

**Minutes of the
Marquette Food Co-op Board of Directors
November 19, 2019 Meeting**

Start time: Meeting was called to order by vice president Cori Noordyk at 6:03 p.m.

Roll call: M. Augustyn, H. Bush, K. Cantway, A. Cherrete, R. Kochis, M. Linck, C. Noordyk.

Absent: P. Britton, Z. Eppensteiner

Staff: GM Matt Gougeon, E. Zimmerman, K. Eaton, S. Monte.

Public: Laura Provost, Brian Bouton.

II. Preliminaries:

(a) Approval of Agenda & Additions: Agenda was reviewed and no changes were made. It was noted that this agenda reflects changes recommended at the policy governance workshop.

Motion: To approve agenda without changes (*motion by* R. Kochis, *second* M. Linck).

Action: *Motion passed unanimously.*

III. Consent Agenda: Consent Agenda was reviewed.

(a) Approval of October Minutes without changes

(b) Electronic Communications

(c) Store Report (M. Gougeon)

(d) Outreach Report (S. Monte)

(e) UP Food Exchange Report (S. Monte)

Motion: To approve consent agenda without changes (*motion by* A. Cherrete, *second* K. Cantway).

Action: *Motion passed unanimously.*

IV. 2018 Financial Review (Laura Provost) Laura Provost from Makela, Toutant, Hill, Nardi & Katona, P.C. discussed the financial review process. A written report was provided. Based on the review, it was reported that they are not aware of any material modifications that should be made to the MFC's financial statements in order for them to be in accordance with generally accepted accounting principles. Provost reviewed the financial statements included in the report and invited questions from the Board. Board thanked Provost for their work.

V. Public Comment Period: Brian Bouton introduced himself and shared about his background. He expressed that he is interested in learning more about the Board. Discussion was held about Park Slope Co-op.

VI. GM Monitoring

(a) L5 – Financial Condition 3rd Quarter (M. Gougeon): The Board received the report prior to the meeting. GM explained that he rewrote many of the interpretations in the report following the policy governance workshop. Discussion was held regarding whether there is additional data that should be included in the report moving forward. L5.6 was discussed. GM proposed reporting on progression of debt to equity. Finance Committee will work with GM to work on potential changes to L5.

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

Operational Definition and Interpretation Reasonable: Yes.

Adequate Data to determine compliance/accomplishment: Yes.

Does the data demonstrate compliance/accomplishment? No. The Board determined that there was not an acceptable plan including timeline for accomplishment/compliance.

The report was not accepted as in compliance.

Finance Committee will rewrite policy. Board requests plan and timeline from GM. Additional follow-up monitoring will be during the February meeting.

(b) L9 – GM Succession (M. Gougeon): GM reviewed the report.

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

Operational Definition and Interpretation Reasonable: Yes.

Adequate Data to determine compliance/accomplishment: Yes.

Does the data demonstrate compliance/accomplishment? Yes.

The report was accepted as in compliance.

VII. Second Public Comment Period: None.

VIII. Board Monitoring & Discussion

(a) Committee Reports:

(i) GM Evaluation (P. Britton, M. Linck, C. Noordyk, M. Augustyn): It was noted that the evaluation process was completed. Evaluation will be provided to the Board electronically. If further discussion is needed, it will be added to the December agenda.

1. GM Evaluation

(ii) Finance Committee (R. Kochis, P. Britton, H. Bush, Z. Eppensteiner): Committee discussed put options and how redemption of preferred shares will be addressed in the future.

Motion: To ask GM to negotiate payment schedule to redeem 10 and 20 shares for out-of-state shareholders (*motion by R. Kochis, second A. Cherrette*).

Action: Motion passed unanimously.

Motion: To place a moratorium on any other preferred share redemptions for a 12-month period, to be reviewed again in November 2020 (*motion by R. Kochis, second M. Linck*).

Action: Motion passed unanimously.

GM noted that a letter will be sent to preferred share owners informing them of the moratorium on redemptions.

GM discussed credit options to allow for more available cash and noted anticipated expenses. Potential preferred share offering was also discussed. GM requested Board approval for the MFC to transfer line of credit to existing equipment loan. Discussion was held.

Motion: To make arrangements with Range Bank to transfer line of credit money to equipment loan balance (*motion by R. Kochis, second A. Cherrette*).

Action: *Motion passed unanimously.*

Finance Committee also discussed Sue Redwan's recommendation to have a full audit conducted and would like to get quotes for having an audit done for 2020.

Motion: For the GM to research possible firms for an audit in 2020 (*motion by R. Kochis, second M. Augustyn*).

Action: *Motion passed unanimously.*

Finance Committee also reviewed Board Treasurer's Role. Committee will continue to meet monthly, but 11.3 will be changed to read "*ensure the Finance Committee meets with the GM to review quarterly financial statements.*" 11.9 will also be changed to read "*ensure that accounting systems and records accurately reflect the financial transactions of the cooperative through contract with independent parties.*"

Motion: To adopt changes to 11.3 and 11.9 (*motion by R. Kochis, second H. Bush*).

Action: *Motion passed unanimously.*

Board Secretary will update language for Board Treasurer's Role.

(iii) Communications Committee (C. Noordyk, M. Augustyn, A. Cherrette, K. Cantway): Did not meet. Communicated with Monte on tasting and bagging opportunities for the Board.

(iv) Elections & Nominations (M. Linck, H. Bush, R. Kochis, Z. Eppensteiner): Committee met. Application from candidate was noted. Committee communicated with Board regarding webpage changes and recommendations. Committee proposed posting an email address on the board webpage. Communications Committee will be charged with managing Board webpage updates. Committee also discussed absences and expectations for attendance. Committee will provide updated information to the Board for approval prior to posting information online.

1. Nomination committee to meet with potential candidates

(v) Board Education & Orientation (P. Britton, A. Cherrette, M. Augustyn, K. Cantway): Did not meet.

(e). Board Work and Action Items:

(i) Green Tree Investment Opportunity: GM forwarded disclosure document to the Board following October meeting. Questions about dividend income were discussed. GM reported that the MFC has other dividend income from other cooperatives. Board discussed pros and cons of making this investment.

Motion: To invest \$1,000 in Green Tree (*motion by R. Kochis, second H. Bush*).

Action: *Motion passed unanimously.*

(ii) Policy Governance Workshop Discussion: It was noted that many of the changes from the workshop were reflected in tonight's meeting. H. Bush is working on compiling notes from the workshop. Further discussion is needed regarding potential changes to the agenda and policy review.

IX. Third Public Comment: S. Monte expressed her support of the Board drafting an attendance policy. Discussion was held whether a bylaws change would be necessary. E. Zimmerman commented that there is a board email address and discussed options for how the account can be accessed by the board.

X. Closings

(a) December Assignments:

- i. Board Candidate Nomination Period Ends January 15
- ii. Consent Agenda:
 1. Approval of November Minutes
 2. Electronic Communications
 3. Store Report (M. Gougeon)
 4. Outreach Reports (S. Monte)
 5. L6 – Budgeting & Financial Planning (M. Gougeon)

XII. Motion to adjourn at 8:25 p.m. (*motion by H. Bush, second R. Kochis*).

Action: Motion passed unanimously.

Next Board Meeting: December 17, 2019 at 6:00 p.m.

Emily Weddle
Board Recorder