



North Coast Co-op
Board of Directors Meeting Minutes
October 5, 2017
Ten Pin Building – 793 K Street, Arcata

Present at meeting:

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

Absent Board Members: None

Co-op Employees: Melanie Bettenhausen, Emily Walter, Laurie Talbert, Austin Wright, Vince Graves-Blandford, Jason Davenport

Member-owners: Lisa Blandford, Diane Sharples

1. Welcome

Meeting was called to order at 6:00pm by Leah Stamper at the Ten Pin.

2. Agenda Review

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| <p>Motion: Approve the October Board agenda. Approved by consensus - Motion passes</p> |
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3. Approval of the Minutes

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| <p>Motion: Approve the September 7, 2017 board meeting minutes. Approved by consensus - Motion passes</p> |
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It was noted that Colin called the September 27 special board meeting to order, not James.

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| <p>Motion: Approve the September 27, 2017 special board meeting minutes as amended. Approved by consensus - Motion passes</p> |
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4. Member Comment Period

Leah spoke on behalf of Roger who is encouraging everyone to bring at least one member to the Annual Membership Meeting on October 22.

5. Board President Report - Reported by Leah Stamper

Board Slate

- Officers will be voted in at the November board meeting.
- Leah asks how the board would like to go about electing officers.
- It's suggested that each board member rank their top 3 seats they would like to fill with discussion to follow.
 - 1 = An office you would like to hold.
 - 2 = An office you are willing to hold.
 - 3 = No way. I don't want that office.
- The board will work on this task during the break and discuss it following the break.

Line of Credit

- There is more paperwork to complete, including getting signatures from Melanie, Leah and Brandy.

Board Strategic Planning

- Mary Ella and Colin are interested in working with staff as part of the strategic planning committee.
- A strategic planning timeline needs to be decided by early December in order to get information in the January Co-op News.

Board Correspondence - None

6. FY17 Audit Report – Reported by Melanie

The audit report is not yet ready. We were expecting to receive it on 10/4, but it has not yet arrived.

- Mary Ella thinks it would be a good idea to use a different auditor in the future to get a different perspective.
- It was suggested to perhaps find an auditor familiar with co-ops.
- Robert asks if it is possible to include a penalty within the next auditor contract for not completing work on time.

ACTION: Melanie will send the draft audit to the board.

7. Review Proposed Process for Loss of Membership Through Expulsion – Reported by Melanie

Melanie reviewed a written proposal of a process for how staff will get information to the board to consider expelling a member based on a member's harassment or threatening behavior. The board has its own policies to remove a member if they choose to consider staff recommendations.

ACTION – Melanie will add a line that states a member expulsion proposal to the board will include reference to the bylaws, board policy manual, or both.

- Cheri mentioned mental health issues, such as dementia, that some members/shoppers are dealing with and that she does not agree with revoking memberships of longtime members with dementia.
- Melanie – the store tries hard to assist members to get the help they need. We understand the importance that all people need to have access to food, but at the same time there needs to be a line drawn if people are being threatened or harassed.
- Robert – could the store afford to offer a service to assist people with their shopping?
- Mary Ella doesn't think the Co-op should get involved with social work/becoming personal shoppers for people. Services already exist to help people with mental disorders.
- Melanie noted that experience in social services or similar field was added to the Membership Coordinator job description.

8. Committee Reports/Motions

8a. Policies & Procedures Committee (PPC) – Reported by Colin

Colin noted there was no September PPC meeting due to lack of agenda items but that he is expecting to hold a meeting this month on Wednesday, Oct. 18.

8b. Member Action Committee (MAC) – Reported by Colin

There were no recommendations to the board. The annual membership meeting, Co-op Access Program and movie night were discussed at the September meeting.

10 MINUTE BREAK

Board Slate Continued

The group shared their own officer rankings as discussed during the Board President Report. The outcome is the following slate of officers:

- President – Colin
- Vice President - Robert
- Treasurer – James
- Secretary – Leah
- Nominating Committee – Mary Ella

An official vote for officers will take place at the November board meeting.

8c. Nominating Committee (NC) – Reported by Ed

Elections have begun. Go vote.

- Cheri mentioned that she has noticed a good amount of discussion about the single membership vote.

8d. Earth Action Committee (EAC) - Reported by Leah

The group discussed visioning for I street and the Arcata parking lot. The group reviewed ideas that Kash Boodjeh had proposed in the past. Kash will be at this month's EAC meeting to further discuss ideas. Kiya's sustainability

update showed that the Co-op is producing a lot of landfill waste. At the same time composting quantities are increasing.

8e. Finance Committee (FC) – Reported by James

The committee reviewed the FY18 first quarter financials, noting that revenue is down compared to last year. The committee discussed FY16 audit findings.

Motion: Approve FY18 third quarter C share dividend APR at 2.00%.
Motion by Mary Ella, 2nd from Cheri, Motion passes (7/0/0).

Motion: Recommend that the board direct management to produce a report on various options for addressing periodic spikes in health insurance claims including, but not limited to, buying commercial insurance, establishing a reserve fund, and pooled co-op insurance.
Motion by James, 2nd from Colin, Motion passes (7/0/0).

Leah would like more information about how the Co-op's health insurance and stop loss insurance works.
ACTION: Melanie would include information about current health insurance with the voted board request.

9. General Managers Report - September 2017 - Reported by Melanie, highlights include:

- A big thank you to Vince for getting the Co-op a reimbursement from Cal Recycle of \$22,000 and saving the Co-op \$30,000 annually into the future. This was done in collaboration with other local businesses petitioning Cal Recycle to grant an exemption for our rural area to the CRV redemption requirement.
- Mgt. has decided to hold regular operating hours this New Year's Eve. In previous years the stores closed one hour early and opened two hours later on New Year's Day. The change this year comes from management trying to be more consistent with our hours for shoppers.
 - o Colin expressed concern about putting employees on the road later in the evening on New Year's Eve.
 - o Melanie said the change is only a difference of 1 hour, from 8pm to 9pm. While the Co-op always prioritizes safety of staff, the safety of driving at different times, on different holidays, and during special community events is not a basis for considering store hours/operations.
- Inventory took place with a new company that was very professional.
 - o Vince noted that the crew was well trained and experienced. They completed 3.5 hours early and produced great accuracy. Data was received that same day the audit took place.

Remodel

- The ground breaking has been postponed until after the new year. April is a more realistic grand opening date.
- Phase 1 inspection took place today, as part of requirement for financing.
- Working to get final construction cost numbers. A number was submitted that included remodeling the employee breakroom and bathroom. Those will not be part of the remodel and their costs need to be removed.
- Humboldt County Health Department needs the specs of all current equipment, even if it's being removed for the remodel, in order to get required permits.
- The current financing timeline is the second week of November.
- No further equipment will be ordered until we have the financing.

Finances

- August was a great month and sales continue to be strong.
- Healthcare claims are still high, hitting hardest in the first quarter. Hopefully, the initial hit won't have as big of an impact to financials as we get through the fiscal year.
- The prepared foods department is working hard to increase their sales and are already seeing success.
- Brandy is doing a good job maintaining a healthy cash flow.

ACTION: Melanie will send a copy of the appraisal to Cheri.

Misc.

- We met with our insurance broker to review all the new preventative implementations that have been put in place to maintaining equipment, and to keep from have refrigeration issues. This is to help get a policy renewal following a year with many claims due to refrigeration issues.

- The coordination of installing new produce cases in Arcata is in the works.
- The Pumpkin Patch is awesome. This is the first year that the Cooperative Community Fund (CCF) paid for the pumpkins. Marketing is doing a great job promoting the CCF to all those attending the pumpkin patch. Melanie would like to see the CCF able to fund busses for the patch in the future.
- A couple of years ago there was an issue with the Eureka water heater. Someone found a cheap water heater, got it up on the roof and it was never installed. When Melanie came on as GM she was surprised to find out it was not yet installed. The plumbers don't want to install a heater that is not theirs. It either needs to be installed or a new heater needs to be purchased.
 - o Robert – is it possible to install multiple flash water heaters instead of one large heater?
 - o Vince – on-demand water heaters for the store are inefficient.
 - o The group wonders if it would be wise to ditch the heater on the roof since it is old with no guarantee to work.. Travis is looking at options.

Motion: Approve the September General Managers report.
 Motion by James, 2nd from Colin, Motion passes (7/0/0).

10. Member Comment Period

James ate some yummy food from the deli.

11. New Business (items for next agenda):

- Strategic Planning
- Van Baldwin correspondence (include in next packet)
- Vote in officers

Consensus reached to adjourn the October 5, 2017 meeting at 7:59pm and move into Executive Session.

Minutes by Emily Walter



North Coast Co-op
Board of Directors Executive Session Minutes
October 5, 2017
Ten Pin Building – 793 K Street, Arcata

Present at the meeting:

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

Absent Board Members: None

Approved guests: Melanie Bettenhausen

The board discussed real estate and personnel matters that included the annual General Manager evaluation. No actions were taken.

Executive session ended at 10:15pm

Reported by Colin Fiske