



**North Coast Co-op  
Board of Directors Meeting Minutes  
August 3, 2017 – Ten Pin Building – 793 K Street, Arcata**

**Present at meeting:**

**Board:** Mary Ella Anderson, Ed Smith, Leah Stamper, James Kloor, Cheri Strong, Robert Donovan, Colin Fiske

**Staff:** Melanie Bettenhausen, Emily Walter, Laurie Talbert, Kiya Villarreal, Nicole Chase, Courtney Augustus, Lauren Fawcett, Jason Davenport, Austin Wright

**Member-owners:** Roger, Lisa Blandford

**1. WELCOME**

Meeting was called to order at 6:01pm by Leah Stamper at the Ten Pin.

**2. AGENDA REVIEW**

**MOTION:** Approve the August Board agenda with changes.

Approved by consensus - Motion passes

**3. APPROVAL OF THE MINUTES**

**MOTION:** Approve the July 2017 board meeting minutes.

Approved by consensus - Motion passes

**4. MEMBER COMMENT PERIOD**

Roger likes the Coos Bay Co-op in Oregon and recommends accepting member numbers from other Co-ops. Roger would be happy to respond to the member concerned about the Coffee with the Captains event, showing support for the event from a fellow member. Roger has concerns about banning Co-op members who are active and who support the Co-op. He would like us all to keep aware that long-time members are always nervous when there are big changes like the Eureka remodel.

Cheri - speaking for member Michael Fennel. Michael would like “Justice for Josiah” posters posted inside the Co-op stores. This is not political or for an event.

- Melanie – Windows sometimes have sponsorships or co-op specific related posters. Missing person posters should not be in the windows. There is no policy for this request. Melanie asked the question of who decides what is important enough to go into the window? There are a lot of important issues that arise. We get a lot of requests for putting posters in stores.
- Colin – If there is an issue that reflects our values, we should consider it. Is there a process for making these decisions in the long-run?
- Mary Ella – The murder of Josiah was a startling event in this community. We are trying to make people of color comfortable coming into this store. This poster will remind people there is an unsolved murder of a person of color in this community. Mary Ella would like to support Josiah’s family.
- Colin – Doesn’t think there needs to be a policy about this. It can be a case by case decision for these types of requests. If we are making the effort to welcome the entire community, this poster could show that.
- Ed – Are we posting for all murders and unknown deaths? What precedence does this set?
- Kiya – The social media campaign behind the advocacy for Josiah includes local businesses that post this poster. Kiya would like to the post it and then deal with future requests as they arise.
- Colin – This poster is a message of support for racial equity concerns in this community, not just about solving this crime.

**MOTION:** Approve “Justice for Josiah Lawson” be posted in the windows of the Arcata/Eureka store.

Motion by Cheri, 2<sup>nd</sup> from Mary Ella - Motion passes (7/0/0)

**ACTION:** Melanie will contact Michael to get posters.

## 5. BOARD PRESIDENT REPORT - Reported by Leah Stamper

### Board Correspondence:

- Regarding discounts for out of the area co-op members (Submitted by Robert Two):
  - Cheri – We have a history of accepting other co-op numbers.
  - Melanie – In the past it was easy to offer the 2% discount that was given to members for every transaction but now that member benefits include a once a month discount there is no system in place to give a discount to other co-op members
  - Jason – We had a generic # that was used for all outside co-op members at the register to take advantage of member benefits. Nobody remembers it being discontinued.
  - Melanie – Some co-ops track patronage of other co-op members. Our current discount structure doesn't lend to this. We should be welcoming of other co-op members.
  - Leah – Out of area members could go to customer service to get a 5% off coupon and their name would be added to a list so they can only get one coupon a month.

ACTION: Melanie will research ways to offer discounts to co-op members from out of the area.

- Regarding Coffee with the Captains hosted at the Eureka Co-op (Submitted by George Inotowok):
  - Colin – Community outreach events with the police are important and should be supported. Acknowledges there are troubling statistics about police brutality. We are not trying to white wash anything. We are not endorsing all the actions of the police department by holding this event.
  - Mary Ella – If it's possible to have a positive relationship with the police department, we should. I appreciate the letter but agrees with Colin
  - Cheri – Agrees with George and the concerns he expressed in his letter.
  - Melanie – If the Co-op wants to improve relationship with the Eureka police department, whom we rely on for help at times, we need dialogue. Melanie received an instore comment along the same lines of this letter that she has already responded to.
  - Laurie - There were about 40 attendees, including both people who came specifically for the event and customers who wandered in from the store. The police captains in attendance were open in addressing pointed concerns from attendees, admitting that the department has had some past failings. Attendees appeared appreciative of the open, honest conversation.
  - Lisa – Likes that we held this event allowing open dialogue.
  - Kiya – Would like the response letter from the board to show that one board member (Cheri) agrees with the member correspondence.

ACTION: Colin will write the response letter.

### Board Management Retreat – August 31<sup>st</sup>

All strategic planning committees have met in preparation for the retreat.

## 6. COMMITTEE REPORTS/MOTIONS

### 6a. MEMBER ACTION COMMITTEE (MAC) – Reported by Colin

Those in attendance at the July MAC meeting discussed the upcoming October Movie Night, and Annual Membership Meeting and how to get people to attend the meeting. The group also talked about how to recognize local farmers and founding members.

### 6b. NOMINATING COMMITTEE (NC) – Reported by Ed

The NC group discussed whether we should have additional qualifications for board candidates. It was decided to discuss this topic at the November NC meeting. The group approved the only employee-member board application from Cheri Strong.

**MOTION:** Approve having the Policies & Procedures Committee review BPM Section 5 and discuss adding a policy about write-in candidates for the employee elections and delete the last bullet on page 18 under General Election Publicity (no video statements).

Motion by Ed, 2<sup>nd</sup> from Colin - Motion passes (7/0/0)

**6c. POLICIES & PROCEDURES COMMITTEE (PPC) – Reported by Colin**

Melanie came up with a draft of best practices for communication between staff and board.

- Cheri – Not sure that #3 Maintain Healthy Boundaries is realistic.
- Melanie – It's not to prevent anyone from having side conversations but to be careful if the topic of conversation would be more fitting to be discussed at a board meeting, rather than between individuals.
- Melanie – There is nothing that says you can't have a conversation. But if your conversation is just a bunch of griping about something specific, perhaps it would be more productive to bring that topic to the board for discussion. These guidelines are trying to convey that there is a place for certain discussions. It's up to individuals to decide where a discussion should or shouldn't take place.
- The group amended language of 3. Maintain healthy boundaries (Attachment A)

**MOTION:** Adopt new guidelines, as amended, for board members requesting information from staff (Attachment A).

Motion by Colin, 2<sup>nd</sup> from James - Motion passes (6/0/1) Cheri abstains.

Section 6.01 of bylaws has descriptions of officer roles/responsibilities. The attorney suggested these descriptions are unnecessarily complicated. Colin agrees and the PPC group discussed and decided to update this section to show what is actually happening. The committee decided that we should have detailed officer descriptions, but outside of the bylaws.

**MOTION:** Authorize Colin to consult with Van Baldwin on the proposed bylaw changes (Attachment B) as amended and check to see if changes would require a vote by members.

Motion by Colin, 2<sup>nd</sup> from Cheri - Motion passes (7/0/0)

**MOTION:** Recommend the board encourage board members to write a brief description of their current roles and duties, due at the end of August.

Motion by Colin, 2<sup>nd</sup> from Cheri - Motion passes (7/0/0)

**MOTION:** Recommend the pages of the Legal Sourcebook for California Cooperatives, pertaining to officer descriptions/responsibilities, be added to board binders, including source page of where to find the entire source online.

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

**(10 MINUTE BREAK)**

**7d. EARTH ACTION COMMITTEE (EAC) - Reported by Leah**

The group at the July EAC meeting talked about traffic and the deli remodel. Kiya talked about the recent waste audit. The August EAC meeting will focus on sustainable packaging and the Eureka remodel. Leah wants bulk labeling on items available in bulk.

**8. GENERAL MANAGERS REPORT JULY 2017 - Reported by Melanie, highlights include:**

Eureka Remodel

- Melanie has sent out packets to several lenders and is waiting for proposals from different lenders to bring to the board. The first received proposal had a 4.75% interest rate.
- We are looking at elevations and perspectives and fine-tuning remodel plans
- Cassie is working on the design aspects of the remodel

Finances

- Cash flow is doing well, even with slightly lower sales and increased employees. Getting stop loss checks back from the health insurance company has helped.
- Colin – felt the balance sheet was too simplified.

- o Melanie - This is a condensed version and will work on a better version in the future.
- o The bylaws regulate the fiscal year dates. The board could change this in the future.
- o Colin – Does retained earnings pertain to tax accounting or patronage distribution?  
ACTION: Melanie will forward Colin’s question to Brandy.
- o Melanie – We are currently being trained in Sage and going through all financial lines one by one.
- o James – When we get more data in sage can we do month and fiscal year to date and compare to last year’s month and last year’s fiscal year to date?
- o The audit report was just completed and we should be receiving it soon.

Zagster Bike Stations

- The city of Arcata has been asking us to partner with bike parking stations called Zagster. The Co-op has been asked to have a Zagster bike station at both locations. The stand, signage and bikes would have the Co-op logo. Each station would cost \$9,000 annually with a two-year commitment. This is a collaboration between Arcata and City of Eureka. The city of Eureka might pay for part of the Eureka store station. The Zagster company wants to launch this program in August. Co-op employees would get discounts and a free membership to use the bikes.
- Colin – The advertising budget could help pay for the bikes.
- Ed - We could buy a lot of bikes with \$18,000 grand.
- Ed and Cheri – Rather have the Co-op be a bike library, using the money to buy our own bikes for the community.
- Melanie – The Co-op doesn’t have funds budgeted for this but she will continue discussion with the sales representative to see if the cost can be lowered.

Misc.

- The Co-op got “Best Grocery Store” once again!
- The stores are closing early on Aug. 27<sup>th</sup> for the Summer Employee Appreciation Party
- There are three HSU outreach tabling events for start of HSU. Co-op is tabling at all three events.
- The worker safety trainings that Michelle is coordinating should bring our workers comp insurance costs down.
- Mary Ella and Colin would like to write a letter to Assemblyman Wood in favor of Universal healthcare in California. The group agreed.

ACTION: Mary Ella will draft the letter and send to the board.

- Colin would like to see CAP surveys.

ACTION: Nic will compile a CAP report and email it to the board.

Cheri wants to know how the prepared foods department is doing, with its recent high turnover?

- Lauren has been spending more time in the kitchen, including at closing and finding out what people haven’t been trained on so that they can be trained. An assistant manager was recently hired. Unemployment in the county is very low and it’s hard to find qualified applicants. Just hired a Sr. Clerk. The remodel in Eureka will help with work space. Overall, things are going in a good direction.

**MOTION:** Approve the July 2017 General Manager’s report.  
Motion by James, 2<sup>nd</sup> by Mary Ella - Motion passes (7/0/0)

**11. MEMBER COMMENT PERIOD**

None

**12. NEW BUSINESS (ITEMS FOR NEXT AGENDA):**

- Final audit

Consensus reached to adjourn the August 3, 2017 meeting at 8:33pm and move into Executive Session.

*Minutes by Emily Walter*



North Coast Co-op  
Board of Directors  
Executive Session Minutes  
August 3, 2017 – Ten Pin Building – 793 K Street, Arcata

**Present at the meeting:**

**Board:** Mary Ella Anderson, Ed Smith, James Kloor, Leah Stamper, Cheri Strong, Robert Donovan, Colin Fiske

**Approved guests:** Melanie Bettenhausen

No reportable action this month.

Executive session ended at 9:25pm

Reported by Ed Smith

## Attachment A

### Guidelines for Board Members Communicating with Staff

Board and staff communication can be tricky due to the power dynamics between board and staff. During times of trust between board and staff, good judgment and the assumption of good intent on the part of others are the only formal guidance needed. During times of distrust, communication pathways can become constricted and questions, directive and feedback, can be perceived as subversive or even as an attack. It is important that board and staff maintain healthy communication in order to build trust and contribute to a thriving Co-op.

During the course of business, it will become necessary for board members to communicate with staff and vice versa. Whether the communication is a question, a directive, or simply feedback, consider the following:

1. The appropriate person to give a directive is the employee's supervisor
2. Directives and inquiries can take more time than anticipated
3. Feedback can be misinterpreted, especially when in electronic form
4. Some directives/inquiries may not be a good use of staff time
5. Some directives/inquiries may be best suited to other board members, the board as a whole, or board committees
6. Directives/inquiries that will take significant staff time should go to the board, as a whole, to determine, along with the general manager, if the dedication of resources fits within the current priorities
7. Directives/inquiries should have specific goals and clearly stated desired outcomes, understood forms of reporting back, as well as deadlines.

Taking the above into consideration, communication should not be restricted to only the general manager. In order to ensure an efficient and effective process, the following guidelines<sup>1</sup> should be used:

1. **Share information that enables effective ambassadorship and democratic representation.** It should be totally fine, and indeed encouraged, for any staff member to give any board member information about a program or other organizational element that would allow the board member to be a more effective representative for the organization and its mission.
2. **Keep general manager in the loop, but no bottlenecks.** It's silly to bottleneck the flow of information by requiring all interactions to be monitored and/or controlled by the general manager. Sure, informing the general manager of meetings that are taking place makes good sense most of the time, but in healthy organizations where there is trust and goodwill, prior permission shouldn't be needed. If you find yourself wanting to restrict communications or require prior permission, address the source of mistrust, don't create new rules about who gets to talk to whom.
3. **Maintain healthy boundaries.** If ever a direct interaction between a board member and a staff member seems headed in the direction of concerns about a program or strategy or decision, then both parties, but especially the board member should consider the most appropriate venue for addressing that concern. must put on the brakes and ask themselves: Is this something I should be discussing with the General Manger (or Board Chair)?
4. **Be respectful of staff time.** Every inquiry and directive requires staff time that may or may not hinder other deadlines from being met. Schedule a time to talk with staff, so they can give their full attention and also meet their other obligations.

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<sup>1</sup> Adapted from <http://www.nonprofitnotes.com/healthy-boardstaff-communications>

## Attachment B

### PPC Recommended Changes to Bylaws Section 6.01

Section 6.01. **Titles.** The officers of the Corporation shall be a President, Vice President, Secretary, Treasurer, and any other officers with such titles and duties as determined by the Board of Directors and as may be necessary to enable it to sign instruments. The President is the Chief Executive Officer of the Corporation. Any number of offices may be held by the same person. The President shall be chosen from among the Directors elected by the membership of the Corporation.

(a) The President. The president shall be the chief executive officer of the Corporation and shall, subject to the direction of the Board of Directors, ~~have general supervision, direction and control of the business and affairs of the Corporation. He or she shall preside at all meetings of the members and Directors, and be an ex-officio member of all the standing committees, except where such membership would constitute a conflict of interest. Except as otherwise expressly provided by law, or by these Bylaws, he or she, in the name of the Corporation, shall execute such deeds, mortgages, bonds, contracts, checks, or other instruments, and shall~~ have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may from time to time be prescribed by the Board of Directors or these Bylaws. The President shall preside at all meetings of the members and Directors.

(b) Any Vice President. In the absence or disability of the president, or in the event of the President's inability or refusal to act, the vice president shall perform all the duties of the president and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the president. The vice president shall have such other powers and perform such other duties as may from time to time be prescribed by the Board of Directors or these Bylaws.

(c) The Secretary. The secretary's duties shall ~~include but not necessarily be limited to the following:~~

~~a. Keeping, or causing to be kept, at the principal executive office of the Corporation, a book of minutes of all meetings of Directors, and, if applicable, meetings of committees of Directors and of members. The minutes shall state the time and place of holding of all meetings; whether regular or special, and if special, how called or authorized; the notice thereof given or the waivers of notice received; the names of those present at Directors' meetings; and an account of the proceedings thereof.~~

~~b. Keeping, or causing to be kept, at the principal executive office of the Corporation, the original or a copy of the Bylaws of the Corporation, as amended or otherwise altered to date, certified by him or her.~~

~~c. Giving, or causing to be given, notice of all meetings of Directors required to be given by law or by the provisions of these Bylaws.~~

~~d. Having charge of the records and the seal of the Corporation and have such other powers and perform such other duties as may from time to time be prescribed by the Board or these Bylaws.~~

~~e. Exhibiting at all reasonable times to any Director of the Corporation, on request therefore, the Bylaws, the membership book if any, and the minutes of the proceedings of the Directors of the Corporation.~~

f. In general, performing all duties incident to the office of Secretary and such other duties as may be required by law, or by these Bylaws, or which may be assigned to him or her from time to time by the

Board of Directors. Such duties shall include, but not necessarily be limited to, keeping or causing to be kept in good order the records of the Corporation.

(d) The Treasurer. The Treasurer's duties shall ~~include but not necessarily be limited to the following:~~

~~a. Keeping and maintaining, or causing to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation.~~

~~b. Rendering to the president and Directors, whenever they request it, an account of the financial condition of the Corporation.~~

~~c. Exhibiting at all reasonable times to any Director of the Corporation, the books of account and financial records on request therefore.~~

~~d. Preparing, or causing to be prepared, and certifying or cause to be certified, the financial statements to be included in any required reports.~~

~~e. Having~~ such all other powers and perform all such other duties incident to the office of Treasurer and such other duties as may be required by law, or which ~~as~~ may from time to time be prescribed by the Board of Directors or these Bylaws.