



North Coast Co-op  
Board of Directors Meeting Minutes  
June 4, 2015 - Co-op Community Kitchen – Eureka

Present at start of meeting:

**Board:** Jeremy Cotton, Dave Feral, Kate Lancaster, Fred Moore, Cheri Strong, Steve Suttell and Jessica Unmack

**Staff:** Melanie Bettenhausen, Kelli Costa, Terrance Dahlin, Lisa Landry, Kelli Reese and Bella Waters

**Members:** Mary Ella Anderson, Colin Fiske, Maureen Kane, Roger and John Woolley

Meeting was called to order at 6:00pm by Facilitator John Woolley at the Co-op Community Kitchen and introductions were done. Ground Rules were reviewed.

Member Comment Period:

- Maureen Kane. Read statement regarding the need for people to get along and be on the same side; dissolve the 'us vs. them' mentality and asked why long term employees are fearful of losing their jobs.
- Colin Fiske. Concerns with the proposed Finance Committee charter (limit of one at large co-op member and financial knowledge requirement). Feels it's the job of board members to reach out to members, including employee members and non-employee members, and hear their perspectives, which is what Cheri Strong did for employees. MAC had asked Cheri to request input.
- MaryElla Anderson. Seconds Colin's remarks. Appalled that ethical code creates classes of people and equality is essential to co-op structure. Concerned with code of ethics and its limiting of who can talk to who.
- Roger. Feels communication is improving and appreciates board taking the time to include meeting reports in the Co-op News. Hopes Board looks into June Co-op News letter regarding Senior Discount solution. Would like facilitator discussion to be a public discussion and feels any worker can talk to any board member and vice versa.
- Terrance Dahlin. Thanked Cheri Strong for her hard work, keeping employees informed and inspiring others to care about this place which is a community and a grocery store. Need to put people inside the Co-op as priority and listen to employees, who have insights into the stores. Quoted Lisa Landry "We are working to bridge gap between management and employees" and then asked who is doing more to bridge the gap than Cheri Strong?

Board Education: Steve Suttell presented Business Development Corporations and reviewed a non-core business development structure matrix. Discussion included:

- Kate appreciated the work Steve put into presentation and asked about partnering with a Co-op Development Center. Steve noted that they are similar to the Small Business Development Corporation.
- Fred noted that this could address how the Co-op can grow and change beyond core business. Could be exciting yet threatening to people. Need to adapt and change for the future, which will be okay.
- MaryElla agreed that change is necessary but would like to see a change not in traditional development but in creating more cooperative structures using cooperative model, not corporate dominance. Steve responded that it could spread cooperative values by including cooperative principles into the contract/loan document.
- Roger reminded all about the PBS show on Mondragon.
- Kelli noted that anything is possible and would support the Board talking and taking it on, if that's what they decided to do.
- Steve listed examples: meat processing, distribution, cold storage, companies that get into financial trouble, etc.
- Kate reminded all about B corporations, which have to declare how they will benefit all stakeholders. If people are interested in this, could put together a task force for further exploration. Steve would like to come up with measurements and metrics for when Co-op would be ready to do something like this. Feels that this could kick start co-op into the sustainability revolution/era and start addressing issues like poverty, pollution, etc. in a way that we know how to do it.

[Break from 6:45-6:50pm and Greg Devaney and Kirsten Lindquist entered]

Agenda Review: Bella noted a typo on agenda and requested a change from May 5<sup>th</sup> to May 7<sup>th</sup> for minutes.

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**MOTION:** Move to approve the agenda as amended.  
Moore/Lancaster

**MOTION PASSES** 7/0/0

Approval of the Minutes:

**MOTION:** Move to approve the May 7, 2015 Board meeting minutes  
Unmack/Moore

**MOTION PASSES** 7/0/0

**MOTION:** Move to approve the May 27, 2015 Finance Committee minutes.  
Feral/Lancaster

**MOTION PASSES** 7/0/0

Board President Report: Jessica noted she had been out of town for a few weeks, but is encouraged with the turnout and feels that progress is being made.

Board Role in Gathering Input from Employees: Jessica started conversation by stating there are different opinions on what board roles are, so it's a good time to jump into conversation and be on the same page. Important as board members and members to be considerate about co-op issues and work to improve things. Doesn't believe method used to obtain employee feedback for unbiased information was good. Board discussed need to speak with one voice. Jeremy noted that he didn't take the request as coming from the board and doesn't see anything wrong with Cheri's request for opinions, in addition to employee survey. Kate felt it was a run around management and asked how many people were represented. Two components to discussion – process and output, we're talking about process. Dave would like to move forward with addressing things that came up in Carolee Coulter's survey and Cheri's compiled information, as a lot of the information is the same. There's concern with level of governance and responsibilities for Committee, especially if MAC can request a survey like this versus bringing recommendations to the Board. Feels like a run around of the board. Cheri said that employees felt dissed with the Board stating they didn't need to see the entire report from Carolee as employees had quite a bit to say in written comments. As individual and not acting like a Board member, Cheri asked for feedback to give to Board and Management, did it in good will and would do it again. Steve suggested putting issue to rest and go back to original comments in employee survey if the Board wishes, which is collated and organized in usable fashion and make every attempt in future to follow board procedures so this doesn't happen again.

Committee Reports:

**Finance Committee:** Kate reviewed the May Finance Committee meeting.

**MOTION:** To approve the C share dividend rate (whole shares) to continue current interest rate of 2.00% APR for quarter ending September 26, 2015.

Feral/Moore

**MOTION PASSES** 7/0/0

Discussed Colin's comments and revised the Charter to have up to three at large members. Committee is a narrow topic with broad implications and needs people who have basic understanding of financials, otherwise can get bogged down or meetings hijacked to get educated. Other changes were discussed (all members welcome to attend, Finance Committee appoints, not Nominating Committee, and clarifying language to convey intent of when meetings are held).

**MOTION:** To approve the Finance Committee Charter as presented.

Strong/Moore

**MOTION PASSES** 7/0/0

**Member Action Committee:** Colin presented the report for the MAC May meeting, which discussed issues of employees participating in MAC process and committee's desire to make sure employees know they are welcome to come and give input like members. MAC asked Cheri to put word in WB about that. Productive discussion on Annual Meeting and settled on a speaker. Discussed Board Facilitation and would like to see board members facilitate board meetings.

Discussion included:

- Encouraging employees to attend MAC with general focus rather than focus on employee survey.

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- Board already decided on facilitator and Executive Session process clarified (okay to discuss what was reported out after close of Executive Session). MAC facilitator recommendation has already been dealt with, so tabled. Board has already voted to continue with an outside facilitator.
- The process for the MAC invitation to employees is an issue. Dave suggested that MAC should work through the Board, then through the GM for Worker Bulletin notices. Steve suggested that a friendlier letter would entice people to attend. Survey results important to MAC, as is employee satisfaction and happiness. Fred noted that the General Manager is making progress and should be allowed time to go through that process. Discussed pros and cons of cooling off period for survey results. Cheri feels crux of issue is trust, cooling off period won't help, but important to communicate what's being done to address results. John summarized that a process is in place, being followed and there are ways for employees to work with Management to get their opinions through. The board could add discussion item to July agenda regarding overarching trust issue.

<b>MOTION:</b> To accept the Member Action Committee Charter revised draft. Moore/Cotton	<b>MOTION PASSES</b>	7/0/0
[break 8:25-8:30pm]		

**Policies and Procedures Committee:** Dave reviewed the PPC's third meeting where charter was finalized and discussed prioritization of tasks for committee. Dave had conversation with Therese Tuttle and Van Baldwin on legalities of bylaws and compliance issues. Both said there are no significant legal problems with bylaws but some wording issues with patronage refunds and dividends sections that need cleaned up. Therese willing to give advice. Kelli Costa was told by Therese she's meeting with Van in July and would do that meeting pro bono.

<b>MOTION:</b> To approve the Policies and Procedures Committee charter as submitted. Feral/Moore	<b>MOTION PASSES</b>	7/0/0
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<b>MOTION:</b> To use Therese Tuttle's pro bono advise. Moore/Unmack	<b>MOTION PASSES</b>	7/0/0
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General Manager Report: Kelli reviewed her June report. Discussion included:

- Next steps with employee survey and various trainings occurring.
- First Sustainability Committee meeting was amazing and all are excited to get started.
- Update on Arcata Improvement Project. Should know more for July meeting.
- Sustainability Committee will present at September Board Meeting.

<b>MOTION:</b> Move to approve the June General Manager's report. Lancaster/Feral	<b>MOTION PASSES</b>	7/0/0
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Member Comment Period: Topics discussed were:

- Colin. Appreciated the difficult conversations this evening. Feel that a motion to revisit the facilitator decision wouldn't be needed as the original motion could be ended any time, allowing new action to be taken.
- Kelli Costa. Asked why employees are being solicited so hard for feedback and noted that the same MAC invitation in the Co-op News could be used in the Worker Bulletin. Hope employees use the processes in place for grievances and concerns (HR and/or Union). Work through the shop stewards to the Union.
- Terrance. Concerned with "fix it or else we will" (referring to the idea that HR could fix it) process for the MAC invitation. Employees rely on the Board to deal with employee concerns and survey should have stated negative comments were removed to keep things cordial. Believes a cooling off period will fuel the fire to burn down the bridges. Kelli R noted that all employees were invited to employee survey board presentation where Carolee Colter did talk about comments.
- Melanie. Why Finance Committee minutes are approved by Board but other committee minutes are not? John and Steve noted its part of the board's fiduciary responsibility. Further answer to be provided at a later date.

Consensus reached to adjourn the June meeting at 8:52pm to Executive Session.

Minutes by Bella Waters

North Coast Co-op  
Board of Directors  
Executive Session Minutes  
June 5 - Co-op Community Kitchen – Eureka

**Present at the meeting:**

**Board:** Jeremy Cotton, Dave Feral, Kate Lancaster, Fred Moore, Cheri Strong, Steve Suttell and Jessica Unmack

**Staff:** Bella Waters

**Facilitator:** John Woolley

Meeting opened to Executive Session at 8:53pm

Meeting closed from Executive Session and reopened to Open Session at 9:14pm.

It was reported that one action item was taken during Executive Session:

Consensus reached to keep John Woolley on as facilitator on a month-to-month basis for as long as both parties find it agreeable.

Meeting adjourned at 9:15pm

Minutes by Bella Waters