



## Board of Directors Meeting Minutes

March 7, 2024 • 6 – 8pm

Zoom

### Present at meeting:

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

### **Absent Board Members:**

**Co-op Employees:** Emily Walter, Sean Nolan, Barney Doyle, Alex Villagrana, Christine Sazama, Jessica Correa

**Member-owners:** Kathleen Pelley

### 1. **Welcome**

The meeting was called to order at 6:05 by Brenda and introductions were made.

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

Agenda approved by consensus.

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

- Brenda – a longtime shopper had a hard time finding plain whole wheat pasta. There are all kinds of pasta but few whole wheat pastas. An employee at the Arcata store was concerned about the wind coming in from the door and there is a concern that it's hard to understand the intercom in the Arcata store.
- Roger - I would love to see the bakery offer actual whole wheat options. I've heard from other shoppers about it being too cold in the Arcata store and every month I hear complaints about plastic. A few people this month were surprised that I can buy bulk tofu. It would be great if there were more signs, or it was more prominent.
- Jessica – a customer was telling me that the GT kombucha is moving towards not being organic any longer. Some employees are curious about the area by the elevator in Arcata that is used for stretching and relaxing but is becoming a storage area.

### 4. **Approve February 2024 Board Minutes**

<p><b>Motion:</b> Approve the February 2024 board minutes. Approved by consensus.</p>
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### 5. **Board Correspondence** – reported by Brenda

I think the board correspondence that's in the packet was discussed at the February board meeting but I wasn't here. It's from an employee who is sensitive to scents and wants to make sure that the HR policy not to wear perfumes is enforced.

### 6. **Guest Employee** – reported by Jessica Correa

I work in Produce in Arcata and I'm one of three shop stewards in Arcata. I'm someone employees can come to if they need to talk to the union representative or if they have questions about the union contract. I've been in this role for a little over three years and really enjoy it.

- Roger – I would like to know from the Union representative what members are allowed to do to help at the store that doesn't infringe on Union rights.
- Mike – I'm very interested in opening the lines of communication between the Board and the Union to make the Co-op the best it can be.

### 7. **Guest Manager** – reported by Christine Sazama

I'm the Eureka Store Manager and have been here at the Co-op for a year and 8 months. There are many long-term employees here which is great to see. It has been a pleasure to come into a store where the employees want to be here. I've worked at three other Co-ops and in the Natural Food industry for 16 years. I came from the

Twin Cities at a Co-op with three stores. It's great working here with two stores. We are working on beautifying the Eureka store. We want to show shoppers that we want to give them a meaningful experience. The past six months we've been working on a cross training to make the Co-op even stronger. Our next big effort will be focused on customer service training. I'm really enjoying my time here so far and I love working in the Natural Food Industry, and especially Co-ops.

- Roger – Is there anything you suggest that the Board could do that would help you or your store?
  - o Christine – one of the most powerful things a Board can do is to spread the word about why it's important to be a member. Tabling and speaking to the community about what a Co-op is and the importance of supporting the local community by investing in this type of business model.

**8. Finance Report** – reported by Mike

**Motion:** Approve the February Finance Committee Minutes.  
Motion by Brenda, 2<sup>nd</sup> from George. Motion Passes (6/1/0) Roger abstains.

**Motion:** Accept the Fiscal Year 2024 Quarter 3 Financials as presented at the Feb. Finance Cmt. meeting.  
Motion by Ellis, 2<sup>nd</sup> from Roger. Motion Passes (7/0/0).

The Finance Committee reviewed and discussed the Fiscal Year 2025 budget. There was only one dissenting vote from the committee to approve it. James voted against approval because he is concerned that the proposed margin is more aspirational than realistic. I'm bring this up for us to consider before approving the budget. Sean has offered to do a presentation for the board and Finance Committee to review the changes he plans to implement in order to meet the proposed margin number in the budget.

- Sean – We've found that just a few departments that have not been meeting the margin need to be targeted in order to improve the margin.
- Roger – The budget should be set up as if we had the same income next year as this year. I'm concerned that benefits are projected to be lower next year. Run the business as if we'll succeed even if we don't get new shoppers/members. I hope the budget isn't based on getting more shoppers.
  - o Sean – One thing to note is that the proposed budget is one less week than the current year.
  - o Mike – and the percentage of payroll/benefits does tick up a little in the proposal.

**Motion:** Accept the Fiscal Year 2025 Budget.  
Motion by Brenda, 2<sup>nd</sup> from Ellis. Motion Passes (7/0/0).

**Motion:** Add the following to the Board Policy Manual:  
The Board of Directors only needs to review Period Financials if one or more of the following activators occur and continue review until there are no longer occurring activators.

- Two quarters of consecutive negative sales growth against budget.
- Two quarters of MML after T&B less than 9%.
- Less than 20 Days of Cash on Hand.

Motion by Roger, 2<sup>nd</sup> from George. Motion Passes (7/0/0).

**9. Nominating Committee** – reported by Laura

Like Christine said, table, table, table. Let people know why they should be a member and why they should run for the Board.

**Motion:** Approve Annual Membership Meeting to be held on Sunday, October 13.  
Motion by Roger, 2<sup>nd</sup> from George. Motion Passes (7/0/0).

**Motion:** Approve the Annual Membership Meeting to take place in Arcata.  
Motion by Brenda, 2<sup>nd</sup> from Roger. Motion Passes (7/0/0).

- Brenda – Can we use the videos from last year’s board recruitment again this year? And can we create new videos for Ellis and or Mimi.
  - o Alex – I’m not committing to anything but would like to make a video with the new Board members.

**10. Marketing and Outreach** – reported by Brenda

The board met after the Finance Committee meeting and discussed Marketing and Outreach. One of the things we discussed was the sales flyer, but since that discussion there is now a new sales flyer and it’s great. The Board discussed how we can get the Co-op out more into the community. How are we marketing the Co-op to new shoppers? We want to get the word out that the Co-op is a great place to shop.

Mike shared his finance spreadsheet that shows the Co-ops profitability with 3% growth in customers.

- Ellis – ENF and Wildberries are better at outreach to students. Students are a huge part of our community, but we don’t offer student discounts.
- Brenda – One of the things Christine said is promoting the principles of being a Co-op. I’d like to know more about the Co-op’s Business Partners and why there isn’t outreach about that.
- Sean – Alex and I have recently met to discuss advertising and did increased the budget to do so. This includes advertising to people about memberships. The Business Partner program is kind of a legacy program that is outdated. Alex’s team has been working on revamping the program.
- Mike – it’s good to hear that the budget we just approved has more money for advertising. I believe the Board would be interested in finding additional funding if there were strong ideas for increased advertising and outreach that would strongly promote new members and shoppers.
- Laura – I like the Cheese Madness ad in the North Coast Journal. I noticed there is space to advertise in the Lumberjack.

**11. GM Report** – reported by Sean

It looks like the Eureka transfer switch for the new generator should arrive in the next few months and Arcata’s will arrive sometime this summer. Crews have been at both stores getting the generators in place and ready to go for when the transfer switches arrive. Bulk days were successful with similar sales to last year’s bulk days. Painting is nearing completion at the Eureka store. The permit we needed to replace the storefront signs in Eureka was recently approved so we can move forward with that project. Cheese madness is in full swing. I encourage you to come sample cheese and vote for your favorites.

- Laura – I was wondering if the back of the Arcata store will be repainted.
  - o Sean – we did reach out to Duane Flatmo about redoing it but the cost was extremely high.
- Mike – are there any deferred maintenance projects in the works, like replacing equipment, etc?
  - o Sean – We are getting a full assessment and quotes for the Arcata roof and replacing the Arcata front doors. We are hoping to do some repairs to the Eureka doors. These are not included in the budget because they would be capitalized and not expensed.

**12. Member Comment**

- No comments.

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

- Employee Speaker
- Management Speaker

Consensus reached to adjourn the March 7, 2024, meeting at 7:52 pm and move into Executive Session.

*Minutes by Emily Walter*

**North Coast Co-op**  
**Board of Directors Executive Session Minutes**  
**March 7, 2024**

**Present at meeting:**

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

**Absent Board Members:**

**Co-op Employees:** Sean Nolan

No reportable action.

Executive Session ended at 8:21pm