



North Coast Co-op
Board of Directors Meeting Minutes
September 3rd 2015 - Co-op Community Kitchen – Arcata

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, Kelli Reese, Ed Smith, and Bella Waters

Member-owners: Mary Ella Anderson, Mo Burke, Colin Fiske, Neal Latt, John Lucas, John Schaefer, Leah Stamper, Mitch Trachtenberg, Roger, and John Woolley

Meeting was called to order at 6:04pm by Facilitator John Woolley at the Co-op Community Kitchen. John announced it was his last meeting as facilitator. Introductions were done and Ground Rules reviewed.

Member Comment Period:

- Colin Fiske. Created some consternation as a candidate by modifying code of ethics and another statement in candidate packet that he did not believe was lawful in the form they were written in. Not sure what's going on and doesn't want to jeopardize candidacy for him or the rest of the candidates.
- John Schaefer. Supports Colin's position.
- Mo Burke. Objections to three things: 1) recommendation on handling votes from jointly shared membership and feels it's inherently sexist and patriarchal; 2) creation of paid facilitator position; and 3) applauded Nominating Committee for standing up to questionable documents.
- Roger. Agreed that he wouldn't sign something that wasn't legal or appropriate. Thanked John and Fred for their consistent hours and participation at the Co-op.

Agenda Review: Director Jessica would like to forgo Executive Session until the group has a chance to discuss the possible confidentiality breach in Executive Session.

MOTION: Move to approve the agenda as amended. Moore/Lancaster	MOTION PASSES	7/0/0
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Approval of the Minutes:

MOTION: Move to accept the August 6 2015 Board meeting minutes. Cotton/Feral	MOTION PASSES	7/0/0
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Board President Report: Director Jessica asked all directors to volunteer at the Annual Membership Meeting, personally thanked all directors for their perspective, thanked Directors Fred and Kate for their service to the Board and presented Fred with a card. Director Jeremy will write October's Co-op News article.

Board Training: Director Jessica reviewed itinerary for September CBLD training and asked all directors to plan on going as a group to the Co-op Café in March. Will discuss that opportunity at a later date.

Board Facilitation: Discussion included origination of facilitator (via Fred & Ashland Food Co-op), benefit of allowing board president to participate in discussions, bylaws stating president presides over meetings, difference between the words preside and facilitate, helpful to have undivided attention on subjects to formulate opinions and statements, and option of a facilitator should be the president's choice.

MOTION: Move to send the revised Board President and Meeting Facilitator Responsibilities in Conducting Meetings of the Board to the Policies and Procedures Committee for review. Feral/Strong	MOTION PASSES	7/0/0
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Director Jessica asked if all received her memo sent out today regarding a recommendation to schedule an executive session that will be facilitated. Some members concerned that this topic wasn't on the agenda. Director Dave suggested that if the topic is related to the election, anyone involved in the election should recuse themselves. Director Jessica stated that it's not about the election, rather how the board can speak with one voice. Election issues will be dealt with in the Nominating Committee report.

MOTION: To continue on topic that Jessica has added to agenda. Suttell/Moore	MOTION PASSES	5/2/0 Feral and Strong oppose
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Discussion morphed from Director Dave wanting to discuss the issues with various documents and his perceived violations of California Corporations Code [CCC] section 12360, Director Steve not objecting to the work done but rather the methods, Director Jessica explaining the need for the Board to reorient themselves, which is separate from the legalities of the documents. Director Dave noted that its only coming up because the Nominating Committee made a decision based on an unlawful document and asserted their rights, under the Board Policy Manual and reported that he's been attacked by board members and staff and doesn't believe it's going to be handled well separately. Kelli Reese stated that there's been a potential breach of confidentiality coming out of the Executive Session and that conversation is not going to happen in front of people. Director Jessica noted that the Executive Session cannot happen tonight as there's not assurances that it will be confidential and can't move forward until that has been resolved. All current directors are pertinent to the conversation and need their perspective and input during the special session. Director Dave stated it would be a hardship for him to attend another meeting due to his involvement with Nominating committee and Policies and Procedures committee; may have time after harvest.

MOTION: To come together prior to end of election cycle to discuss potential executive session confidentiality breaches with current board. Unmack/Moore	MOTION PASSES	4/3/0 Cotton, Feral and Strong oppose
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Board Assistant will send out MeetingWizard to schedule the meeting and all directors encouraged to contact Board Assistant with potential facilitators. Meeting will be posted as a special executive session. Any action from session will be brought to a public session.

Committee Reports:

Finance Committee: Kate reviewed the motions in the Finance Committee minutes. Auditors found minor issues during their review. However, no audit concerns whatsoever were found.

MOTION: To accept the Fiscal Year 2015 audit. Moore/Unmack	MOTION PASSES	7/0/0
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MOTION: To approve the C share dividend rate (whole shares) to continue current interest rate of 2.00% APR for quarter ending December 26, 2015. Cotton/Strong	MOTION PASSES	7/0/0
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MOTION: To increase the C share dividend payout threshold from \$20 to \$50 for FY16 and revisit auto reinvest at February meeting. Suttell/Moore	MOTION PASSES	7/0/0
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MOTION: Move to accept the August 17, 2015 Finance Committee minutes. Cotton/Lancaster	MOTION PASSES	7/0/0
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MOTION: Move to accept Chris Copple as member-at-large for another one year term ending September 2016 on Finance Committee, unless he's elected to the Board in which he is no longer a member-at-large. Unmack/Moore	MOTION PASSES	7/0/0
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Policies and Procedures Committee: Committee Chair Dave reviewed the August meeting.

MOTION: To send draft bylaw section 4.13 to Member Action Committee for review. Feral/Unmack	MOTION PASSES	7/0/0
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Dave reviewed the suggested change to the Committee Chair Job Description. Director Jessica suggested moving the changed language to the second sentence. Dave will bring the document back to PPC and also review the reference to a

sense of humor, which Director Kate asked if it was a requirement and Director Steve noted could be unenforceable.

Dave explained the need to link the Board Policy Manual with the Bylaws to continue the hierarchy flow of documents.

MOTION: To include the Fair Share definition in the Board Policy Manual and also recommend that work be done on an additional section in the Bylaws that links the Bylaws to Board Policy Manual, therefore empowering the Board Policy Manual.

Feral/Moore

MOTION PASSES 7/0/0

MOTION: To approve the August 12, 2015 Policies and Procedures Committee minutes.

Feral/Lancaster

MOTION PASSES 7/0/0

Member Action Committee: Roger reviewed MAC August meeting and highlighted the reoccurring discussion of senior discount, how more members can be involved and participate in the store, yet not making it difficult for members to participate. Asked Board to think about potential volunteer opportunities for members.

MOTION: To approve the August 19, 2015 Member Action Committee minutes.

Feral/Unmack

MOTION PASSES 7/0/0

Nominating Committee: Committee Chair Cheri reported that all nine candidates' video statements have been posted online and suggests that the cost of the videos be evaluated after the election based on number of views. Took care of concerns with Code of Ethics by sending revised Code of Ethic forms to all candidates for resigning, which have all been returned. Director Jessica noted there was some miscommunication on the process, intended to obtain consensus from the Board to change the document before Co-op News print deadline. Director Feral reported what he heard on the phone, documents were illegal and did his due diligence and acted in good faith to find a solution, plus used the Board Policy Manual as his guide. Discussion included references to CCC sections, which documents allow for candidate requirements, documents changing without board approval, dueling attorneys, all candidates have been recognized by the Nominating Committee, unfortunate the problem wasn't dealt with when first brought to Board's attention. Director Steve suggested using the fix that Colin constructed, which was admirable.

MOTION: To accept electoral compromise suggested by Director Steve Suttell in the document submitted by Dave Feral [September 3, 2015 Board packet] for election cycle 2015 and all nine candidates are approved to run.

Moore/Unmack

MOTION PASSES 7/0/0

GM Task Force Update: Director Kate reported on progress. General Manager has accepted the feedback provided and recommendation for compensation package. Next steps will be to finalize with a memo and bring to next Executive Session as it's a personnel issue. Any action from that meeting will be reported out at the following board meeting.

General Manager Report: Kelli R. reviewed her September report. Co-op has remained operational with the internet outage. Thanked the IT department for their exceptional work. North Coast Co-op has been voted best grocery store by the North Coast Journal readers. Kate and Dave are interested in facilitating some of the Annual Membership Meeting discussions. Kate noted the list of IT department accomplishments in the GM report, as that was a question in the GM evaluation process.

MOTION: Move to approve the September General Manager's report.

Moore/Feral

MOTION PASSES 7/0/0

Member Comment Period: Topics discussed were:

- Colin Fiske. For the record, he didn't intend to cause a problem and appreciates that the Board recognized the issue that needed to be addressed.
- Roger. Appreciates the action taken for this election

Consensus reached to adjourn the September meeting at 7:38pm. Kate thanked John for his facilitation and will miss his presence.

Minutes by Bella Waters