



Board of Directors Special Meeting Minutes March 15, 2018

Ten Pin Building – 793 K Street, Arcata

Present at meeting:

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

Absent Board Members: None

Co-op Employees: Melanie Bettenhausen, Emily Walter

Member-owners: Laura Jones (Finance Committee Member), Diane Sharples (Finance Committee Member)

1. Welcome/Agenda Review and Approval

Meeting was called to order at 6:04pm by Colin.

The board will need to go into Executive Session prior to reviewing the budget.

Consensus to approve the agenda as amended.

2. Bank Resolution

MOTION: Move to authorize the following as signers on North Coast Cooperative Inc. U.S. Bank accounts.

- Brandy Cogburn, Controller
- Melanie Bettenhausen, General Manager
- Jason Davenport, IT Manager
- Colin Fiske, Board President

Motion by James/2nd by Mary Ella, motion passes (6/0/1), Cheri abstains

3. Executive Session - 6:15pm

Motion: Direct the General Manager to indefinitely delay the remodel project and make announcements of the delay when she sees fit.

Motion by Colin/2nd from James, motion passes (7/0/0).

Executive session adjourned at 6:56pm

4. Review Draft FY19 Budget

A draft FY19 budget was distributed and reviewed. The business plan is nearly complete but not yet ready for review.

ACTION: Melanie will ask Brandy if the audit fees are in the accounting services line.

- Why is the IT budget so large?
 - o Melanie - having to do with upgrades to Microsoft licenses as well as security upgrades.
- Why are there three lines for Facilities Operations?

- Melanie - these are new lines for the facilities director to have oversight over both stores. They are a consolidation of multiple lines used the previous year. They include repairs, maintenance and preventative maintenance. It creates more accountability for the staff making decisions for these lines.
 - What is included with the training budget?
 - Melanie - the training budget is for basic required training, safety trainings and specialized trainings.
 - Looking at the Q3 Detailed Income Sheet – what are Sales ARC and Sales EKA? There is a lot of income on these lines but no detail as to what it's from.
 - Melanie – it looks like those lines are mislabeled and should be deli production
- ACTION: Melanie will have Brandy fix label on Q3 Detailed Income Sheet. Sales ARC and Sales EKA to deli production?
- Do we feel we've budgeted enough for health care funds?
 - Melanie – the budget reflects what happened this FY and feels reasonable for a number we don't have control of.
 - Is there a capital expense budget?
 - Melanie – yes and most of it is currently for the Arcata roof.
 - Colin – would like to see a longer-term capital budget.
- ACTION: Melanie will have a separate capital plan available to the board at the final review of the budget.
- ACTION: Melanie will make sure store security is included in the budget.
- For future budget it would be helpful to have comparisons to past budgets where possible.
 - Melanie – would like to write a two-year business plan and budget in the future. This is a common practice for other Co-ops and large businesses.
 - What is Interest Occupancy (8705)
- ACTION: Melanie will confirm with Brandy what exactly is included in Interest Occupancy.
- Overall, the group likes the budget and how it designed for readability.
 - Colin - the finance committee has a previous plan to do a mid-year review of the budget in September. The way I see the Co-op using the budget is as a benchmark. It's a feasible plan that keeps the Co-op on good financial standing. I see it as a guide. If we aren't meeting the budget, we can adjust the budget to get back on track.
 - Diane – another way a budget can be looked at is as a constraining document. If we aren't meeting budget then you make changes to meet the budget, versus adjusting the budget.
 - Colin – adjusting the budget is about adjusting for feasibility. Adjusting for unforeseen things, such as unusual healthcare spikes.

Motion: Approve the FY19 budget contingent upon approval of the FY19 capital budget, business plan and marketing plan at the April board meeting.

Motion by Colin/2nd by Cheri, motion passes (7/0/0).

11. Meeting Adjourns

Consensus reached to adjourn the March 15, 2018 meeting at 7:39pm.

Minutes by Emily Walter