



North Coast Co-op
Board of Directors Meeting Minutes
September 7, 2017
Ten Pin Building – 793 K Street, Arcata

Present at meeting:

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

Absent Board Members: None

Staff: Melanie Bettenhausen, Emily Walter, Laurie Talbert, Lauren Fawcett, Austin Wright, Alisha Hammer, Michelle Sanders, Vince Graves-Blandford

Member-owners: Roger, Lisa Blandford, Brenda Harper, Nicole Chase

1. Welcome

Meeting was called to order at 6:04pm by Cheri Strong at the Ten Pin. Leah Stamper (Board President) is held up out of town and Cheri will chair the meeting. Introductions were made.

2. Agenda Review

<p>MOTION: Approve the September Board agenda. Approved by consensus - Motion passes</p>

3. Approval of the Minutes

<p>MOTION: Approve the August 2017 board meeting minutes as amended. Approved by consensus - Motion passes</p>

4. Member Comment Period

Nic thanked everyone and commented that she is appreciative of her experience while working at the Co-op. She commends the board members for all they do.

Roger appreciates the positive and courteous communication between board members. He mentioned that some of the older Co-op members like the Co-op but no longer shop there. They no longer see how the Co-op is different from any other grocery store. Roger thinks we need to keep working at making the Co-op stand out and advertise aspects of what a Co-op is. Roger urges all present to bring a member to the Annual Membership Meeting. He appreciates Nic's attendance at tonight's meeting even though she is no longer staff.

5. Board President Report - Reported by Cheri Strong

Board & Management Retreat

- The board and management had an all-day retreat on August 31. The retreat was productive. It was concluded that one more retreat is needed.

Board Orientation

- Colin likes the idea of having time for a Q&A as part of board orientation.
- Colin would like time to get new board members up to speed on executive session discussions.
- The Policies & Procedures committee should review any orientation ideas.
- The board is okay with Emily sending out a questionnaire to the board to assist with orientations ideas.

Board Correspondence

- Nic reported that a member voiced a concern to her that she wanted communicated to the board anonymously. She told Nic that while she thinks it's nice that the Co-op donates money and sponsors events, she thinks the Board needs to prioritize giving patronage refunds to members. Members should be receiving patronage refunds first, then if there is money left over those should be donated.
- Melanie said the Co-op is currently giving out ~\$25,000 annually (significantly reduced from previous years). Much of these donations are gift cards which bring the community into the store to shop. Donating to and sponsoring events is also a form of advertising for the Co-op.
- Roger iterated that this is a perception problem and that he has heard other members complains about this.

6. Committee Reports/Motions

6a. Policies & Procedures Committee (PPC) – Reported by Colin

The PPC meeting may be canceled in September due to lack of agenda items.

Update to Bylaw policy 6.01

- At the last board meeting the board approved Colin to talk to our attorney about a bylaw change. The attorney found no problems with the proposed changes and informed us that the change would not require a vote by the membership.

MOTION: Approve Bylaw section 6.01 amendments. (Shown in attachment A, page 1-2)
Motion by Colin, 2nd from Ed - Motion passes (7/0/0).

Update to Board Policy Manual (BPM) Section 5D - Community Representation

- This section deals with board members attending community events. PPC is proposing simplifying this section, eliminating some of the specifics to allow attendance at events to happen more organically.

MOTION: Approve BPM Section 5D amendments. (Shown in attachment A, page 2)
Motion by Colin, 2nd from James - Motion passes (7/0/0)

Update to BPM Section 5F – Internal Communication

- PPC eliminated references to specific HR policies. Added a bullet point about respecting confidentiality of employee communication

MOTION: Approve BPM Section 5F amendments. (Shown in attachment A, page 2)
Motion by Colin, 2nd from Mary Ella - Motion passes (7/0/0)

Update to BPM Section 5G – Board Elections

- There is a lot of potential overlap of this section and the Nominating Committee (NC) charter. PPC proposes adding a line, “in case of conflict with the NC Charter that the NC Charter would prevail.” PPC proposes adding write-in provisions for employee candidates that are identical to write-in candidates for the general election.

MOTION: Approve BPM Section 5G amendments. (Shown in attachment A, page 2-3)
Motion by Colin, 2nd from Ed - Motion passes (7/0/0)

Update to BPM Section 12 – Loss Control

- PPC proposes removing operational procedures that the board does not control.
- Robert asked about including something about the audit.
 - o Colin explained that the audit is included in a generalized way with the proposed language.
- The group reviewed the following line from Section 12: Shoppers accused of theft at the Co-op are subject to immediate revocation of their shopping privileges at discretion of the General Manager.
 - o Melanie requests to change “shopper” to “member”.
 - o Ed requests using “shopper” so that if a non-member is banned from shopping they have another chance to shop or to become a member.
 - o Colin – the GM would be able to reinstate a shopper that isn’t a member. Let’s stick with changing the amendment language to “member.”
 - o Melanie – if they petition the board it seems that all the facts of the incident would be open to the entire membership.
 - Colin believes it would depend on the circumstances. Suggest considering these requests during executive sessions.
 - Ed points out that a member could correspond with the board using email or with a letter versus coming to public meeting.

MOTION: Approve BPM Section 12 amendments. (Shown in attachment A, page 3-4)
Motion by Colin, 2nd from Robert - Motion passes (7/0/0)

6b. Member Action Committee (MAC) – Reported by Roger

The focus of the committee has been the Annual Member Meeting. The agenda has been created, food discussed and things are on track for a great meeting. The MAC minutes from August covered the last meeting well.

6c. Nominating Committee (NC) – Reported by Ed

The committee counted the employee ballots which Cheri won. Cheri will go on the general election ballot for ratification by the members. The only applicant for the general election was James and he will be the only candidate going on the general election ballot. The Oct. 2 Movie Night will have a candidate meet and greet starting 30 minutes prior to the start of the movie.

The group discussed how some employees think they are members even though they are not. All employees are offered a free membership upon their one-year employment anniversary. Typically, about ¾ of employees are members. Melanie noted management is discussing ways to ease this confusion for employees.

ACTION: Marketing will find out what percentage of employees voted in the employee election.

6d. Earth Action Committee (EAC) - Reported by Cheri

The EAC August meeting reviewed possible durable containers at the Co-ops and specifically in the delis. Kiya updated the group about Strawless Summer and that it went well.

7. General Managers Report: August 2017 - Reported by Melanie, highlights include:

- The Justice for Josiah posters are up in both stores.
- There was great attendance at the employee summer appreciation party. Employees felt appreciated. Management worked hard and Jolie did a great job coordinating it and working at it.
- A class action lawsuit against our credit card processing merchant has resulted in back payment for over charges.
- We received a patronage dividend from National Co+op Grocers for their fiscal year 2016.

Remodel

- The permit has been submitted and is moving forward.
- USDA toured the store as preparation for possibly getting a USDA government guaranteed loan.
- Travis is working on Eureka store roof repairs. The recent rains were helpful in finding problem leak areas.

Finances

- Both stores did well in August with the return of students and more people in town escaping inland smoke.
- When you take out health care costs, employee costs are less this year than last year.

ACTION: Add year to date for the fiscal year in future monthly reports.

Co-op Assistance Program (CAP)

- The board was sent results from the initial CAP survey. A second 6-month survey will be sent out soon.
- Colin wants to see the difference between CAP Member spending prior to the start of the program
- Colin believes carrying the program out is up to staff but would like to see MAC involved.
- The board agreed that MAC should be reviewing CAP.

ACTION: Emily will connect with Mary Ella about viewing the excel data from the first survey.

Membership

- Melanie - certain members have assaulted/verbally abused employees and have been banned from shopping at the Co-op. However, their memberships have not been revoked and this is concerning.
- Colin – if there are individuals that meet criteria for expulsion and staff believes they need to be expelled, there should be a recommendation from staff to the board to vote on expulsion.
- Melanie could write a draft procedure of how to do this.
- James recommends in reports to the board that only member #s be used and not names of the members.

Human Resources

- Great success at job fairs with better quality candidates.
- Colin – is there a comparison between bargaining units and non-bargaining unit turnover rate over time?
 - o Melanie - doesn't believe there is a large difference.
 - o Vince mentioned that turnover is cyclic, larger change takes place in May when HSU/CR ends.
 - o Colin is curious about how we track turnover.
 - o Melanie – the Co-op is looking into better HR software that would offer improved reporting and metrics.

ACTION: Melanie will include outgoing/new employee numbers in her monthly GM report.

Misc.

- Mary Ella - is every delivery to the Co-op is being accounted for?
 - o Melanie – yes, but inconsistently.
 - o Melanie – the Co-op is working on having improved delivery inventory systems in place.
- Robert requests numbering each paragraph of the GM report.
- Robert asked about impacts of Amazon purchasing Whole Foods.
 - o Colin mentioned a long-term goal of the board to look into diversifying our suppliers.
 - o Melanie will have an update on this topic in her next GM report.

<p>MOTION: Approve the August 2017 General Manager's report. Motion by James, 2nd by Ed - Motion passes (7/0/0)</p>

8. Member Comment Period

None.

9. New Business (items for next agenda):

- Final audit
- Process for revoking memberships

Consensus reached to adjourn the September 7, 2017 meeting at 7:47pm and move into Executive Session.

Minutes by Emily Walter



North Coast Co-op
Board of Directors Executive Session Minutes
September 7, 2017
Ten Pin Building – 793 K Street, Arcata

Present at the meeting

Board Members: Leah Stamper (Board President - via phone), 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

Topics: We discussed Eureka remodel financing options and personnel issues. No reportable actions were taken.

Executive session ended at 9:37pm

Reported by Colin Fiske

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 perform 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.~~

- ~~e. 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 have 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.~~

PPC PROPOSED CHANGES TO BOARD POLICY MANUAL

Section 5

D. *Community Representation*

As a means of adhering to Cooperative Principal No. 7, Concern for Community, Board members shall stay abreast of local issues and activities by attending other local meetings or events.

- ~~The identification of regular local community meetings/events for the coming year will receive Board consideration at the annual Board retreat.~~
- ~~Board Representatives to regular community meetings/events will be decided annually at the Board retreat.~~ Staff will ~~forward email notices to notify~~ the Board of ~~newly discovered~~ relevant meetings/events throughout the year with as much lead time as possible. ~~; T~~ ~~which~~ the Board may designate official Co-op Representation ~~mid-year to~~ events.

F. *Internal Communications*

This section deals with the issue of employee feedback to the Board. There will be times when the Board is made aware of feedback, questions, and/or concerns regarding the store's operations from employees of the organization. Information received in this way is often important in enabling Board members to fulfill their democratic and fiduciary duties.

- ~~Board Directors are encouraged to address the concerns with the General Manager.~~
- At the time when a concern is first voiced to a Board Director, it is important for the Director to ask the employee whether they have addressed the issue with their immediate supervisor through internal channels established by Co-op management and if they have not done so, to encourage them to do so.
- ~~The employee concern is to be first addressed by his/her supervisor, and if not able to be resolved at that level, the Supervisor is responsible for taking the issue to their next level of authority and so on, right up to the General Manager through the operational chain of command.~~
- ~~The Director will advise the employee who is voicing the concern, if the issue does not get resolved through the operational chain of command, then the issue can indeed be taken on by the Director to the General Manager.~~
- Directors are encouraged to address significant concerns with the General Manager and/or the Board, particularly if it appears that those concerns are not being adequately addressed through internal channels.
- If the issue is brought to the General Manager by a Director, the Director will receive a response from the General Manager on the issue.
- ~~Based upon the response from the General Manager to the Director, t~~ The Director may determine the issue deserves a broader discussion involving the rest of the Board. The Director may take action to include the item on a future Board agenda.
- Directors shall respect the confidentiality of privileged communications from employees, particularly communication regarding personnel issues.

G. *Board Elections (Nominating Committee)*

Co-op Board Elections are managed by the Co-op Board Nominating Committee (NC). The Nominating Committee has overall responsibility for Co-op elections. The Nominating Committee shall not include any Candidates of a current election. In the case of any conflict between this Section and the Nominating Committee Charter, the Charter governs.

Election of Employee Directors (Section 5)

- A total of two (2) Employee Directors are elected to serve on the Co-op Board. (Section 5.01)
- All Employee Director Candidates must be employees of the Co-op and current Members of the Co-op. (Section 5.02)
- Election of Employee Director Candidates by Member co-workers takes place between one (1) and two (2) months prior to the General Election.
- Employee Director Candidates who are elected by Member co-workers must have their election affirmed (yes) or rejected (no) by the General Membership on the General Election ballot. (Section 5.03b)
- Co-op Employees who are directly supervised by the General Manager are NOT eligible to run for an Employee Director vacancy. (Section 5.02)
- The General Manager is not eligible to run for an Employee Director vacancy. (Section 5.02)
- Write in Candidates are permitted. A line for “write in” shall be placed on the Employee Election ballot for each open Employee Director seat and counted by the NC.
- Any write in candidate must be a current employee and a current member-owner of the North Coast Co-op and agree to candidate requirements. If a write-in candidate is elected, they are required to return requested paperwork before being placed on the General Election ballot.
- Coordination of the Employee Director election is assisted by members of the NC who are Co-op Staff, the Board Assistant, and the current Employee Directors who are not actively running for re-election.
- Employee voting eligibility is verified by use of a Non-Member employee list. (Section 5.03a)
- Only one vote per Membership is permitted regardless of if employees share a Membership. (Section 4.13a)
- The last day of the Employee Election is the date used (date of record) to validate an employee membership ballot for the election. An employee membership ballot is counted only if the date of record is current and if the employee is still employed by the Co-op on the day that ballots are counted.
- The NC Chair and three (3) NC members will count ballots for the Employee election.
- If NC Chair is unavailable to count ballots, Board Secretary will substitute and report results to NC Chair.
- The NC Chair shall ensure the names of the elected Employee Director Candidates are placed on the General Election ballot for ratification by General Membership.
- The NC Chair shall ensure Employee Director Candidates are given equal representation in all publicity material, in their various formats, alongside General Election Candidates throughout the General Election period. (Section 5.03c)
- Elected Employee Directors are seated at the same time as other newly elected Directors.

General Election Publicity

- The NC coordinates a “Special Election Section” with the Co-op Newsletter Editor and the Co-op Website Manager to include publication of a ballot, all Candidate statements (including those of elected Employee Director Candidates), text of referendums, and a website voting link if possible.
- Examples of more publicizing are, but not limited to, store posters, written articles and use of other mass media.
- Informational articles will be published in preceding editions of the Co-op Newsletter.
- The end date of election period is clearly stated on all Election material. (Section 4.18)
- The NC prepares the official ballot and voting instructions and keeps it current and revised.
- The NC conducts Candidate forums and facilitates ~~any video statements~~ other election publicity.

Section 12 - Other

A. *Loss Control*

Insurance

Appropriate levels of insurance shall be maintained for business liability including property, fire, vehicle and other property loss, worker’s compensation, and errors and omissions on the part of Management and the Board. The Board shall review the Co-op’s insurance coverages from time to time to ensure adequate coverage and affordable rates.

- ~~• Insurance levels shall meet all legal requirements and shall strive to cover the Co-op as fully as reasonably possible and affordable.~~
- ~~• Management is responsible for maintaining adequate insurance for the Co-op to protect property and assets from loss.~~

~~The feasibility of obtaining earthquake insurance will be regularly assessed by Management and presented to the Board for review and possible direction.~~

Employee and Customer Safety

- ~~• Management shall maintain regular employee safety training procedures.~~
- ~~Management shall conduct and keep records of regular store safety inspections.~~

Theft Prevention

~~Loss of Shopping Privileges = Revocation~~

~~Loss of Membership = Expulsion~~

- Management shall put appropriate theft prevention programs in place to prevent the loss of assets from theft.
- ~~• The Co-op maintains a Zero-Tolerance Policy regarding theft.~~
- ~~• Theft prevention is achieved through various methods including but not limited to appropriately training staff, and use of independent in-store contractors.~~
- ~~• Shoppers stopped for theft at the Co-op face prosecution by police, civil restitution fines, or both.~~
- All individuals who are suspected of theft shall be approached in a civil manner and treated with courtesy as much as the situation allows.
- If individuals are uncooperative, belligerent or violent, the health and safety of all concerned is of paramount importance.
- ~~• Employee training includes a process for contacting local authorities.~~
- Shoppers accused of theft at the Co-op are subject to immediate revocation of their shopping privileges at discretion of the General Manager.
- ~~• Employees found stealing from the Co-op, whether such theft is property or cash, face immediate termination and are subject to prosecution under the law.~~
- ~~• All Members found stealing from the Co-op face permanent expulsion by the Board.~~
- ~~• If expulsion occurs, the name of the expelled Member is stricken from the Membership register and all of their rights cease pursuant to bylaws. (Section 3.03)~~
- ~~• If a shopper believes they have been stopped in error, they may appeal the disciplinary action first to the Store Manager, then the General Manager.~~
- ~~• The Store Manager has the authority to reverse a civil restitution fine and/or the revocation of shopping privileges at their discretion within seven (7) days of the incident.~~
- ~~• The General Manager has authority to revoke or reinstate shopping privileges up to one full year from date of incident.~~
- ~~• A shopper whose privileges have been revoked may request reinstatement in writing to the General Manager after six (6), nine (9), and twelve (12) months of the incident.~~
- A member whose privileges have been revoked longer than one (1) year may request reinstatement, in writing to the Board, after one year. The Board may grant such requests at its discretion.
- ~~• The Co-op Board, upon recommendation of the General Manager and Store Manager, will determine the reinstatement of any shopper banned more than one (1) year.~~
- ~~• The Co-op Board has the authority to vote upon the permanent expulsion of a member, by a two-thirds (2/3) vote. (Section 3.03)~~
- ~~• A member who has been terminated through expulsion may request to the Board in writing, after five (5) years, a reinstatement of member privileges.~~



North Coast Co-op
Special Board Meeting Minutes
September 27, 2017
Ten Pin Building – 793 K Street, Arcata

Present at meeting

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

Absent Board Members: Mary Ella Anderson (Treasurer)

Staff: Melanie Bettenhausen, Emily Walter

1. Welcome

Meeting called to order at 7:18pm by Colin Fiske.

2. Vote on line of credit with Redwood Capital Bank

Colin explained to the board that the Co-op has been working to get a line of credit to satisfy findings in the FY16 audit. The Co-op would like to get the line of credit through Redwood Capital Bank and the board needs to designate signers for the account. The line of credit is pre-approval to borrow \$149,000. The term is 12 months with an initial loan fee of \$745 and an annual renewal fee of \$250.

MOTION: Move to approve the offered \$149,000 line of credit at Redwood Capital Bank with Melanie Bettenhausen (General Manager), Brandy Cogburn (Controller) and Leah Stamper (Board President) authorized as signers.

Colin/Ed, Motion passes (5/0/1), Cheri abstains.

3. Meeting adjourns

Meeting adjourned at 7:31pm

Minutes submitted by Emily Walter