

**Minutes of the
Marquette Food Co-op Board of Directors
March 15, 2016 Meeting**

Start time: Meeting was called to order by president Tom McKenzie at 6:05 p.m.

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

Absent: None.

Staff: GM Matt Gougeon, Natasha Lantz, Evan Zimmerman.

Public: John Kinch, Maleah Gust.

II. Preliminaries:

Approval of Agenda & Additions:

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

Action: Motion passed unanimously.

Review of February Minutes:

Motion: To approve the February minutes without changes (*motion by B. Krause, second B. Jackson*).

Action: Motion passed unanimously.

Electronic Communications: None.

III. First Public Comment: John Kinch introduced himself, and stated he was present to observe. Maleah Gust was also there to observe, as an assignment for a class she is currently a part of.

IV. GM Monitoring

(a) Store Report (M. Gougeon): See attached.

(b) L4 – Membership (M. Gougeon): See attached.

Interpretation Reasonable: Yes.

Adequate Data: Yes.

The report was accepted as in compliance.

(c) L10 – Board Logistical Support (M. Gougeon): See attached.

Interpretation Reasonable: Yes.

Adequate Data: Yes.

The report was accepted as in compliance.

(d) G11 – Treasurer’s Role (M. Potts): No recommended changes. B. Krause mentioned that while she does record minutes at every meeting, she will begin sending them out to the rest of the board.

V. Second Public Comment Period: Matt and Natasha both spoke of upcoming travel plans.

VI. Break. The board took a picture with Maleah.

VII. Outreach Reports

(a) Outreach Report (N. Lantz): The Outreach Department is hosting an open house showcasing the MFC marketing plan, which was developed with help from the MFC grow teams. This is a staff event, but the board is welcome as well. The event is Monday, March 21, 8am – 4pm, with 15 minute presentations happening at the beginning of each hour.

Natasha was recently at the MOSES conference, representing the NCG.

Chris Peacock and Neal Curran are both leaving in the upcoming weeks. Neal is moving to a food hub in Durham, NC, and Chris hasn't settled on a course of action yet, though he has plenty of ideas to choose from.

Sam Henke, the new Events and Media Coordinator, is gaining traction in his new role and doing very well.

Sarah Monte won a Specialty Crop Block Grant to teach a series of cooking classes for free. She will be teaching the entire series twice, due to the high demand for them.

(b) UP Food Exchange Report (N. Lantz): Natasha is handing off MI food safety point-person duties to Phil Britton, as she is needed more and more at the store in Marquette. This role is more in line with Phil's job, and the co-op will still have representation through Natasha's continued involvement and Phil's additional role as a board member.

The Cultivating Food Safety on the Farm workshop held last Saturday went very well. All of the farmers present were engaged, and everyone was on the same page regarding the importance of food safety practices.

VIII. Board Monitoring & Discussion

(a) Committee Reports:

(i) GM Evaluation (J. Lies, B. Brady, and T. McKenzie.): Did not meet.

(ii) Finance Committee (B. Krause, J. Lies, and B. Brady): See attached minutes.

(iii) Communications Committee (P. Britton, E. Wright, B. Jackson, and C. Noordyk): Met with a GROW team comprised of Evan, Collin, and Heather to talk about how to make BOD meetings more public-friendly. The main idea talked about was rearranging the agenda to have the more "interesting" reports (store report, outreach/UPFE reports) at the beginning with extended times for public comment, and then the more policy-focused reporting and monitoring after the break. Other ideas talked about were signage, light snacks/new food demos, or heavier snacks on a quarterly basis.

After this meeting, the communications committee continued to meet (it was a bright, sunny day in the co-op café) and discussed alternatives to the fall harvest potluck, and also other things like board members bagging groceries.

(iv) Elections/Nominations/Orientation: Did not meet. Orientation committee will set up a meeting with new members after they are announced.

(v) Board Education (B. Jackson, C. Noordyk, P. Britton, B. Krause): Did not meet. Matt will send Cori CBLD info.

(b) Ends Survey and Blog Review:

(i) Ends 4 Blog Draft (B. Krause): Barb read aloud, and will email to Phil.

(ii) Ends Survey Review: No data, Phil will follow up with outreach dept. on gathering the data.

(c) CCMA Planning: Conference dates are June 9-11. The board should have solid commitments on who will be attending by April 15.

(d) Board Elections: Covered during committee reports.

IX. Third Public Comment: None.

X. Closings

(a) April Assignments:

- i. Store Report (M. Gougeon)
- ii. Outreach Reports (N. Lantz)
- iii. 10 – Secretary’s Role (B. Krause)
- iv. L8 – Communication & Counsel to the Board (M. Gougeon)
- v. Ends 5 Blog Draft (M. Potts)
- vi. Ends 4 Survey Review
- vii. Update Directory
- viii. Set Retreat Date
- ix. Orientation Procedure Begins

XI. Motion to adjourn at 8:03p.m. (*motion by C. Noordyk, second B. Krause*).

Action: Motion passed unanimously.

Next Board Meeting: April 19, 2016 at 6:00 p.m.

Phil Britton
Board Secretary

Store Report

March 2016

Sales

Sales growth through the first half of March continues at February's pace of near 8%.

NCG

The NCG is coming to conduct an audit of our store. The focus of the audit will be on two of our "fresh" departments; Meat & Seafood and Prepared Foods. NCG's continued emphasis is that these two departments present the best opportunity for growth in co-op's. Coming to our store will be NCG Development Director, Carol Collins, Meat Specialist, Dan Hein, and Deli Specialist, Meredith Provance. Also attending will be GMs Sharon Murphy from Duluth, Jen Stoltz from Grand Marais Minnesota, Francis Murphy from Illinois, and Ed Senger, Operations Manager from Outpost in Milwaukee. The audit is scheduled for July 12-13. An NCG operational audit as such is standard following a co-op expansion.

Trainings

Ongoing training happens for managers and supervisors. Our Produce management team went to Rising Stars in Minneapolis. RS is a management training specifically for retail managers in "fresh" departments. It covers accountability, financial management, and productivity at the department level. In the past we made a point of sending all managers to this training which is offered several times a year in different parts of the country.

Also we have in house training for managers and supervisors happening this month (as we do near every month). Accountability, holding others accountable as well as being accountable, is the focus this month. These trainings are hosted by HR Director, Kelly Cantway and Ops Manager, Mary Moe.

Reset

Our store will be closed on Easter but we will be hard at work. We have scheduled a reset of our refrigerated and dairy. This means that a product shuffle will happen in the dairy cooler and the refrigerated cases just past produce. A reset is never a small undertaking as retail is a literal game of inches, everything must have its place- and be known ahead of time. This reset is the first of several that will happen throughout this year.

Construction

We hired Tamarack Builders to do some repairs, updating, and new construction in the store. A bulk RO sink in the back of the store, new waterproof floor trim in the kitchen, FRP installation on the walls of our Produce prep room, installation of pallet racks in receiving, mobilization of shelving units for all backstock in receiving, and buildout of a new office on the floor of the store for Mary have improved the operation of the store.

Monitoring Report

Policy Type: Executive Limitations

Policy Title: L4- Membership

Reporting Period: March 15, 2016

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 a **meaningful** 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 **collected** or solicited information shall be used for operational strategic planning. "**Collected 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 **operational activities**.

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 keyed door locks (when needed) 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 where 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 hold a cyber security insurance through Harleysville Insurance. We have security policies and protocols in place for staff to help ensure member data security. Each employee with MFC computer network access and a MFC email address reads and signs an Acceptable Use Policy. We strive to keep security protocols current. Further, in the coming reporting period all staff with a MFC email account will receive refresher training in cyber security protocols.

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 and focus groups, submit owner suggestion forms in the store regarding any topic, submit articles to “Food For Thought”, and submit comments and suggestions on the MFC Facebook page. 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, 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. A pilot equity program was, however, tested in the last reporting period. Named the 5/2 plan it allowed new members to receive full membership benefits for \$5.00 down and a \$2.00 charge on each subsequent store transaction to pay the remaining equity balance. The 5/2 Plan did not change the member equity requirement. Due to its success, it will be instituted as an ongoing program in 2016.

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: 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 to 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 15, 2016

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 available staff and 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, minutes, and a monthly board survey are posted. Also, the Board may contribute to the MFC newsletter, or may ask the Outreach Department to communicate information via a variety of channels, including but not limited to the MFC website, Facebook, Twitter, in-store postings, and email.

Marquette Food Cooperative

Finance Committee

March 15, 2016

In attendance: Janna Lies, Brian Brady, Barbara Krause and Matt Gougeon

Location: MFC conference room

Matt presented the January 2016 statements noting in particular that the cash position has greatly improved due to having caught up with the bulk of the suppliers. He also noted significant improvement in the debt to equity ratio due to increased investment in preferred shares by owners and cashing in shares to pay down some debt.

While cash is still something closely watched, it was noted that even estimating conservatively with lower than expected sales, cash projections are still positive.

Discussed the contract with UNFI, noting in April, discounts will be realized in the form of rebates with the bulk of the cost being paid up front. That being said, MFC is on track to meet volume requirements for a price break for as long as it continues to meet those volume levels. Speaking of volume, a large order with Field Day is on the horizon. This is something that could not have been achieved without the large amount of space available at the Washington Street store.

A renewed focus has been placed on the productivity measure of sales/labor hour. A specific emphasis will be on Meats and Prepared Foods as significant improvement can be achieved in those areas. In addition, it was noted that hiring decisions should be made with the long term in mind.