



Board of Directors Meeting Minutes

August 4, 2022 • 6 – 8pm

Zoom Call

Present at meeting:

Board Members: Roger (President), Kirsten Lindquist (Treasurer), Thomas Wehland, Humnath Panta (Secretary), Pamela Lee (Vice President), Laura Jones

Absent Board Members: Alexandra Profant

Co-op Employees: Sean Nolan, Emily Walter, Alex Villagrana, Barney Doyle, Kiya Villarreal, Alan Mayo (Sr. Clerk/Baker)

Member-owners: Brenda Harper, Mike Conners, Kathleen Pelley

1. **Welcome**

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

2. **Agenda Review and Approval**

Agenda approved by consensus.

3. **Approve July 7, 2022, Board Minutes**

Motion: Approve the July 7, 2022, board minutes.

Approved by consensus.

4. **Member Comment Period**

- Roger - on my trip to the Oregon Country Fair I visited some Co-ops along the way. There is a new Co-op in Port Orford that was exciting to see and I went to the Coos Bay Co-op and visited with staff there.
- Humnath – I met two members asking if the Co-op has their own products or brand.
 - o Kirsten – we have our own private label wines and supplements, apple juice, trail mix and some dried fruits.

5. **Board Correspondence**

- Thomas – a customer in Eureka was very interested in the Co-op supporting political action at the Board of Supervisor level to make raw milk available in Humboldt County.
- Roger – a petitioner was upset about how they're being treated by staff in front of the stores. It seems they don't like that they don't have free range to approach shoppers. I will continue to look into this.
- Roger – a member mentioned they'd like to see new bike racks in some of the front parking spaces.
- Roger – a member was upset about no longer getting the newsletter. A couple of members asked about plastic free displays in the stores. I got some comments about the member local specials, but some felt left out if they are vegan or don't want to consume pesticides.
 - o Kirsten – I got a lot of positive comments about the Cypress Grove sale, along with the house made sausage sale.

6. **Employee Guest Speaker** – reported by Elan Mayo (Sr Clerk Deli)

I'm excited to be here and learn more about the Board of Directors. Staffing at the counter in the bakery is being cut and more items are being put in the grab-n-go in plastic. It's upsetting that we have less available in the cases where less waste is involved. A lot of our items are not made with local products. Eating local is important to me. I'm young and invested in this community and the state of the world and climate change. It's been great learning some of the original Co-op recipes, like the Co-op granola.

- Roger – I think this is a super star staff bringing up great issues.
- Alexandra – I used to go the Arcata bakery every summer to buy birthday cake for my daughter. I know people that when they travel look forward to getting fresh items from the Co-op bakery.

- Elan – Can the board help advocate for changes like I’m talking about?
 - o Kirsten – yes and no.
 - o Kiya – you have lots of staff to talk with, including myself. I’d be happy to discuss ideas with you and move ideas along.
- Kathleen – the bakery used to provide whole grain bread, but that’s no longer available.
- Alexandra – how do local producers become a local suppliers and can there be a board member who helps oversee local suppliers?

7. Annual Membership Meeting – reported by Alex

The Annual Membership meeting is coming up on Saturday, October 15. We would like to conduct the meeting at the Jefferson Center in Eureka where we could hold the event in their outdoor areas. If the weather turned, there is an auditorium to move indoors. The location is near the Eureka store and public transportation.

Motion: Hold the Annual Membership Meeting at the Jefferson Center in Eureka.
Approved by consensus.

8. Financial Update – Reporting P2 – reported by Barney

The covers the first 4-week period of the quarter. It was a good period overall except we showed a loss. The Co-op is doing fine. We have cash on hand and good equity and low liabilities. The period financials are estimated financials. Only the quarter financials are based on a physical inventory and not estimated. We are currently working on a best method for estimating inventory as it effects margins estimates during the first two periods of the quarter. If we had used previous inventory calculation methods, it would have shown a higher inventory with no loss. We are still working on looking into our inventory calculation methods. We are currently following NCG inventory guidelines. We’ve had some substantial health coverage claims which also contributed to the loss.

- Alexandra – recommends reviewing the data in excel, where you can roll the days and change the quarters/periods and see how the averages change based on an amount of time versus periods and quarters.
- Emily – I’ve noticed that prior to the physical inventory the shelves are not fully stocked. Can this contribute to the physical inventory being lower at the end of each quarter?
 - o Kirsten – I have lower inventory 1-2 weeks before inventory and then buy a lot the following weeks.
- Humnath – cost of goods sold has significant increased from previous year. We are currently in a positive trending economic trend. What plan do we have to address a potential recession? How can we be assured that our estimations are close to reality? How can we get more reliable data and reduce the margin of error?
- Roger – I would like a clearer financial discussion that reviews the bigger picture of the Co-op financial status.

9. Renovation Update – reported by Sean

We are still on track to start renovations. Interior painting in Arcata is scheduled for late August, taking place after hours. Then we move on to flooring and shelving in mid-September. Chico Natural Foods will be taking our old shelving.

10. Nominating Committee Report

We approved the application of Kirsten Lindquist as the only employee applicant. We have received five applications for the general board seat, which will have two seats open. Application will be reviewed August 17.

11. Policies & Procedures Committee (PPC) Report – reported by Humnath

The PPC committee reviewed the following proposed bylaw language:

“The corporation by majority vote of the board may cause the purchase of any excess B/C/D shares of members.”

- Kirsten – I think this is a bad idea. The main concern seems to be that we are spending money every year on dividends for C shares. It’s about \$40,000 a year, opposed to us giving away our cash. I also don’t think we should be talking about C shares to the membership. I don’t want to stir folks up.
- Roger – Some of the sentiment is that as a future goal we should have less liability exposure. I can see that this may or may not be a good time to bring it up.
- Pamela – I don’t like forcing people to sell their shares. I like the idea of asking people to voluntarily sell their shares. It just doesn’t feel good.

- Barney – it's taken us some time to create a surplus to cover the cost of repurchases. I don't see a purpose behind this. It takes cash and I don't see a benefit.
- Humnath – there are other ways to meet the same objective. The board could reduce the dividend that would encourage people to have the Co-op buy back their shares.
- Sean – I think it could be worth asking the lawyer. It can't hurt to know what our options are, although I don't see the point of the proposed language. I don't believe getting rid of the liability is a reasonable goal. I do think it would upset members and for that reason it might not be worthwhile. I also think it's something good to understand.

(Pamela left the meeting)

Motion: Approve Thomas Wehland to contact the board attorney, Vans, to get feedback on the legality of this proposed bylaws language.

Motion by Alexandra, 2nd from Humnath, all in favor, motion passes (6/0/0). (Pamela not in attendance)

- Humnath – the PPC also discussed increasing board stipends. The board stipend hasn't been increased since 2005 and the committee felt comfortable recommending to the board to increase stipends in accordance with inflation. The increase is an additional \$100 a month.

Motion: Do an inflation adjustment of the Board's monthly stipend to \$300 for general board members and \$400 for the Board President, starting September 2022.

Motion by Alexandra, 2nd from Humnath, motion passes (5/1/0), Laura votes no.

12. Annual Report Update – reported by Sean

The Annual Report is complete and available to members.

13. Board and Management Retreat – reported by Emily

The Retreat is August 9, 3-7pm. It will be held outdoors at Los Bagels in Arcata.

14. GM Report – reported by Sean

- We got a new Eureka Store Manager, who is doing a great job.
 - Kirsten – I see in the report that Emergency Savings plans are now available for all 401k plans. What is this?
- ACTION: Sean will look into this.

11. Member Comment

None

12. New Business (items for next agenda):

- 2022 Election Update
- Annual Membership Meeting Update
- Renovation Update

Consensus reached to adjourn the August 4, 2022, meeting at 8:08pm and move into Executive Session.

Minutes by Emily Walter

North Coast Co-op
Board of Directors Executive Session Minutes
August 4, 2022

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Laura Jones, Alexandra Profant

Absent Board Members: Pamela Lee (Vice President)

Co-op Employees: Sean Nolan

No reportable action taken.

Executive Session ended at 8:26pm