

Rising Tide
Board Meeting Minutes APPROVED
Thursday, November 10, 2016
5:00, FARMS Kitchen

Mary Ellen called the meeting to order at 5:05pm. In attendance were Mary Ellen Barnes (President), Jessie Trafton (Vice President), Dana Wilson (Secretary), Kevin Posman, Deb Poor, Michael Alderson, Peter Kraus, Stephanie Nelson, Meg Taft, and Michael Walter (General Manager).

Mary Ellen asked the group for any revisions to the October meeting minutes. She requested that officer titles be added to list of those present. Jessie made motion to approve the October meeting minutes with this edit. Dana seconded. 9 members voted to approve with one abstention.

No members were present for the member comment period.

Mary Ellen presented the Board of Directors' C5 Code of Conduct policy and opened a discussion on electing new board officers. Jessie has volunteered to serve as President, Kevin as Vice President, and Dana as Secretary. Deb nominated Stephanie as Treasurer and Mary Ellen explained what this position entails. Michael Alderson expressed concern about being new to the board and not knowing the other members well enough to vote for them as officers. He made a motion to vote for Board officers by email after the November 12 board retreat. All voted in favor.

A half-day Rising Tide Board Retreat is scheduled for Saturday, November 12, at Deb's home in Newcastle.

Michael presented the store report. October sales are up 3.98% from October 2015 and YTD sales are up 4.09%. Sales growth during the parking lot construction was unexpected considering the length of the project. The store has 3,780 current active members. Effective January 1, 2017, the senior discount will change to Tuesdays only and a new discount will be offered to families of lower income. This change will allow RT to reach community members who may not currently be able to shop at RT. More details will come on this change. RT is looking into beginning a member reciprocity program, which would allow members of other food co-ops to receive member sales at our store. Michael also noted that they will refurbish and extend the sidewalk, similar to Mobius', connecting pedestrians safely to RT. Human Resources plans to finalize the revised personnel policy by January 2017.

Michael presented the B1 Financial Condition policy monitoring report. Jessie explained that the Finance Committee reviews these reports very closely and a summary is brought to the general board meetings. Mary Ellen reminded the group that all board members are welcome to attend Finance Committee meetings. Kevin asked Michael about industry trends of decelerated growth and it was explained that years of double-digit growth for RT are over but marketing and communications can help. Michael presented the B Global Executive Constraint policy monitoring report. This report makes sure RT is meeting basic co-op requirements. Dana made a motion to accept Michael's B1 and B report. Michael Alderson seconded. All voted in favor.

Mary Ellen presented the Finance Committee report and key indicators. Dana pointed out that September 2016 sales were up from 2015 but cart sizes are smaller; Michael attributed this to

shoppers having more options for where to purchase natural foods. The staff turnover rate was attributed to a change in the process of determining this rate. Discussion was held over the method for comparing 2015 staff turnover rates with 2016 staff turnover rates, and Michael indicated that the 2015 rate was calculated slightly differently. Moving forward, the Board requested Michael use similar methods of comparison. Michael mentioned a storewide benefit in having fewer staff who work more hours, as insurance benefits are cheaper this way and there's more staff investment. He mentioned that RT strives to provide meaningful employment opportunities. It was also noted that September brought additional expenses – new oven, new computers, and shoppers' discount during parking lot construction.

Kevin and Mary Ellen presented the board's D policy monitoring report on Global Board-Management Connection. RT does not have a Strategic Leadership team, so is not compliant; this will need to be discussed without the GM. The focus of this team would be strategic direction and not operations. Dana noted that one requirement of this team-- meeting with all staff twice a year-- is excessive and unrealistic. Mary Ellen pointed out that the policy could be changed. It was explained to new board members that currently, Michael meets with staff and managers and brings concerns to the board as appropriate. It was requested that this information be included in the store report moving forward. Jessie noted the Membership Committee charter seems to overlap with the Strategic Leadership team and suggested reviewing both charters and choosing the best option for RT to proceed with. Mary Ellen proposed tabling this conversation and looking at alternatives at the December board meeting. Deb volunteered to chair a Membership Committee. Kevin presented the D1 Unity of Control board policy monitoring report and reported compliance. He also presented the board's D2 Accountability of the GM policy monitoring report and reported compliance. Mary Ellen made a motion to approve the D reports. Jessie seconded. All voted in favor.

Mary Ellen recommended renewing RT's participation in CDS consulting for another year. Deb and Stephanie would like more information on the services provided. Thane offered to discuss this at the November 12th retreat. The decision was tabled until the December meeting.

The board conducted its annual GM evaluation in September and October 2016. Michael submitted a draft request for his compensation in 2017 to Mary Ellen. Mary Ellen presented a list of criteria-- expectations and limitations-- to the Board that Michael would be asked to form his compensation proposal around. The GM's compensation package should be reasonable, affordable, and forward-looking with a bonus structure that will inspire him to build on the previous year. Michael will submit a full proposal to the board president that will be in line with industry and local standards, citing compensation of other comparable co-op GMs. Mary Ellen motioned to use this criteria for the basis of Michael's proposal for compensation. Stephanie seconded. All voted in favor.

The meeting adjourned at 6:58pm and the Board left to take a store tour guided by Michael.

Respectfully submitted by Harley Bartles, Board reporter.

These minutes were voted on and approved by the Board of Directors on December 8, 2016.