

**Minutes of the
Marquette Food Co-op Board of Directors
March 17, 2015 Meeting**

Start time: Meeting was called to order by president Tom McKenzie at 6:03 p.m.

Roll call: Tom McKenzie, Phil Britton, Barbara Krause, Janna Lies, Brad Jackson, Cori Noordyk, Mike Potts.

Absent: Brian Brady (excused), Emily Wright (excused).

Staff: GM Matt Gougeon, Natasha Lantz, Kelly Cantway.

Public: Beth Millner, Ashley Pales, Anita Pales.

II. Preliminaries:

Approval of Agenda & Additions: The agenda was reviewed and no changes were made.

Motion: To approve agenda without changes (*motion by M. Potts, second J. Lies*).

Action: Motion passed unanimously.

During the course of the meeting the sequence in which the GM Monitoring reports were presented was modified, and the Outreach Reports were moved before the break.

Review of February Minutes and Annual Meeting Minutes: No changes were made.

Motion: To approve both sets of minutes without changes (*motion by P. Britton, second B. Jackson*).

Action: Motion passed unanimously.

Electronic Communications: None.

III. First Public Comment: Beth Millner introduced herself and addressed the board. She complimented the board for the success of the expansion and inquired about local meat. She commented that the MFC previously stocked local meat from Seeds and Spores at the old location and Phil's Lake Superior whitefish is also no longer stocked at the new store. She inquired if the MFC could give more weight to farms that use organic feed and commented that stocking more local and organic meat could be a major selling point for the store, and that there is room to make the store even better in this regard. The board thanked Beth for sharing her concerns and shared that the board does not make decisions on an operational level but that it was good for her to bring her concerns to the meeting. Anita and Ashley Pales were also in attendance. Ashley is a new MFC member.

IV. GM Monitoring

(a) G11 – Treasurer's Role (B. Krause): The board discussed G11.10 and considered whether it is necessary to ensure a review is conducted on a biennial basis or if it would be better to ensure that a review is considered on a biennial basis. If nothing has changed, a review might not always be necessary. The board also considered that there may not always be a CPA or financial expert on future boards. It is the board's understanding that there is no legal requirement related to conducting reviews. The GM commented that he intends to have the cash handling system reviewed later this year since the MFC is in its new location. The board decided to change the

language of G11.10 to read, “Ensure consideration of a review of ‘agreed upon procedures’ on at least a biennial basis” (with quotations on “agreed upon procedures”).

(b) G8 – Vice President’s Role (M. Potts): G8.4 was reviewed. The role of Parliamentarian was discussed as someone who knows Robert’s Rules of Order very well and sits next to the President during meetings to ensure the meeting follows the rules of order. The board discussed that it is not currently doing this, however if this responsibility is removed from the Vice President’s Role it would need to be added to the President’s responsibilities. The board agreed to change G8.4 to read “Will assist the President as Parliamentarian at Board meetings.” G7.1.3 will be changed to include “Will serve as Parliamentarian at Board meetings” at the beginning of the paragraph. G8.2.2 was discussed and its relevance to online elections was considered. No changes were made to G8.2.2.

(c) L4 – Membership (M. Gougeon): The board received the report in advance and had no questions. The GM shared with the public that the report documents how the MFC collects information from members and how that information is used.

Interpretation Reasonable: Yes.

Adequate Data: Yes.

The report was accepted as in compliance.

(d) L10 – Board Logistical Support (M. Gougeon): The board received the report in advance and had no questions. The GM shared that logistical support provided to the board includes the Board Recorder (Emily Weddle) and Natasha Lantz and her staff.

Interpretation Reasonable: Yes.

Adequate Data: Yes.

The report was accepted as in compliance.

(e) Store Report/Expansion Report (M. Gougeon): GM provided several articles and documents for the board to review prior to the May board meeting. The GM reported that sales are doing very well. The sales average per day in March is currently about \$22,500. If this pace continues, the GM reported that March may be the first \$700,000 month. The wage schedule is being reviewed. A new pay level will need to be added now that the store has more supervisors and specialized skill sets. The store is looking at opportunities for staff advancement and raising the entry-level wage, which is currently \$8.50. The GM reported that these changes will be made within budget and with consideration of the sales per labor hour metric. HR is proposing a shift to merit-based pay, which would result in changes in the evaluation process. The GM is rewriting the disclosure document for the Capital Campaign and has involved the help of Michelle Halley. The MFC is working with the Marketing Department for a new messaging campaign for TV, radio, and print advertisements. The reset of the bulk department is being planned. The cost is expected to be under \$10,000. Pricing strategy is being reviewed. The board is encouraged to read about pricing in the latest issue of the “Cooperative Grocer.” The GM reported that attitudes about co-op pricing are shifting. NCG is conducting a study to look at co-op competitors. The MFC is preparing for the possibility of future competition. The GM reported that there have been challenges in the past with the store’s point of sales (POS) system so it is creating a dedicated position for a POS Coordinator who will be responsible for keeping the system updated. This should eliminate opportunity for mistakes. The GM shared about his visit

to the Phoenix Earth Foods Co-op in Toledo, Ohio. The board discussed co-ops and competitors and how the owner-based model sets co-ops apart.

(f) CCMA Planning: The conference will be in Boise, Idaho from June 11-13. The board is encouraged to attend. Registration is discounted in April.

V. Second Public Comment Period: Natasha Lantz requested to move Outreach Reports before the break.

VI. Outreach Reports

(a) U.P. Food Exchange Report (N. Lantz): The UPFE website has been launched. The Wholesale Success Training for produce suppliers was held last weekend and was very successful. It was followed the next day by Farm Food Safety Training. Twenty-eight established farms, four beginning farms, and GAP educators and stores were in attendance. Partnerships are forming and connections are being made in the online marketplace. N. Lantz and P. Britton are chairing a group that will be advising the state about the Group GAP rollout.

(b) Outreach Report (N. Lantz): The MFC is entering events season, with health fairs and tours of the store. The MFC made its first donation to the warming shelter and will be participating in the Community Baby Shower. The Annual Meeting was on Friday, March 13. Attendance was up from last year, with 209 adults at the event. Feedback has been positive. Next year there will be more time for music and drinks after the business meeting. The MFC is developing a Local Supplier Report Card to educate consumers about how things are sourced, animal practices and feed quality, whether an item is organic, etc. This will allow consumers to make educated choices. New signage and/or brochures will be needed. Growers were on board with the idea at the supplier meeting. Natasha addressed the complexities of meat supply and shared that Clayton is looking into stocking whitefish. She also explained that written comment cards are logged and tracked in a spreadsheet.

VII. Break

VIII. Board Monitoring & Discussion

(a) Committee Reports:

(i) GM Evaluation (J. Lies, B. Brady, and T. McKenzie.): No report.

(ii) Finance Committee (B. Krause, J. Lies, and B. Brady): The committee reviewed financials and focused on the Capital Campaign. Michelle Halley attended the meeting. B. Krause reported that this campaign will be much easier than last time. The terms will be the same but the limit will be \$10,000 instead of \$25,000. A minimum must be set and money cannot be spent until the minimum is met. It was discussed that if the minimum is set at an arbitrary amount, a higher number may be misunderstood as a campaign goal. The campaign will not require a review like last time.

(iii) Communications Committee (P. Britton, E. Wright, and B. Jackson): Did not meet.

(iv) Bylaws Committee (T. McKenzie, B. Krause, and P. Britton): Did not meet.

(v) Orientation Committee (E. Wright, M. Potts, and C. Noordyk): Did not meet. B. Krause and P. Britton were reelected and will not need orientation.

(vi) Elections/Nominations (B. Jackson, C. Noordyk, and M. Potts): Reported that the elections went smoothly. There were 102 total votes with three write-ins. The board discussed low voter turnout.

(b) Board Education:

(i) Parliamentarian Review (T. McKenzie): Handouts were provided about Robert's Rules of Order. There are three pages in the board books that address parliamentary procedures that should be reviewed. The President encouraged the board to review the handouts and be responsible for following the rules of order.

IX. Third Public Comment: The GM shared that he was recently elected President of the Board of Directors for the new Marquette Chamber of Commerce. Dues will be proportional to the size of the business, and the MFC is a large employer. The Chamber will provide opportunities for small businesses in the community. Jason Schneider is the Chamber's Executive Director. The board would like to invite him to attend the April MFC board meeting to share more about the Chamber.

X. Closings

(a) April Assignments:

- i. Store/Expansion Report (M. Gougeon)
- ii. L8 – Communication and Counsel to the Board (M. Gougeon)
- iii. G10 – Secretary's Role (B. Brady)
- iv. Outreach Report (N. Lantz)
- v. UP Food Exchange Report (N. Lantz)
- vi. Board Education – Set Retreat Date; Begin BOD Orientation
- vii. Update Directory
- viii. Jason Schneider, Marquette Chamber of Commerce

XI. Motion to adjourn at 8:15 p.m. (*motion by P. Britton, second J. Lies*).

Action: Motion passed unanimously.

Next Board Meeting: April 21, 2015 at 6:00 p.m.

Emily Weddle
Board Recorder

Monitoring Report

Policy Type: Executive Limitations

Policy Title: L4- Membership

Reporting Period: March 17, 2015

I report compliance with all parts of this policy. All operational interpretations remain unchanged since the last reporting period. Changes in data are highlighted in yellow.

Signed: _____, **General Manager**

Global: The General Manager will not fail to establish, maintain, and promote a vital membership program that builds a sense of ownership among members.

Interpretation- As membership and member equity are integral to the success of and necessary to the existence of the Marquette Food Co-op, the General Manager shall keep an active membership program from which members may find an ownership identity.

The GM will not:

L4.1: Elicit information for which there is no clear necessity.

Interpretation- Information requested from potential and current members of the MFC will only be used to meet the requirements of membership and membership classification. Other tracked or solicited information shall be used for operational strategic planning. "Tracked information" means member patronage data. "Solicited information" means surveys, forums, or questionnaires.

Data: See Marquette Food Co-op Equity Application and sample POS reports. This Equity Application is the only required data collection mechanism for membership in the cooperative. It establishes the legal contract between the cooperative and the member. Member purchase histories are used for patronage rebate purposes and retail strategy. Surveys, forums, and questionnaires are intended to link member needs to operations.

L4.1.1: *Use methods of collecting, reviewing, transmitting, or storing information that fail to protect against improper access to the information elicited.*

Interpretation- The GM shall keep confidential and protect all member information and data collected from any persons other than those employed by the MFC who require that information in the course of the regular activity of their jobs.

Data: Member information is only collected via the equity application. Only employees of the MFC have access to complete collected member information. Compudyne- our contract IT specialists, and ECRS-our POS software provider have access to member information. Compudyne and ECRS have their own privacy and security systems and non-disclosure policies as part of conducting business with other organizations. While it is not feasible to keep member information entirely secure because of necessary access to it, improper access to information is prevented through security layers. The first layer is locked filing cabinets where hard copy member information is stored and coded and keyed door locks to the MFC offices. The second layer of security is password protection for any necessary electronic access. The third layer of security is a legally binding “Non-Disclosure” policy signed by each employee of the MFC. That policy reads; ***“The protection of confidential business information is vital to the interests and success of the Marquette Food Co-op and its members. Employees who improperly use or disclose confidential business information will be subject to disciplinary action. It is also a breach of policy to disclose the addresses, phone numbers, or work schedules of members and staff.”***

Employees with access to member information are; cashiers- at the point of origin as members apply for equity share purchase. Cashiers also access member information at the POS during the necessity of member “look-up” during a transaction. Outreach Department staff use member information for various communication initiatives, store managers for conducting/resolving various individual member business transactions.

Additionally, we have purchased cyber security insurance through Watsec. Notably, the insurance policy is bolstered by an information and training program. Each employee with MFC computer network access is trained through this program in prevention of cyber security breaches.

L4.2: *Fail to provide opportunities for members to participate in the cooperative.*

Interpretation- The GM shall make available to members various methods of involvement in their cooperative.

Data: Owners may contact the MFC via phone, our website, email, Facebook account, or in-person. Owners may make direct suggestion, complaint, or request of the MFC via the Customer Suggestion form or by direct communication with board members and operations through published contact information. Owners may serve on ad hoc committees, participate in surveys, submit owner suggestion forms regarding any topic, and submit articles to “Food For Thought”. MFC members have free access to MFC sponsored workshops and meetings and discounted admission to cooking classes. Owners may attend MFC potlucks. At board meetings they may be heard at any of three public comment periods at each meeting. Owners also have the opportunity to apply for employment at the MFC when positions come available. Owners may also nominate themselves and apply for director seats. Volunteer opportunities, though rare, are also available. Owners may also vote on bylaw changes and for board candidates. Owners may also invest in the MFC through the purchase of Preferred Shares.

L4.3: *Fail to ensure that members are aware of Board actions, meetings, activities, and events.*

Interpretation- The GM will inform members of board actions, meetings, activities, and events.

Data: Board activity is variously communicated to members through the newsletter, store postings, email, MFC Facebook account, invitation, and via a direct link to board information at the MFC website.

L4.4: *Change the membership equity requirement.*

Interpretation- The GM may not change the member equity requirement without board approval.

Data: The membership equity requirement has remained unchanged at \$150.00 since November of 2012.

L4.5: *Fail to establish with members a clear understanding of what may be expected and what may not be expected from membership.*

Interpretation- The GM will work to see that members understand what ownership in the MFC means.

Data: See the MFC Owner Manual: Your personal guide to *your* Co-op. Although in need of an update, it fully explains MFC ownership. A copy of the owner's manual is provided to each new owner. Additional copies are available upon request. When a person signs up as a member, the assisting customer service specialist takes the time to accurately explain ownership. Outreach Department staff offer a "Getting to Know Your Co-op" class twice each month and often provide one-on-one sessions with those owners who are unable to make a regularly scheduled class. Further, the GM has written about ownership in his column in "Food For Thought". The benefits of ownership are also highlighted on the MFC website.

Policy Type: Executive Limitations

Policy Title: L10 – Board Logistical Support

Reporting Period: March 17, 2015

I report compliance with all parts of this policy. I certify that the information contained in this report is true.

Signed _____, General Manager

Global: ***The General Manger will not allow the Board to have inadequate logistical support.***

Interpretation/Operational Definition- The General Manager will provide or ensure that the Board has access to relevant resources of the MFC in order for the Board to carry out its duties.

The GM will not:

L10.1 *Provide the Board with insufficient staff administration to support governance activities and Board communication.*

Interpretation/Operational Definition- The General Manger will provide necessary administrative support to the Board from either available staff or a dedicated contracted clerical person.

Data: See Emily Weddle, our board recorder. Although directed by the Board, the board recorder is not compensated by the Board except through Board directive to the GM. Also, the Board is supported by Outreach Department staff and store IT support staff. Annual Meeting organization and Board Election Procedures are examples of support supplied to the board by these department staff. Further the Board is supported by the GM in administering Board travel.

L10.2 *Allow the Board to be without a workable mechanism for official board, officer, or committee communications.*

Interpretation/Operational Definition- The GM shall provide an effective method(s) for any Board communication to operations or the membership.

Data: Board communications may be posted in the store lobby at the Board's discretion or according to MFC bylaws. The MFC website has a page devoted to Board communication where regular meeting agendas and minutes are posted. Also, the Board may contribute to the MFC newsletter, or may ask the Outreach Department to post information on the MFC Facebook page.