



## Board of Directors Meeting Minutes

December 7, 2023 • 6 – 8pm

Zoom

### Present at meeting:

**Board Members:** Brenda Harper (President), Mike Connors (Treasurer), Laura Jones (Director), Roger (Vice President), George WinterSun (Secretary), Mimi Smith (Employee Director), Ellis Smith (Employee Director)

### **Absent Board Members:**

**Co-op Employees:** Emily Walter, Sean Nolan, Barney Doyle, Lauren Fawcett, Lawrence Fraser

**Member-owners:** Kathleen Pelley, Margarita Fedorova, Ricardo Picart Joanne, McGarry, Sarai, Anna Sofia Amezcua, Genevieve Ameduri

### 1. Welcome

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

### 2. Agenda Review and Approval

Agenda approved by consensus.

### 3. Member Comment Period

- Margarita – In the board report it says that the Board is not taking action to boycott Israeli products. I'm curious why because the Co-op Purchasing Policy says the Co-op strives to purchase and sell products which have a significant, positive social or economic impact. Significant negative impacts may include human rights violations; failure to provide fair compensation and humane treatment to workers, and negative political, cultural, economic or health effects on producers, consumers, and communities. I think that Sabra Hummus, along with other Israeli products are directly tied to human rights violations. I would like access to a document that has inventory information on the products the Co-op carries.
- Ricardo – I'm not comfortable purchasing products from an organization that is directly financing genocide in Palestine. Is the Co-op going to take action to remove the products that support Israel and their campaign against the Palestinians?
- Joanne – Does the Co-op Board plan to meet in person so that we can be connected in one room? It's nice to be in the same room with a lot of people. I let George WinterSun know that I'd like to improve bicycle parking and get fewer cars coming to the Arcata Co-op. I'd like to promote bicycling, walking and carpooling to the Co-op. In 2018 we got Los Bagels to package their "hummus for hope" that supported Syrian refugees in Greece. Proceeds from this hummus went to refugees. I've contacted Los Bagels about doing something similar again for worthy children's causes in the middle east. Maybe the Co-op would be interested in offering a local product that could be used in a similar way.
- Anna – I'm here to support the removal of Israeli products from the Co-op.
- Roger – There's a survey that's offered to some people as they leave the store. I was told I could not be part of the survey if I didn't have a computer to do it on. I saw another person refuse the survey because they were worried about being contacted/harassed following the survey. The feedback is that if we are doing a survey that it should be accessible to all members. A member brought up not getting avocados from Mexico. Avocados from Mexico are part of cartel operations. Should the Co-op be getting avocados from places that deforest and are backed by cartel? A member talked about organic certification not meaning much as it's corporately controlled and can be misleading.
- Mimi – I talked with a member who was disappointed with customer service and not having specific products in the store and deli.
- Genevieve – I want to make sure we are boycotting anything from the settler apartheid state. Because the genocide and extermination count that's happening now is being done by our working taxpayer dollars. America is giving diplomatic cover and just like in South Africa – the apartheid in South Africa was dismantled through these types of boycotts. We need to cut funding and investment and divest.

#### 4. Approve November 2023 Board Minutes

**Motion:** Approve the November 2023 board minutes.  
Motion by Roger, 2<sup>nd</sup> from Ellis. All in favor, motion passes (7/0/0).

#### 5. Introduce Board Officers – reported by Brenda

- Brenda Harper - President
- Roger – Vice President
- Mike Connors – Treasurer and Finance Committee Chair
- George – Secretary and Policies and Procedures Committee
- Laura – Nominating Committee Chair
- Ellis & Mimi will oversee the Member Action Committee and Earth Action Committee

#### 6. Guest Employee – Lawrence Fraser

I'm currently on six weeks' leave of absence so my comments will be cumulative and not pertaining to the last month. I worked in the Deli in Arcata. I think the Co-op is falling short of its potential and not living up to the image it projects. The two areas I see us struggling with are 1) not being resource effective and 2) what I call performative allyship, or failure to act. I know the board is not an all-powerful entity. Also, this is the best job I've ever had, so please take those grains of salt with my criticisms.

- When I say resource effective, I'm talking about our packaging. Lots of labels on products are deceptive saying things like "made from recycled materials" when actually those packages aren't recyclable locally. Another contributor is the deli hot bar food waste. We have a lot of food waste daily. We had an industrial food composter, but we got rid of it because it was too expensive and now, we can't compost a lot of packaging. Most things labeled compostable are actually just fancy garbage. We have great programs to keep a lot of waste from the trash, but that's not the case for hot food, especially hot food sauces.
- Performative allyship. The Co-op gives an impression of sustainability and progress while actually being a fairly standard grocery store. We project a particular image, but we don't often act on it. We can't keep our pride displays up all June but get Christmas product displays out before November. The sliding cases in front of the deli in Arcata are beautiful but not accessible to those in a wheelchair or who don't have use of both hands. There's a lack of vegan and gluten free options in the deli. I think we can improve upon micro-aggressions. We have a lot of ideals that we project but fail to act on. Pronouns are important to me because I get misgendered daily. If we followed through making pronouns common practice, including analyzing why people use the pronouns they use, I think it would go a long way from treating trans employees as a curiosity.
- I enjoy this job and enjoy shopping at the Co-op. Every criticism I deliver is because I believe we can fix this. I would like the Co-op to join the Boycott Divest and Sanction Israeli movement as part of the protest against genocide. Since the Co-op doesn't carry a lot of these products it shouldn't be a financial burden, but it could be meaningful. Especially if we issue a statement condemning war crimes being funded by our tax dollars. I look forward to a future where the Co-op lives up to its potential - Sustainable. Inclusive. Accessible. Progressive.

#### 7. Guest Management – Lauren Fawcett

I've been here at the Co-op for over 15 years. I started as the kitchen coordinator and then became the food service director. Lawrence brought up packaging and waste in the Prepared Foods Department which really are challenging topics. We're always looking for better packaging. Hot bar waste is challenging because it takes a lot of food to keep a hot bar looking inviting to customers. When we pull it from the floor, employees have one hour to take the leftover hot bar food home and then that food must be disposed of because by that time it's no longer safe to consume. It was great when we had the industrial composter and it's too bad that the City of Arcata hasn't got one. We have one bakery that supplies baked foods at both locations. We try to have a mix of gluten free and vegan options for the constantly changing needs and wants of our customers. It's common for shoppers to miss recipes and we're always happy to share any recipes for past and current items.

- Roger – Perhaps we should tell members that they can get recipes. We're a quality food store in theory. It's hard to see the whole wheat bread have the first ingredient be white bread.
  - o Lauren – It can be tricky with how you can label whole wheat.
- Brenda – Why had the Co-op fallen so behind in the beverage bar. Other stores have bustling beverage bars.

- Lauren – The beverage bar in Eureka has been closed for a few months and Arcata has limited hours. They used to be open 7am-6pm seven days a week. We didn't have the customer base at our beverage bars like some of the other stores have. The beverage bar in Arcata is open 7am-1:30pm. We don't have a timeline for getting the Eureka beverage bar reopened.

**8. Board Correspondence** – reported by Brenda

There are some member emails to the board in the Board packet. There were a couple additional emails to the board regarding Israel and one about the Arcata parking lot.

- Mike – how many spaces have we lost in the Arcata parking lot?
  - Sean – about 20 spaces.

**9. Finance Report** – reported by Barney

The financial statements for Q2 and P6 were presented at the recent Finance Committee meeting.

- Roger suggested changing the benefits chart title. Explain that benefits mean employee expenses, not member benefits.

Cash went up about \$115k compared to Q1. Inventory was up about \$80k. Net revenue was up about \$60k compared to budget and \$193k over the prior year. We believe this shows a direct correlation to last year's renovations in Arcata. Unfortunately, margin was down from budget. Payroll was lower than budget by \$19k. Benefits, including healthcare, taxes and insurance were over budget by \$115k. Bringing total payroll over budget by \$85k. We had a \$216k net loss. The actual budget was a \$600 loss.

We are looking to improve our margins to make sure our prices are responding to increasing costs of goods, and how to get more people into our stores. Health insurance costs are one thing we can't control but we are currently \$200k less than last year. The recent parking lot construction really took a hit to our overall sales, but we had no control of how or when that project took place. Overall, we're in good financial shape.

**10. Finance Committee** – reported by Mike

The Finance Committee reviewed Fiscal Year 2023 Q2 and P6 in November. The committee discussed that we start reviewing financial numbers at the Board meeting on a quarterly basis instead of reporting Periods monthly. That decision will likely be made at the next Finance Committee meeting.

**Motion:** Approve the November Finance Committee minutes.  
Motion by Brenda, 2<sup>nd</sup> from Ellis. All in favor, motion passes (7/0/0).

**Motion:** Accept the Fiscal Year 2023 Q2 financials.  
Motion by Roger, 2<sup>nd</sup> from Brenda. All in favor, motion passes (7/0/0).

**11. Eureka Co-op** – reported by Ellis

I know that often these meetings are focused on the Arcata Co-op, but Mimi and I work at the Eureka Co-op. I just figured I'd give a rundown on things that are happening in Eureka. Right now, we're painting the exterior of the building. Everyone is excited about the generators getting installed. A couple of employees wanted me to ask about the potential to replace the walk-in freezer door in Eureka that is broken. I'm happy to answer any questions, along with Mimi.

- Roger – what is the general worker moral in Eureka?
  - Ellis – I get the sense that there is less turnover in Eureka. I think Arcata has a higher turnover of customers and staff due to its being a college town. The Vibe in Eureka is just different than Arcata. I believe there is friendliness of employees between stores.
- Mike – I'm curious if you could talk about the staffing structure in Eureka.
  - Ellis – I think there is a general perception in Eureka that there is more emphasis put on the Arcata store and how it's doing. Sometimes there are things, like policies, that apply to Arcata but not so much to Eureka.
  - Mimi – there is a running joke that the Eureka store is more neglected than the Arcata store.

- Barney – Could you give an example of what’s being hoisted on you that doesn’t really apply to Eureka. One of our goals is to make the stores homogenous. Is there something that’s not working right?
  - o Ellis – An example is that Cashiers and Front End folk got a list of expectations about closing and a lot of the cashiers found that it was applicable to how Arcata is run and that it didn’t make sense for Eureka. More operational type things.
  - o Barney – we like to have standardized procedures, but I can see certain things that are different between the stores. And if it’s not broken, don’t try to fix it.
  - o Ellis – Some members feel strongly about having the same products at both stores and some don’t. Some people find different products at the stores charming, while others are frustrated by it.

**12. GM Report – reported by Sean**

It’s a busy time of the year but things went smoothly over the Thanksgiving rush. Staff did a great job. We had strong sales for Thanksgiving week, just shy of last year’s number which was a record sales year. The City of Arcata required the Arcata store parking lot changes to go with the changing of 8<sup>th</sup> and 9<sup>th</sup> streets to one-way streets. We lost about 20 parking spaces and lost about \$100k in sales during construction. We still need to do some striping and landscaping. The City did pay for the construction. Sales seem to be returning to normal.

Last year Arcata got a lot of focus with the renovation there. This year we are focusing on Eureka with the exterior painting, new storefront signs, some new signs inside and improved lighting. We eagerly anticipate the installation of new generators at both stores. We wrapped up the voting for the 2024 Seeds for Change Program with over 1,200 members voting.

- Mimi – Can you explain how the roof leaks in Eureka are being addressed.
  - o Sean – We don’t own the Eureka building. We are working with the building manager to get any leaks fixed. Christine is in contact with the building manager and should be informed of any leaks.
- Laura – Is there a schematic of what the Arcata Parking Lot will look like when it’s done?
  - o Sean – Yes. We posted a schematic on our social media. I think it will be going into an upcoming Co-op News.

**13. Member Comment**

- Joanne – I wonder if the board would be interested in having a board member that shops in Eureka and one that shops in Arcata. I’m interested in being part of the Earth Action committee which could include how people get to the Co-op. Perhaps having a table with solar panels for people to be able to charge their phones near a kiosk, perhaps by wherein the bike shed is. I was upset to see the waste created from the recent power outage in Arcata. When I brought up the concept of hummus for hope... it’s a positive thing that can be done that can positively help the situation in the middle east. There is also a movement of bread for peace. If you aren’t willing to do BDS, perhaps you can offer a peaceful product from the Co-op. This is what people like me would like to see the Co-op return to doing. It would be good to look into a positive approach.
- Roger – we need to get the Member Action Committee going again to talk about ideas like this. Its hard to communicate with members. There are many stores similar to the Co-op now. How do we adjust to that? Is it realistic that the Co-op continues to expand, or do we adjust to increased competition? We need to keep in mind that we don’t own the Eureka store. Are we going to keep renting the Eureka building? These are things the board should keep in mind to discuss.

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

- Employee Speaker
- Management Speaker
- Vote on Nominating Cmt. Members

Consensus reached to adjourn the December 7, 2023, meeting at 8:01pm and move into Executive Session.

*Minutes by Emily Walter*

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

**Present at meeting:**

**Board Members:** Brenda Harper (President), Mike Connors (Treasurer), Laura Jones (Director), Roger (Vice President), George WinterSun (Secretary), Mimi Smith (Employee Director), Ellis Smith (Employee Director)

**Absent Board Members:**

**Co-op Employees:** Sean Nolan

No reportable action.

Executive Session ended at 8:27pm