

**Minutes of the  
Marquette Food Co-op Board of Directors  
December 18, 2018 Meeting**

**Start time:** Meeting was called to order by president Phil Britton at 6:05 p.m.

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

**Absent:** C. Noordyk (late, excused).

**Staff:** GM Matt Gougeon, Sarah Monte, Evan Zimmerman, Mary Moe, Brody Rosten. Dave Kalichek, Kat Eaton.

**Public:** Jane Hendrik.

**II. Preliminaries:**

It was noted that C. Morgan is stepping down from the Board.

(a) Approval of Agenda & Additions: The agenda was reviewed. GM noted that there will not be a Store Report but there will be expanded discussion on L6 and the Financial Plan. Closed Session was added at the end of the agenda and Sign Contract with GM was moved after the Third Public Comment Period.

*Motion:* To approve agenda with changes (*motion by* A. Cherrette, *second* M. Augustyn).

*Action:* Motion passed unanimously.

**III. Consent Agenda:**

(a) Approval of November Minutes without changes

(b) Electronic Communications

*Motion:* To approve consent agenda without changes (*motion by* R. Kochis, *second* A. Cherrette).

*Action:* Motion passed unanimously.

It was noted that discussion was held over email to approve budget and plans for summer picnic on August 9, 2019.

**IV. Public Comment Period:** Jane Hendrick introduced herself as a candidate for the Board. Brody Rosten from the Produce Department, Dave Kalichek from HR, Mary Moe, Evan Zimmerman, and Sarah Monte introduced themselves.

**V. GM Monitoring**

(a) L6 – Budgeting and Financial Planning (M. Gougeon): GM discussed how the budget is determined. A graph of sales trends from the past two years was reviewed. Projected sales for 2019 were reviewed. GM explained that he anticipates being a point or two down next year. Board inquired about projections, noting the MFC did better than projected in 2018. GM explained he is generally conservative in his projections. GM noted that the budget anticipates a net profit and positive cash flow. Statement of Cash Flows was reviewed. Potential additional refrigeration plans were discussed. GM noted that if the store undergoes a remodel the Board will be well informed. Principle payments, new member equity, and preferred share dividend payments were reviewed. EBITDA projected for 2019 is 5%. Board inquired about the budget

from last year. GM explained that the MFC did not take as hard a hit in sales as anticipated in 2018. GM provided the 2019 Financial Plan and noted that it covers the MFC's current position and operational projections. GM invited questions from the Board about the plan. GM noted trends. Personnel costs and increased productivity were discussed. Projections for debt to equity, EBITDA, current ratio, and debt coverage were noted. Board inquired if projections for the current ratio from past years look similar. GM explained that the current portion on long-term debt previously was not factored into the ratio. Patronage dividends were discussed. Anticipated future competition from Aldi was also discussed. It was noted that it is not factored in to this Financial Plan. The Financial Plan will be updated if needed.

Board received the report prior to the meeting and came prepared to act.

*Interpretation Reasonable: Yes.*

*Adequate Data: Yes.*

*The report was accepted as in compliance.*

## **VI. Outreach Reports**

(a) Outreach Report (S. Monte): Outreach Report and monthly marketing and events overview were provided electronically prior to the meeting. Monte asked the Board to consider moving the election timeline so that the election ends in January instead of December 31 so that the MFC can better promote the election. Bylaws stipulate that the Annual Meeting must be held by the end of March. The 2019 Annual Meeting will be March 15 at the Ramada. Monte proposed making the Annual Meeting an owner drive as well.

*Motion: To make the 2019 Annual Meeting an owner drive as proposed by Sarah Monte (motion by M. Augustyn, second A. Cherrette).*

*Action: Motion passed unanimously.*

Monte reported on progress on the MFC website and previewed the website with the Board. Board discussed updating bios. Monte requested that the Board review the text on the Board webpage and consider making changes. Monte provided a document with examples of information from cooperative board pages. The Board thanked Monte for her work.

(b) UP Food Exchange Report (S. Monte):

**VII. Second Public Comment Period:** E. Zimmerman invited questions about the webstore. Zimmerman explained that they are getting staffing in place and testing the system before rolling it out. Board requested a more in-depth demo in January.

## **VIII. Board Monitoring & Discussion**

(a) Committee Reports:

(i) GM Evaluation (P. Britton, M. Linck, C. Noordyk): Met to conclude evaluation process. Discussion will be held during Closed Session.

(ii) Finance Committee (R. Kochis, P. Britton, H. Bush, K. Cantway): Committee met prior to this meeting. Committee reported that the MFC paid off four preferred shares. November cash was down from October. There were three pay periods in the month of November. Fixed assets were discussed. It was noted that it changes over time. It was reported that administrative wages are about 20% of all wages, which was explained to

be due to marketing and outreach costs. GM anticipates higher sales around the holidays and a small spike in January.

(iii) Communications Committee (C. Noordyk, M. Augustyn, A. Cherrette): Did not meet. Clarification was requested concerning the electronic communications about a Co-op Picnic.

*Motion:* To approve the current proposal for a Co-op Picnic at the Presque Isle Pavilion with a budget of approximately \$1,500 to come out of the board budget (*motion by* C. Noordyk, *second* A. Cherrette).

*Action:* *Motion passed unanimously.*

Budget will cover venue rental, drinks, and possible entertainment. The Communications Committee will be involved with planning for the event. Monte will coordinate with the Communications Committee for the event time.

(iv) Elections & Nominations (M. Linck, H. Bush, R. Kochis): It was noted that C. Morgan has left the Board and her seat will need to be filled. So far there are seven candidates for five seats.

1. Board Candidate Nomination Period Ends

(v) Board Education & Orientation (P. Britton, A. Cherrette, M. Augustyn): Met to discuss the survey that the Communications Committee will potentially send out. Discussed adding a question about what boards do to educate their owners. Committee inquired about results from the staff survey. GM will provide results to the Board. Discussed ideas for Board Education, as well as opening a communication channel with all of the boards of the Great Lakes Co-ops. Also discussed more future volunteer opportunities and supporting local community initiatives. Monte commented that the MFC works with several local non-profit groups by providing food donations and could provide contacts to the Board.

(vi) Ad-hoc Retreat Committee (P. Britton, C. Noordyk, R. Kochis, M. Augustyn): Met with Abby Palmer to talk about the Retreat. Discussed having Abby serve as a retreat facilitator. Retreat will be held at R. Kochis' residence at 8:30 a.m. Retreat discussions will address how the Board communicates member needs with management.

(b) Board Work and Action Items: None.

**IX. Third Public Comment:** Monte shared that some boards have their committees listed on their co-op's website and raised it as a point for consideration.

## **X. Closed Session**

*Motion:* To enter into closed session at 7:44 p.m. (*motion by* R. Kochis, *second* C. Noordyk).

*Action:* *Motion passed unanimously.*

*Motion:* To exit closed session at 9:13 p.m. (*motion by* C. Noordyk, *second* K. Cantway).

*Action:* *Motion passed unanimously.*

**XI. Sign Contract with GM:**

*Motion:* To counter GM's proposal (*motion by R. Kochis, second A. Cherrette*).

*Action:* Motion passed unanimously.

**XII. Closings**

(a) January Assignments:

- i. Store Report (M. Gougeon)
- ii. Outreach Reports (S. Monte)
- iii. Newsletter Bios for Board Candidates Due
- iv. Consider Outside Audit
- v. Annual Retreat
- vi. Board Monitoring 3<sup>rd</sup> Quarter
- vii. Board Application Language
- viii. Consent Agenda:
  1. Approval of December Minutes
  2. Electronic Communications
  3. Annual Ends Report (M. Gougeon)

**XIII. Motion to adjourn at 9:15 p.m.** (*motion by A. Cherrette, second C. Noordyk*).

*Action:* Motion passed unanimously.

**Next Board Meeting: January 15, 2019 at 6:00 p.m.**

Emily Weddle  
Board Recorder