



North Coast Co-op
Board of Directors Meeting Minutes
December 4 2015 - Co-op Community Kitchen – Arcata

Present at start of meeting:

Board: Jeremy Cotton, Dave Feral, Colin Fiske, Leah Stamper, Cheri Strong, Steve Suttell and Jessica Unmack

Staff: Melanie Bettenhausen, Sarah Burns, Alanna Cooke, Kelli Costa, Terrence Dahlin, Lauren Fawcett, Brenda Harper, Mark Hubbard, Lisa Landry, Austin Lightfoot-Wright, Carrie Newman, Ron Sharp, Tim Silva, Ed Smith, Alisha Stafford, Kevin Waters, and Bella Waters

Member-owners: Roger, Kash Boodjeh, Chris Copple, Joe Duckett, Maureen Kane, Kate Lancaster, Amanda Wright, Tim LaBelle, David Lippman, Kelli Reese, Oona Smith, Oz VanAuken, Nicole Waters, and Karen Zimbelman,

Meeting was called to order at 6:28pm by Chair Dave Feral at the Co-op Community Kitchen. Ground Rules referred to.

Member Comment Period:

- Roger. Appreciated that the Board took the time to review the NCG agreements. Concerned about cheaper prices nationally resulting in putting local companies out of business. Hopes the Board finds a way to recognize the importance of making sure small business can thrive.
- Director Steve. Read a letter addressed to the Co-op Board: "In my opinion, the North Coast Co-op Board of Directors has become dangerously dysfunctional. Ethical standards have been compromised and unethical behavior has been used to affect change. Cooperative principles have been twisted to facilitate a hidden agenda,. . .And the very basic principles of fair play, appropriate supervisory relation and the democratic process have become a joke. Tit has gone to the extent that I fear paranoia and irrational behavior is playing a role in board governance. For these reasons, I have decided I must resign immediately from the Board of Directors." He provided a letter to the Board President and Board assistant stating his resignation immediately. [Suttell departed]
- Director Jessica. Read a letter addressed to the Co-op Board "I can no longer volunteer my time to serve on a board that appears more interested in fulfilling personal agendas than in the interest of the members and the financial security of the business. I did not volunteer my time for the Northcoast Co-op to be part of a group that created a workspace so hostile to our one employee it necessitated her resignation, and that lacks the required transparency, integrity and professionalism of a board of directors. I cannot in good conscience continue down the path this board seems to be going, therefore I am resigning from the board immediately." She provided a letter to the Board President and Board assistant stating her resignation immediately. [Unmack departed]
- Kash Boodjeh. Has volunteered his time and skills on numerous projects for the Co-op. He resigned as a volunteer and from the Sustainability Committee. He'll reconsider if things change. [Boodjeh departed]
- Oz VanAuken. Asked if there was a quorum for a meeting. Would like the board to consider being a leader with RCEA in creating a Community Choice Aggregation, electricity co-op, and bring the Co-op's energy infrastructure up to the 21st century standard that members expect.

Agenda Review: Report out from Executive Session will be provided during the Board President Report.

MOTION: Move to approve the agenda as presented. Cotton/Strong	MOTION PASSES	5/0/0
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Approval of the Minutes:

MOTION: Move to accept the November 5 2015 Board meeting minutes. Cotton/Stamper	MOTION PASSES	5/0/0
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Board President Report: Director Dave reported that Kelli Reese has selected to resign as General Manager and the Board has decided to accept that resignation and provide her with the appropriate severance package in appreciation for the work she's done for the Co-op.

2016 Board Retreat date and draft 2016 Calendar: February 20th will be a board retreat. Director Dave reviewed the layout of the day and while space is limited, management team and members are invited to attend and participate in
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the morning and observe in the afternoon. RSVP to Board Assistant, Bella Waters. January 14th meeting will be held in the Arcata Community Kitchen. 2016 Board meeting dates are fine.

NCG Member Agreements: Director Dave announced that Ron Sharp would be the Co-op’s Designated Rep (DR) for NCG. Director Colin reported that the Board is going to sign the agreement as there’s no backup plan for not being an NCG member. However, the Board has some additional directions for the DR to communicate with NCG, which have been shared with the DR:

- Communicate that there are some objections to some of the language in the membership agreements and policies pertaining to transparency, right to voice respectful dissent, requirement to be committed to sales growth as a goal itself and overly broad confidentiality provisions. DR will advocate for change to those provisions before the next agreement signing in two years.
- Work on diversifying supplier base, creating inventory of non-local products and stepping up local products that do exist. Reach out to entrepreneurs/existing producers to fill gaps that aren’t being filled locally.
- Kelli Costa noted that the cost to be a member of NCG is capped at \$30k.
- Karen Zimbelman stated that the contract is as long as a co-op wants to be a member – there’s no time constraints. Agreements are renewed and revised every two years, but members can quit anytime.

MOTION: I move to authorize the Board President to sign NCG’s “Member Co-op Board Resolution,” specifying Ron Sharp as the Designate Representative, and to direct the Designated Represented to take further actions as specified under the heading “Additional Directions to the Designated Rep.” Fiske/Stamper	MOTION PASSES 5/0/0
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Committee Reports:

Nominating Committee: Committee Chair Cheri reviewed the October meeting, which debriefed the elections, videotaping expense, and striving to reduce confusion of voting stations in the stores.

MOTION: Move that candidates are announced before the candidate forum and adjust the September board meeting to start at 6:30pm and hold the candidate forum from 5:30-6:30pm. Strong/Fiske	MOTION PASSES 5/0/0
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MOTION: The 2016 candidate forum will be videotaped and that candidates can submit their own YouTube video statement. Strong/Fiske	MOTION PASSES 5/0/0
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MOTION: Board requests that the General Manager assign the store managers, or similar, to attend the Nominating committee’s February meeting to help set up the correct procedures for election stations so they are similar at both stores. Strong/Cotton	MOTION PASSES 5/0/0
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Procedures can then be included in the Board Policy Manual to standardize in the future.

Policies and Procedures Committee: Committee Chair Colin reviewed the November meeting and the recommendations. The first recommendation are policies the board has already approved, but the PPC modified for clarity: PPC is a standing committee, that chairs must be board members unless stated in a committee’s charter and that MAC may select its own chair, who may or may not be a board member.

MOTION: Move to approve the three revised Executive Committee policies. Fiske/Stamper	MOTION PASSES 5/0/0
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Committee is working on potential amendments to the bylaws and would like to pass them by an attorney before taking to a vote of the membership. Would like the Board to recommend an attorney. Director Dave noted that would be helpful and a cap on the number of hours will be included in the budget. Board should spend time determining who the attorney is and recommended an ad-hoc committee be created to research options.

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MOTION: To create a Legal Research Council Ad-hoc Committee to research possible attorneys to establish a relationship with the board.
Fiske/Stamper **MOTION PASSES** 5/0

Other package of changes to the bylaws (section 4.02, 4.13 and 5.05) will be tabled until an attorney has been determined. Director Dave noted that there's time as final bylaw language isn't due until July. Committee would like to dedicate time at the board meetings for education members on changes to the bylaws and any other issues committees may like to provide education on. Forum ideas can be submitted to Director Dave and he'll forward to the Board Assistant to fit in as appropriate.

MOTION: Move to approve reserving 15-20 minutes per board meeting for education forum.
Fiske/Stamper **MOTION PASSES** 5/0/0

Finance Committee: Director Dave reviewed the November Finance Committee recommendation.

MOTION: Move to approve the C share dividend rate (whole shares) to continue current interest rate of 2.00% APR for quarter ending March 26, 2016.
Feral/Stamper **MOTION PASSES** 5/0/0

Member Action Committee: Director Colin noted there are no specific recommendations from the MAC. Reported that the MAC is working on a proposal for a low income member access type program and consensus has been reached on the goal and eligibility of the program.

Member Comment Period: Topics discussed were:

- Request that the board reach out to the board members who resigned, as they were elected too.
- Resignation of GM and two board members is unprecedented for this group. Members would like an explanation or response to what has been happening. Board is also sorting it out and trying to move forward. Members can talk to Director Dave by making an appointment with Board Assistant.
- Concerned about how this will impact the business. This kind of dysfunction will destroy an organization and as one that has been here since 1975 that would be seriously disturbing. Important for the Co-op to make a profit in addition to assisting members, community and employees.
- Vacant board seats will be filled by appointment.
- Rather than creating a separate class of members take a business approach and lower the prices.
- Kelli Reese was thanked for all her contributions and everything she has done in moving the Co-op forward in a positive direction.
- Important to look into the future than the past and figure out how to make this better.
- Keep focusing on the bigger picture. Co-op depends on non-members too.
- PPC's meetings are moving to 6pm starting in January to allow more participation by working people. Employees could also ask supervisors for a schedule adjustment to allow them to participate in daytime meetings.
- Director Leah will write the board report for the Co-op News
- Ron Sharp has agreed to be the emergency GM and will take the time to decide if he will be interim-GM.
- Concern that the process for the appointment of new board members be as transparent as possible. Process will be discussed electronically but announced publically.

Consensus reached to adjourn the December meeting at 7:53pm and move into Board Orientation, facilitated by Mo Burke.

Minutes by Bella Waters