

**Minutes of the
Marquette Food Co-op Board of Directors
February 18, 2020 Meeting
2020 Plan of Work Theme: Climate Change**

Start time: Meeting was called to order by president Phil Britton at 6:11 p.m.

Roll call: M. Augustyn, P. Britton, H. Bush, K. Cantway, Z. Eppensteiner, R. Kochis, M. Linck.

Absent: A. Cherrette (excused), C. Noordyk (excused).

Staff: GM Matt Gougeon, D. Kalishek, M. Moe, K. Eaton, E. Zimmerman.

Public: None.

II. Preliminaries:

(a) Approval of Agenda & Additions: Agenda was reviewed. Correction was made to committee assignments. Accountant Presents Year End Financials to the Board was removed.

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

Action: Motion passed unanimously.

III. Consent Agenda: Consent Agenda was reviewed.

(a) Electronic Communications

(b) Store Report (M. Gougeon): GM provided a written report prior to the meeting.

(c) Outreach Report (S. Monte): Monte provided a written report prior to the meeting.

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

Motion: To approve consent agenda without changes (*motion by M. Augustyn, second Z. Eppensteiner*).

Action: Motion passed unanimously.

IV. Public Comment Period: Board thanked D. Kalishek for his work with the safety committee. P. Britton noted that M. Augustyn is now officially a nurse and acknowledged her accomplishment.

V. GM Monitoring

(a) Annual Ends Report (M. Gougeon): GM thanked staff for their role in providing data for the report. GM noted omissions from the report, including the webstore, local food purchases, and explained he will provide impact data at a future date. GM commented that this was the first year the MFC purchased more than \$1 million in local products. Board shared comments about key points from the report. Discussion was held about changes in grocery industry and UNFI and other grocery distributors. Board recognized the amount of work and effort that goes into operations at the MFC.

The 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.

(b) L5 – Financial Condition 4th Quarter (M. Gougeon): Board inquired about the current ratio and the MFC’s goal for the current ratio. GM noted that the 2.1 ratio benchmark was set during expansion planning. Further discussion about the ratio will be held during Finance Committee report. Board inquired about payroll and GM reported that the MFC has always had the resources for payroll. GM reviewed the Key Financial Indicators chart with the Board and noted decrease in labor costs.

The 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. (Compliant except for L5.6)

Was there an acceptable plan/timeline for accomplishment? Yes.

The report was accepted with acknowledgement of noncompliance.

VI. Second Public Comment Period: E. Zimmerman commented about grocery distributors. Further discussion was held regarding distributors.

VII. Board Monitoring & Discussion

(a) Committee Reports:

- i. GM Evaluation (P. Britton, C. Noordyk, R. Kochis, M. Augustyn): Did not meet
- ii. Finance (R. Kochis, P. Britton, H. Bush, Z. Eppensteiner): Met before this meeting and discussed cash flows, which are good. It was noted that sales are increasing and accounts payable is caught up. Committee noted repayment of preferred shares for member that moved out of state. Committee recommends changing the goal for the current ratio in L5 from 2.1 to 1.25.

Motion: To revise L5.6a to read that the current ratio should not fall below 1.25
(*motion by R. Kochis, second Z. Eppensteiner*).

Action: Motion passed unanimously.

It was reported that the GM does not recommend a patronage dividend this year. Committee noted that GM has sent out three RFPs for audit. Committee discussed payment of long-term debt. GM discussed recommendation to the Board to consider interest only payments with lenders to increase the cash position. Pros and cons were discussed. Discussion will continue. GM will provide more information to the Board for further consideration.

- iii. Owner Linkage (C. Noordyk, A. Cherrette, K. Cantway): Did not meet.
- iv. Elections & Orientation (M. Linck, H. Bush, R. Kochis, Z. Eppensteiner): Met to discuss the election. There are three incumbent candidates. Plans for orientation procedures were discussed and will be developed over the next year.
- v. Governance (P. Britton, A. Cherrette, M. Augustyn, K. Cantway): Committee noted changes to board governance and review of policy governance process. Board reviewed a decision tree for internal monitoring policies. The Board has returned to monthly, group review of board

policy. Committee began working on the Annual Plan of Work. Committee provided a document for collaboration regarding participating in relevant community events for Board education. Committee will be exploring the effects of a changing climate on the Marquette Food Co-op. Committee also reviewed the Board's Ends and provided a document for the Board to review. Discussion was held. Board members all received copies of *Drawdown*. Board will focus on the top 5 solutions on page 222 to begin discussion about the book.

(b) Policy Review:

- i. G8 – Vice President's Role: Board reviewed policy following decision tree. The following changes were noted:

8.1 "his/her" will be changed to "their"

G8.2 "Is responsible for balloting process."

G8.2.1 and G8.2.2 have been removed.

G8.2.3 will become 2.1 and will read "Ensuring certified election results to the ownership."

G8.4 "Will serve as parliamentarian."

Review of G8 tabled for further discussion in March.

- ii. D3 – Delegation to the General Manager:

Board determined that this policy empowers the GM to manage toward Ends and Board does not need to develop new policy as a result of this review.

(c) Certify Membership: Board Secretary will fulfill responsibility to certify membership.

(d) Set Annual Patronage: As noted during the Finance Committee report, GM does not recommend annual patronage this year.

VIII. Board's Annual Plan of Work: Board will discuss readings from *Drawdown* next month. Reading assignment: top 5 solutions from page 222.

IX. Third Public Comment Period: None.

X. Closings:

(b) March Assignments:

- i. Board Elections
- ii. Annual Membership Meeting
- iii. Begin CCMA Planning
- iv. G10 – Secretary's Role
- v. G8 – Vice President's Role
- vi. L4 – Membership (M. Gougeon)
- vii. Committee Reports and Discussion
- viii. Board's Annual Plan of Work: Reading Assignment
- ix. Consent Agenda
 1. Electronic Communications
 2. Approval of February Minutes
 3. Store Report (M. Gougeon)

4. Outreach Report (S. Monte)
5. UP Food Exchange Report (S. Monte)

XII. Motion to adjourn at 8:06 p.m. (*motion by R. Kochis, second M. Linck*).

Action: Motion passed unanimously.

Next Board Meeting: March 17, 2020 at 6:00 p.m.

Emily Weddle
Board Recorder