

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

Start time: Meeting was called to order by president Phil Britton at 6:04 p.m.

Roll call: M. Augustyn, P. Britton, H. Bush, K. Cantway, A. Cherrette, R. Kochis, C. Noordyk.

Absent: M. Linck, C. Morgan.

Staff: GM Matt Gougeon, Kat Eaton, Evan Zimmerman, Sarah Monte, Mary Moe.

Public: Alex Kofsky, Brody Rosten.

II. Preliminaries:

(a) Approval of Agenda & Additions: The agenda was reviewed. Kelly Cantway was welcomed to the Board.

Motion: To approve agenda without changes (*motion by* A. Cherrette, *second* M. Augustyn).

Action: *Motion passed unanimously.*

III. Consent Agenda: Minutes were reviewed and an error was noted under the first Public Comment period. Corrected minutes will note C. Thompson's move to Virginia. Concerning L7, GM noted that the workman's comp premium metric is low.

(a) Approval of September Minutes with changes

(b) Electronic Communications

(c) L7 – Asset Protection (M. Gougeon)

Motion: To approve consent agenda with changes (*motion by* R. Kochis, *second* M. Augustyn).

Action: *Motion passed unanimously.*

IV. Public Comment Period: Brody Rosten from the Produce Department introduced himself.

V. Board Education (Alex Kofsky, Accelerate UP): Kofsky shared about the background of Accelerate UP, a nonprofit organization that offers business coaching in Marquette County. Kofsky shared about “cash mobs” and other events. He also inquired about local vendors that are interested in selling product at the MFC. MFC staff explained that any interested vendors can fill out the vendor application available online. He discussed opportunities such as Rural Development and Value Added grants available to food and agriculture related businesses. Monte noted that the MFC has written letters of support for businesses that have relationships with the MFC. GM noted that he used to be a member of Accelerate UP's resource team and expressed interest in continuing to be involved. Board members shared about positive experiences consulting with Accelerate UP.

VI. GM Monitoring

(a) Store Report (M. Gougeon): GM provided written report and noted that September sales were good, however October sales are relatively flat. Labor hours and wages are looking good. Staff survey was completed and results are being compiled. GM attended the NCG Fall Meeting. He explained about the NCG board's “Moving to Higher Ground” initiative, which focuses on Customer Experience Research, Common POS, and Member Agreement Revisions. GM

provided an update about UNFI and explained that there is anticipated strain on organic and natural foods supply. Further competition from other grocery retailers in the face of potential supply issues was discussed. He reported that nationally 87% of co-op members are satisfied with their store; 64% of shoppers at conventional stores are satisfied; 1 of 5 co-op shoppers feel they have their pricing needs met; less than 50% spend \$100 a week at their co-op; and 30% spend half of their grocery dollars at their co-op. He explained that lower price is the change shoppers need to see in order to spend more at their co-ops. Anticipated competition from Aldi was discussed. GM explained that the cooperative model was built to fill a need in a community, not to compete. Board and GM will need to strategize what needs to be done to help the MFC grow. GM reported that membership is up, and customer count is up, but customers are spending less. He noted that prepared foods is the draw right now. Discussion was held. Board discussed how to drive this conversation for further discussion at the Board Retreat.

VII. Outreach Reports

(a, b, c) Outreach Report, UP Food Exchange Report, Co-op Month (S. Monte): Monte provided the Board with a written report prior to the meeting and noted that MARESA signed on since the report was sent to the Board. She noted that the first order from JJ Packs has been placed. The Owner Rewards program has launched. Co-op Sweep third round is starting tomorrow. There has been a good return rate on participation. Final round is Tuesday, October 23 at 2pm. WMQT will broadcast and emcee the event. Monte reported that there will be an unveiling of the new land development code on October 23 at 6pm and encourages the public to show up. MFC is still waiting to hear back from NMU concerning a venue for the Annual Meeting. Monte reached out to Barrel + Beam as a potential venue.

VIII. Second Public Comment Period: E. Zimmerman shared about the importance of trust and that the MFC has a lot to offer, noting that connecting with members and giving members more lines of direct communications can help build trust.

IX. Board Monitoring & Discussion

(a) Committee Reports:

(i) GM Evaluation (P. Britton, M. Linck, C. Noordyk): Will meet to begin evaluation process.

(ii) Finance Committee (R. Kochis, P. Britton, H. Bush): Met and talked about the preferred shares update. MFC was cash positive in the third quarter after paying dividends. Third quarter had a net profit of \$21,895. Currently showing a profit for the year. Labor costs are \$78 per hour. With the merit based pay system, salaries will be based on merit. 2017 Financial Review is nearly complete and will be presented to the Board at the November meeting.

(iii) Communications Committee (C. Morgan, C. Noordyk, M. Augustyn, A. Cherrette): Did not meet but will plan to meet this month.

(iv) Elections & Nominations (M. Linck, H. Bush, R. Kochis): Did not meet but reported that things are underway for fall elections. First application has been received.

1. Begin 3 month opening for nominations

(v) Board Education & Orientation (P. Britton, A. Cherrette, C. Morgan, M. Augustyn):
Met to orient new Board member Kelly Cantway.

K. Cantway will join the Communications and Finance committees.

(b) Set Retreat Date: Tentative board retreat date set for January 12, 2019.

(c) Form Ad-hoc Retreat Committee: Executive Committee will serve as the ad-hoc committee for planning the retreat.

(d) Board Work and Action Items:

(i) Board Monitoring 2nd Quarter: G–G3 were discussed. G1.5 was amended to include “unless external circumstances (expediency, etc.) necessitate otherwise.”

Motion: To amend G1.5 (*motion by* R. Kochis, *second* C. Noordyk).

Action: *Motion passed unanimously.*

- a. G – Global Governance Commitment
- b. G1 – Governing Style
- c. G2 – Board Job Description
- d. G3 – Agenda Planning

X. Third Public Comment: None.

XI. Closings

(a) November Assignments:

- i. Store Report (M. Gougeon)
- ii. Outreach Reports (S. Monte)
- iii. Nomination Committee to Meet with Potential Candidates
- iv. GM Evaluation
- v. Consent Agenda:
 1. Approval of October Minutes
 2. Electronic Communications
 3. L5 – Financial Condition 3rd Quarter (M. Gougeon)
 4. L9 – GM Succession (M. Gougeon)

XII. Motion to adjourn at 8:14 p.m. (*motion by* R. Kochis, *second* C. Noordyk).

Action: *Motion passed unanimously.*

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

Emily Weddle, Board Recorder

Michelle Augustyn, Board Secretary