how to change that at this moment. I'd like to hear ideas of how to make communication better and continue the conversation.
  - Kirstin L. – let me be blunt. What is the process to remove the GM?
  - Colin – the board votes to fire the GM.
  - Robert – this board member doesn't want to see the GM removed.
- Diane S. – have you seen a plan to guarantee the financial stability of the Co-op? We are talking about the continued existence of the Co-op. This is the time for the board to step in.
  - Colin – it's not as cohesive as I'd like but elements of a plan have been presented to us.
  - James – we did receive a labor reduction plan that includes scenarios of if sales go up or not.
  - Colin – there are other elements we've discussed such as inventory reduction, leaving the Ten Pin building, and reducing overtime costs. Different aspects have been discussed but not in a complete plan. The inventory is reducing.
- Mark T. – last month I asked about inventory reduction – it's the exact opposite of what we've been told. We've been told to keep the shelves full. Keep the backstock full. Now we are told to reduce inventory on backstock and on shelves. What's the plan for reducing inventory? My response is that we don't want to look like we're going out of business.
- James – over the past few years cash on hand keeps going down and inventory keeps going up. This could be attributing to the cash situation.

## 5 MINUTE BREAK

- Roger – there isn't anybody in here who doesn't want to see the Co-op work. Remember that and focus on what we do next. Let's make this a growing experience.

### 4. Consent Calendar

**Motion:** Approve the October 4, 2018 consent calendar:

- a) Approve September 6, 2018 board meeting minutes.

Approved by consensus (7/0/0).

### 5. Board President Report – reported by Colin

Designate who will write the board report

Robert will write the next board report.

Annual Membership Meeting

Colin invited everyone to the AMM on Oct. 21, 1-4pm at the Arcata Veterans Hall. The draft strategic plan will be reviewed and members will be asked to vote to adopt it.

ACTION: Laurie will get the draft Strategic Plan posted on the website.

Board Correspondence

Laura J. – I would like to amend my letter to the board. I want to encourage the board to be fiscally responsible.

### 6. Board Consultant Contract 2019 – reported by Colin

This past year we hired a consultant for the General Manager (GM) review. We are proposing to hire the same consultant for 2019. Most of the evaluation happens confidentially but we can talk about the process. I'm hoping tonight that we can vote to approve the contract with Bobbie Good that is included in the board packet.

- Mary Ella – I don't feel the GM evaluation was a useful process. It suppressed useful information. I didn't find it helpful. It didn't reflect the actual situation.
- Michael R. – we already know people don't like the GM. Why are we spending money on this? Just look at the books and the way the store is going. I'm not saying sack her.
- James – two years ago we went through an evaluation process that didn't work. So, we hired a consultant to help us create concrete goals for the GM to move forward and assess the GMs performance. It's a worthwhile expense.
- Robert – the GM has worked very hard to undo the problem of the past. The board would wish to move beyond a cycle of stupidity. We'd like the support of the members to become a more professional organization.
- Colin – this year's annual review just concluded. To be clear, this contract doesn't lock us into a specific procedure. We can make changes from what we did last year. I appreciated the assistance Bobbie Good provided last year. It went better than previous years to get us information we wouldn't otherwise have and to create a system to hold the GM accountable for goals we set for her. Its on the agenda tonight because we want to be prepared ahead of time.
- Jackson S. – can this board hold the GM accountable without spending more money? Maybe those inside the company can see better into the situation.
- Colin – Bobbie Good is a facilitator. She doesn't create goals for us. She helps gather information and help the board work internally on the goals we think we should set.
- Robert – without the facilitation of someone such as Bobbie Good it is difficult for this board to hold the GM to task or terminate someone from contract without cause. It is more than fair to spend \$2,000 to hold someone accountable so they cannot sue the members if their contract was to be terminated.
- Colin – this contract doesn't commit us to expenditure. There is no deposit.

**Motion:** Approve the contract for Bobbie Good.

James moved, 2<sup>nd</sup> from Leah, Motion passes (6/2/0). Mary Ella and Cheri oppose.

## 7. Board Stipends – reported by Colin

A couple of board members requested this agenda item to discuss cutting board stipends in solidarity with Co-op employees.

- Mary Ella – is Melanie taking cuts?
  - o Colin – we have a contract with her and that would be a board discussion and decision.
- Robert – the board either needs a pay raise or we can pay for the privilege of being on the board. Between those extremes zero sounds good.
- Mary Ella – when I got on the board I did not know I would get a \$200 monthly stipend. We need more working-class people on the board and its within the spirit of the Co-op.
- James – the stipend is factored into my monthly budget, but I think a cut is fair considering what the Co-op is going through.
- Mary Ella – I think we should take the same cut as the employees.
- Colin – I didn't know I would get a stipend either, but I do think that it ensures that anyone that wants to can serve on the board. I also think we should take a cut while we're in this situation.
- Cheri – there was a time when there was no board stipend. It was hard to get a quorum because people didn't feel invested to show up.
- Mary Ella – I'm the only low-income person on this board. I don't have the same perspective as the rest. I do want to show solidarity with the workers. I don't want to give up all of it.
- James – how about a voluntary removal of stipends?
- Robert – lets zero it out and let those that need it get it.
- Colin – I think we should all take the same cut.
  - o Mary Ella – agrees.
- Colin – we could use our stipends to buy C shares.

**Motion:** The board will take a 25% reduction in board stipends.

Moved by Colin, 2<sup>nd</sup> from James, Motion passes (7/0/0).

## 8. Policies & Procedures Committee Motions – reported by Leah

Leah introduced the discussions and motions that were made at the September Policies & Procedures committee meeting which can be reviewed in the September Policies & Procedures committee meeting minutes.

**Motion:** Direct staff to provide the board with the cyber security SOP when its complete.

Moved by Leah, 2<sup>nd</sup> from Colin, Motion passes (5/0/2). Mary Ella and Cheri abstain.

Previously emails to the board went to the Administrative Assistant and General Manager. They were then forwarded to the board President. Now we are proposing emails go directly to the entire board and that the board will have their own northcoast.coop email accounts. Once no longer a board member the email will be disabled. Any written correspondence to the board will be scanned and emailed to the board by the Administrative Assistant.

**Motion:** Adopt the changes to the Board Policy Manual Section 5E as detailed in Attachment A of the September Policies & Procedures committee minutes.

Moved by James, 2<sup>nd</sup> from Ed, Motion passes (7/0/0).

There has never been an officially adopted job description for the General Manager, so we decided to review and update one.

- Roger – why does the GM need to be able to lift 50 pounds?
  - o Colin – I think it's a legal thing.

ACTION: Leah will ask the HR attorney about the lifting language.

Mary Ella – add the first bullet under Customer Service to be under Personnel Practices as well.

**Motion:** Recommend to provisionally approve the updated GM job description, as amended\*, upon review by an HR attorney and authorize Leah to contact the HR attorney.

\* add “Treat people fairly, consistently, and with respect” under Personnel Practices.

Moved by Leah, 2<sup>nd</sup> from Robert, Motion passes (6/0/1). Mary Ella abstains.

## 9. 5 Minutes Break

## 10. General Manager Report

- Melanie – we have seen reduced warehouse inventory from 25 to 29 days and are making headway. Kudos to staff for their effort, particularly Department Heads co-buying merchandise between stores. Staff and the landlord have been notified about our upcoming exit from the Ten Pin building.
  - o Colin – is the exit schedule dependent of the landlord?
  - o Melanie – the landlord has agreed that if he finds a new tenant we can get out of lease early (before Feb. 2019).
- Melanie – we posted reduction of hours on September 24 and going forward. This is a dramatic cut at first. This is happening in real time. Finances and the economy look one way and then another shortly after. I want to have more conversations with staff and the board about what may be our new economy. Cash on hand increased to 4.5 days by reducing expenses along with our capital loan. Our new controller, Barney Doyle, is visiting. He is scheduled to start in November as he’s moving to the area. We are celebrating our 45<sup>th</sup> anniversary on a small budget designed to increase sales. I’m concerned about the rift that we have on the board and in leadership in general for the Co-op at this time. It’s a high stress time and it’s easy to lose sight of what we need to be working on. I’m glad people are speaking up and I don’t hold that against anybody. We need to work together.
- Colin – you mentioned continued conversation about the new economic reality. Have there been staff level conversations?
  - o Melanie – we’ve been trying to figure out why sales are down. What is the trend? The plan that was written for labor reductions was based on 2% down from budget. Our sales have continued to go down further. If this is going to continue and we don’t know where the bottom is, what are we going to do as an organization? There is something much bigger at play for our community and economy. I don’t know how to facilitate the conversation or what the outcome would be. But the conversation needs to be had.
- Lisa B. – I’ve had to shop at Eureka Natural Foods and there are always many people in there. They don’t look like they are having any issues. They did a small deli remodel with added seating. They offer a senior discount and student discount. I refuse to sign up for their point discount out of loyalty to the Co-op. They are well staffed. In my mind, if they are well staffed, they must have money to pay staff. I don’t know what they pay their staff. It was a pleasant experience. Every time I’m there they are busy.
- Michael R. – we need to come up with a strategic marketing plan. I can come up with a proposal. We could offer more to encourage loyalty.
- Mara S. – we can learn from ourselves and what we’ve done well. We can offer better customer service. The more employees are stressed their customer service goes down. There needs to be a leadership plan. There needs to be a united front of what we can do.
- Robert – can you clarify the information about Cal Ore Life Flight?
- Melanie – Cal Ore Life Flight is covered under the insurance Co-op offers employees. How much is covered is dependent upon whether Cal Ore or the hospital bills the insurance first. If the hospital bills first, then it helps to have the optional additional Cal Ore insurance. It’s an industry standard issue. It was Michelle’s idea to offer this discounted Cal Ore optional benefit to employees.
- Colin – the GM report says that the Ten Pin rent was not included in the budget. Can you explain that?
  - o Melanie – there is no line item in the budget for the Ten Pin. It was an oversight.
- Colin – C-share repurchase request totals were presented. Have these been paid out?
  - o Melanie – what was presented is the waiting list.
- Colin – what is happening with patronage refunds for the last fiscal year?

- Melanie – an email between the auditors and RFS discussed that if we post the two weeks of payroll back to last year, where they belong, we will not have income and won't need to distribute patronage refunds. This is not yet official.
- Diane S. – someone commented earlier about a new Operational Management position. Please explain.
  - Melanie – in the absence of an Arcata Store Manager I've asked the Eureka Store Manager to have oversight over both stores and gave her a new title. A new job has not been created, one employee was given more responsibility.
- Robert – how did we get new equipment for free?
  - Melanie – our remodel consultant was able to get this equipment free from a store that was closed.

**Motion:** Accept the October 2018 General Manager Report.

Leah moved, 2<sup>nd</sup> from James, Motion passes (5/0/2). Mary Ella and Cheri abstain.

#### 11. Member Comment Period

- No comments.

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

None

Consensus reached to adjourn the October 4, 2018 meeting at 8:43pm and move into Executive Session.

*Minutes by Emily Walter*

### North Coast Co-op Board of Directors Executive Session Minutes October 4, 2018 Eureka Co-op Store, Eureka

#### **Present at the meeting:**

**Board Members:** Colin Fiske (Board President), Robert Donovan (Vice President), Leah Stamper (Secretary), James Kloor (Treasurer), Cheri Strong, Ed Smith, Mary Ella Anderson

**Absent Board Members:** None

**Approved guests:** Melanie Bettenhausen

Adoption of NCG benchmarks with modified sales growth figure of “positive growth.”  
Motion passed (6/0/1), Mary Ella abstained.

Executive session ended at 10:00pm

*Reported by Leah Stamper*

## ATTACHMENT A

September 29, 2018

Dear Members of the Board,

As you know the Co-op is in a financial crisis; I believe it is also experiencing a crisis of leadership and am alarmed that if nothing is done to change course, the future of the co-op is at risk. I am specifically concerned about the General Manager, Melanie Bettenhausen, and want to bring several issues to your attention.

I am a recent employee - hired as a cashier in September 2017 and recently promoted to Wine and Spirits department head in May 2018. The North Coast Co-op is the third co-op I have worked at, and the third time I have been a manager at a co-op. Prior to working at co-ops, I worked in the non-profit political world in various capacities but mainly as part of a leadership development program for State Legislators at the Center for Policy Alternatives. Keeping this background in mind, I have varied and extensive experience with different co-op managers, leadership styles, and organizational culture.

I began writing this letter on August 2 after attending the August Board meeting following the firing of Vince Graves-Blandford, and realized that the financial health of the Co-op was both unknown to the board and seemed to be on unsound footing. My concerns at that time were vague and hard to pin down; unfortunately they have only grown and are now more substantial and disturbing.

Since Melanie presented the co-op's financial position to the management team and department heads three weeks ago, it has become clear that there is no plan to address the situation. Department heads were presented with an initial, mandatory reduction in hours for all floor (union) staff, which we accepted as a necessity to help move the dial on our financial health. Melanie said that management would not take any cuts, and explained that instead they would work more hours. It was not explained how that would help grow sales. The following week the amount of reductions was retracted, with no substantial explanation as to why, and she implied that the cuts had been too drastic. However the following week we found out that 8 staff had been laid off, including Rich Quenzer, one of the Assistant Store Managers at the Arcata Store. When asked why layoffs were already occurring when we had been told that "we would wait and see how the hour reductions go," Melanie did not have an answer other than to cite declining sales compared to the what had been budgeted. When she was asked why the budget plan numbers appeared much higher than what had previously been expected of the store, she replied that the projected numbers had been created by the management team last year based on previous sales numbers. At that time she was also asked whether there were sales expectations from departments. It was completely unclear what would happen next since we were not being told what goal would be sufficient to stop the weekly onslaught of attempts to stop the financial losses. At the Arcata department head meeting on 9/25, it was clear that many of us were deeply disturbed by the lack of information and communication from Melanie and that there was no clear plan to change the situation other than the staff adjustments she had made.



Because of my grave concerns after that meeting, I contacted Vince Graves-Blandford to hear his perspective.

After a long conversation with Vince on 9/27, I have learned that he was asked by Melanie to make adjustments to this year's budget numbers *after* they were submitted to the board in mid March. He told me that he had explained to Melanie that because she had not provided him or any other managers, with COGS - cost of goods - data, that he did not have sufficient information to make the adjustments she demanded. Ultimately he complied because he knew his job depended on it. He also told me that he secured a lawyer to reinstate him as Arcata Store Manager and recoup back pay, because he knows his termination was wrongful and he has a valid claim under California whistleblower law. I also learned that the NCGA audit conducted in July of this year questioned how the financial information had been organized on the general ledger sheets as well as why staff duties in the accounting department had been siloed to the effect that it not only made it difficult for NCGA to compare our co-ops to others, but for our own benefit, accounting staff would not be able to review each other's work. As you know our controller was fired in May 2018 and I had heard from a co-worker that she had told Melanie in December of 2017 that our controller had been suspected of committing fraud at a former job. Knowing these various facts makes me strongly question why Melanie asked Vince to change budget numbers after they had been presented to the Board. I would like to believe that there is a good reason for her actions, but what I know of her actions and lack thereof do not leave me optimistic.

I am uncertain of the severity of the Co-op's financial situation, but it seems clear to me that the leadership crisis is extremely severe. I have had the experience of working for a nonprofit organization that thought it was would be forced to shut its doors due to the leader's failure to secure enough funding for the budget. Once the leader was removed, the remaining executives took pay cuts - employees did not - changed course dramatically, and righted the organization and we survived. It was a team effort and there was total transparency. This is not the case with the co-op. I do not get the sense from other management members (exempt) that they are backing Melanie's decisions; in fact they seem to be in fear of losing their positions as Vince told me he was and was subsequently proven correct. Melanie has created a culture of fear and lack of information. It is not a plan to revive the Co-op. It is deeply disturbing and I hope the Board takes a hard look at the big picture and makes the leadership change needed to redirect the Co-op's course.

I thank you for taking the time to read my letter.

Sincerely Yours,

Kirsten Lindquist  
Member 4562  
Arcata Wine and Spirits Department Head



## ATTACHMENT B

### Job Description

#### **JOB TITLE: General Manager**

EXEMPT: Yes

SALARY: \$85,000 - \$110,000

REPORT TO: Board of Directors

POSTING DATES: Until filled

LAST REVISED: October 4, 2018

**SUMMARY:** Ensure safe, secure and financially sustainable day-to-day and long-term operations; ensure hiring, training and supervision of Management Team and other employees in line with the cooperative principles and values; and meet the goals and objectives established by the Board of Directors (board).

#### **ESSENTIAL DUTIES AND RESPONSIBILITIES:**

##### **1. Customer Service**

- Treat people fairly, consistently, and with respect.
- Ensure efficient, informative, and friendly service according to established customer service vision and standards.

##### **2. Leadership**

- Model supportive and participatory leadership qualities, promote team building, and motivate staff to achieve their stated objectives.
- Treat staff and managers with consistency and fairness, in a style appropriate to a cooperative work environment.
- Ensure that communications are clear, direct, and respectful.
- Ensure professional and friendly service from all staff.
- Act as a model to all employees following both the union contract and employee handbook.

##### **3. Personnel Practices**

- Treat people fairly, consistently, and with respect.
- Foster employee job satisfaction and commitment to the Co-op.
- Actively address performance and personnel issues in a timely manner.
- Ensure the integrity of the Co-ops stated vision and policies in decision-making and interactions with others.
- Follow good documentation practices.
- Assist in maintaining updated job descriptions for all supervised staff.
- Provide timely, thorough and thoughtful performance evaluations to staff.
- Ensure appropriate safety training for all staff.
- Provide adequate professional development opportunities for all staff.

##### **4. Environmental Practices**

- Reduce waste production and energy use to the maximum extent feasible.
- Understand and abide by the Co-op's organic certification.
- Implement the Co-op's Zero Waste Policy.
- Ensure that Co-op facilities are welcoming to environmentally friendly forms of transportation such as walking, biking and taking the bus.

##### **5. Financial Practices**

- Oversee preparation of an annual budget to be approved by the board.

- Responsible for timely preparation of quarterly income and balance statements and monthly updates for the board on the Co-ops financial status.
- Communicate relevant sales, margin and labor goals to staff on a regular basis.
- Maintain working knowledge of personnel reports, margin reports, weekly sales numbers and financial goals.

## **6. Management Practices**

- Understand and demonstrate commitment to the cooperative principles, cooperative business model and a triple-bottom-line philosophy.
- Implement the adopted Strategic Plan.
- Facilitate management team meetings setting/following established ground rules.
- Stay current on global trends and changes that affect the natural foods industry.
- Respond to challenging situations in a positive and professional manner including proposing new ideas or better ways of doing things.
- Demonstrate regular, predictable work attendance.
- Demonstrate a willingness and ability to cooperate and communicate with co-workers, supervisors, subordinates and/or outside contacts in a timely and appropriate manner.
- Complete goals and work plan tasks in a timely manner, meeting established deadlines.
- Follow health and safety rules. Maintain working knowledge of processes and solutions for store emergencies.

## **7. Board of Director Relations**

- Attend Board of Director meetings.
- Respond to board requests and implement decisions and directives of the board in a thorough and timely manner.
- Provide a written and oral report each month on the status of the Co-op and the status of the Co-ops strategic plan implementation.
- Submit agenda items as necessary on issues needing board action.
- Submit an annual report including previous year's financial status and a budget for the following year.
- Keep the board apprised of issues to be considered for the long-range planning of the Co-op and makes specific recommendations for development.
- Maintain effective communication and working relationships with the board and board President.

## **8. Membership**

- Ensure clear and effective communications to the membership.
- Ensure overall member satisfaction by monitoring key indicators.
- Maintain accurate membership records.
- Ensure openness and responsiveness to member input on operational issues.

## **9. Operations**

- Ensure labor costs are financially sustainable for the organization while striving to provide employees with the best possible compensation and work environment.
- Ensure timely negotiations and renewals of any lease and/or sublease.
- Ensure the physical building is adequately maintained and meets all security, health and safety standards.
- Ensure efficient operational systems; identify and solve operational problems.

- Plan for and implement changes and improvements to physical operation.
- Ensure assets are utilized productively and safeguarded from loss.
- Oversee negotiation of the Collective Bargaining Agreement.
- Ensure implementation of the Purchasing and Merchandising Policies.

## **KNOWLEDGE, SKILLS, EXPERIENCE**

### **Co-op Knowledge**

- Demonstrate a commitment to cooperative principles and an understanding of the difference between cooperative businesses and conventional retail stores.
- Maintain an understanding of the Co-op's organizational structure and the General Manager's place within it, including relationships with staff, membership, and the board.
- Ensure the integrity of the Co-op's Mission Statement and commitment to cooperative principles.

### **Skills/Experience**

The General Manager must demonstrate competence in the following areas:

- Financial management and inventory control
- Product information and research
- Meeting facilitation
- Public relations
- Natural foods merchandising
- Retail management experience
- Attention to detail and good organizational skills
- Ability to handle multiple demands, work under time pressures and meet deadlines
- Effective communication skills
- Computer proficiency, e.g., keyboard, email, Word, Excel
- Ability to prioritize task
- Experience speaking to the public
- Proven math skills
- Ability to develop and manage a departmental budget
- Exhibited ability to follow through on commitments
- Exhibited ability to work well in a team setting
- Ability to work through disagreements toward productive outcomes

### **Education and/or Experience**

Bachelor's degree (B.A.) or equivalent from four-year College; or five years related experience and/or training; or equivalent combination of education and experience.

### **Physical Requirements**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this position.

- Stand, walk and sit.
- Use Stairs
- Lift and carry 50-pounds

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General Manager Signature

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Date



**Board of Directors  
Special Meeting Minutes  
October 15, 2018, 6pm  
Ten Pin Building – 793 K Street, Arcata**

**Present at meeting:**

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

**Absent Board Members:** Mary Ella Anderson

**Co-op Employees:** None

**Executive Session – discussed personnel issues**

No reportable action taken.

Consensus reached to adjourn the October 15, 2018 meeting at 8:20pm.



**Board of Directors  
Special Meeting Minutes  
October 23, 2018, 6pm  
Ten Pin Building – 793 K Street, Arcata**

**Present at meeting:**

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

**Absent Board Members:** None

**Co-op Employees:** Melanie Bettenhausen present when requested

**Executive Session – discussed personnel issues**

No reportable action taken.

Consensus reached to adjourn the October 23, 2018 meeting at 8:47pm.