

**Minutes of the  
Marquette Food Co-op Board of Directors  
January 16, 2018 Meeting**

**Start time:** Meeting was called to order by president Phil Britton at 6:03 p.m.

**Roll call:** P. Britton, M. Augustyn, R. Kochis, C. Morgan, C. Noordyk, C. Thompson.

**Absent:** B. Cromell (excused), G. Sarka (excused), H. Bush (excused).

**Staff:** GM Matt Gougeon, Mary Moe, Kelly Cantway, Kat Eaton, Sarah Monte.

**Public:** Paul Nardi, Laura Provost, Mary Pat Linck, Brian Mitchell.

**II. Preliminaries:** It was noted that G. Sarka will be resigning from the board.

(a) Approval of Agenda & Additions: Annual Ends Report was moved to next month.

*Motion:* To approve agenda with changes (*motion by R. Kochis, second C. Thompson*).

*Action: Motion passed unanimously.*

**III. Consent Agenda:** Annual Ends Report was removed from consent agenda.

(a) Approval of December Minutes without changes

(b) Electronic Communications

(c) G7 – President’s Role (P. Britton)

(d) D3 – Delegation to the GM (C. Morgan)

*Motion:* To approve consent agenda with changes (*motion by C. Noordyk, second C. Morgan*).

*Action: Motion passed unanimously.*

**IV. Public Comment Period:** Members of the public in attendance were Laura Provost and Paul Nardi from the financial review team at Makela, Toutant, Hill, & Nardi, P.C., past board member Mary Pat Linck, and Brian Mitchell who introduced himself as a neighbor of the MFC who is new to the area.

**V. GM Monitoring**

(a) Financial Review (Paul Nardi and Laura Provost): It was noted that 2016 financial results were being presented in 2018. Based on the review the accountants concluded that they are not aware of any material modifications that should be made to financial statements in order for them to comply with generally accepted accounting principles (GAAP). Balance sheet, statement of operations, statement of changes in shareholders’ equity, statement of cash flows, and notes to financial statements were reviewed including the deferred tax assets. Nardi noted that it looks like NOLs (net operating loss) will be recovered. It was also noted that the statement of cash flows is an important report for the Board to be familiar with. Brian Mitchell, member of the public, commented on inventory turn. Nardi explained that the review does provide limited assurance that financial statements are in compliance with GAAP but noted that a review is not as thorough as an audit. It was reported that this review was undertaken because the MFC shifted accounting practices to be in accordance with GAAP as recommended by NCG. Nardi discussed his participation in observing inventory procedures at the MFC. He explained that his accounting firm is in a position where they could perform an audit if needed. It is recommended that another review be performed in 2017, and it was noted that it would be more affordable for the MFC to have a review performed during non-peak accounting season. Board inquired about tax returns and it was noted that there is continual improvement on getting a better handle on accounting and

reporting. Makela, Toutant, Hill, & Nardi, P.C. will be doing the MFC's tax return this year for the first time. GM commented that the review process was a positive experience and that a lot was learned.

(b) Store Report (M. Gougeon): GM reviewed end of year numbers. He reported solid 9% growth over 2016 and \$9.2 million in sales. December was up almost 14%. Sales for first half of January show 16% growth over January of last year. It was noted that the MFC was open on New Year's Day. Last year inventory was performed on January 1 and the store was closed. It was a record year for new members with 469 new households. Staff turnover rate has improved. The MFC's general liability insurance provider will be changing. GM notified the Board that notices of trespass have been issued to many homeless individuals due to recurrent problems at the store. He also reported that the MFC continues to deliver food to the nearby warming shelter. The MFC has been nominated for The Operation Action UP's Business of Excellence Award, The Michigan Food and Beverage Association's Michigan Celebrates Food Awards, and Valley Bakers Cooperative's Cooperative of the Year award. In anticipation of competition, the MFC is moving forward with innovative projects and improvements that will increase access to products and services for customers and members. GM also noted that a year-end report for Daily Department Sales vs. Last Year was provided to the Board. Board inquired about ongoing digital marketing efforts and metrics. GM noted that the digital and TV marketing campaigns correspond with the store reaching double-digit growth.

**VI. Second Public Comment Period:** None.

## **VII. Board Monitoring & Discussion**

(a) Committee Reports:

(i) GM Evaluation (P. Britton, R. Kochis, C. Noordyk, C. Thompson): Did not meet.

(ii) Finance Committee (B. Cromell, P. Britton, R. Kochis, H. Bush, G. Sarka, C. Thompson): Finance Committee met with Paul Nardi and Laura Provost. Livable wage and January sales growth were discussed.

(iii) Communications Committee (C. Noordyk, C. Morgan, M. Augustyn, H. Bush): Did not meet.

(iv) Elections & Nominations (B. Cromell, M. Augustyn, H. Bush): Will meet after this meeting. There are five applicants for three open seats. One seat will fill G. Sarka's position which has 2 years remaining.

1. Newsletter Bios for Board Candidates Due

(v) Board Education & Orientation (C. Morgan, G. Sarka, M. Augustyn, P. Britton): Met to discuss upcoming board education speakers. T-shirt campaign was proposed and discussed. Board President talked to CBLD consultant and learned that the consultant can be contracted hourly if needed. Board is moving forward with Power of Participation.

(vi) Retreat Ad-Hoc Committee (C. Noordyk, C. Thompson, P. Britton): Met to plan for the upcoming retreat. Retreat will be held at C. Noordyk's house, which is located close to the MFC. Date has been changed to Saturday, February 10. Committee will meet to

continue to plan. Agenda will include owner engagement, strategic planning, and industry trends.

### **VIII. Outreach Reports**

(a) Outreach Report (S. Monte): Annual Meeting will be Friday, March 23 from 5:30-9:30pm in Great Lakes Room at NMU. Monte inquired about election dates. It was discussed that election could be held during the last two weeks of February with election information in the February “Fresh Feed.” Elections and Nominations Committee was asked to review the bylaws. Bylaws were consulted and it was noted that they stipulate that it is required to announce list of nominees within thirty days of end of fiscal year. Monte reported that there were 23 people for the first Yoga at the Co-op class. The class will be held every Sunday. Parking was an issue, however the MFC will ask the NY Deli if patrons can use their parking lot since they are closed during that time. Outreach and Operations are working together to start in-house coupons and off-site vending. Next TV6 ad for wellness will begin running soon. Classes are filling up.

(b) UP Food Exchange Report (S. Monte): UPFE Farm to School Fundraising is ongoing. Negunee schools will be participating. GM discussed the feasibility study at Sawyer that is being conducted by the same group that conducted study for meat processing feasibility. Funding, potential investors, and community interest were discussed. Board inquired about Taste the Local Difference and Farmraisers. Monte noted that they are assessing profitability of Farmraisers and will report back. Board and Monte will follow up with Board candidates to encourage their attendance at a Board meeting prior to the election.

**IX. Third Public Comment:** Efficiency of meeting was noted.

### **X. Closings**

(a) February Assignments:

- i. Store Report (M. Gougeon)
- ii. Outreach Reports (S. Monte)
- iii. Certify Membership
- iv. Set Annual Patronage
- v. Consent Agenda:
  1. Approval of January Minutes
  2. Electronic Communications
  3. G8 – Vice President’s Role (C. Noordyk)
  4. L5 – Financial Condition 4<sup>th</sup> Quarter (M. Gougeon)
  5. Annual Ends Report (M. Gougeon)

**XI. Motion to adjourn at 7:26 p.m.** (*motion by R. Kochis, second C. Thompson*).

*Action: Motion passed unanimously.*

**Next Board Meeting: February 20, 2018 at 6:00 p.m.**

Emily Weddle  
Board Recorder