

**Rising Tide Board
Meeting Minutes APPROVED
Wednesday, September 14, 2016
5:00 pm, Upstairs @ FARMS Kitchen**

Mary Ellen called the meeting to order at 5:02pm. In attendance were Mary Ellen Barnes (president), Dana Wilson (secretary), Jessie Trafton, Deb Poor, Kevin Posman, Kent Whitaker, and Michael Walter.

Dana proposed this footnote to the June meeting minutes:

Correction: The HR survey being developed by our CDS consultant and Michael will be available to the Board in October 2016.

Mary Ellen made a motion to accept this footnote. Jessie seconded. All voted in favor.

Dana explained the footnote added to the August meeting – the Inn Along the Way board voted not to host RT's annual meeting in their barn so it will be held at Morris Farm instead. All voted to approve the August minutes.

Mary Ellen opened the floor for a Member-Owner Comment Period. Rachael asked for clarity on what will happen with the unclaimed dividends after misinformation in the latest e-newsletter. RT will put out a corrected statement stating that unclaimed dividends will be donated to the Community Investment Fund (CIF), not to FARMS. Mary Ellen also explained that members whose dividend is \$2.00 or less must request it and if unclaimed, it will also be donated to CIF. As part of the bylaws, .005% of the total dividend amount must be given to an educational fund; the board has decided on FARMS.

Paul petitioned the board to commit to appointing nominees to the board in the order of highest number of votes in the event that candidates do not have a necessary 2/3 majority. Mary Ellen asked to table discussion of this petition until the end of the meeting.

Michael presented his store report. It was explained that in the past, RT's point of sale software and QuickBooks were not compatible, all data had to be manually entered into QuickBooks. This resulted in some inconsistencies in final amounts. RT now has the ability to upload a file from the POS software directly into QuickBooks, which will allow for more accurate reporting in the future. Dana questioned if Michael is projecting a shortfall in sales for this fiscal year and what the plan will be for FY17. Michael noted that there is an opportunity for fall sales to increase but it is unlikely the budgeted goal will be reached. He intends to set a more modest budget for FY17.

Mary Ellen asked Michael to present his recent findings regarding RT's deceleration of sales and his strategy with the RT management team to respond to this decline. Michael indicated that sales growth is up 4.5% on the year but has declined to 2% growth the last few months. This matches an industry-wide trend of deceleration of sales in whole foods stores. He is planning to increase the Co-op Basics program to perimeter departments, including meat and fresh produce. Michael provided the example that the refrigerated department shows growth because there are more conventional brands. He noted that it is clear which departments at RT have growth in sales and managers are trying to apply similar successful systems in other departments. The departments with sales loss on the year are the ones with the least amount of labor input. With permission from Michael, Dwight asked the Board how many years they think that RT, in its current space, can still have sales growth. Mary Ellen confirmed that the Board is not requiring a certain percentage of growth.

Michael also presented the B3 Asset Protection Report and an interim B6 Report on the new HR position. He informed the board that this person is trusted in the community and both staff and management have expressed excitement on this new hire. Dana made a motion to approve Michael's store report and the B3 and interim B6 reports. Jessie seconded. All voted in favor.

Kent reported that Amy is still working on the key indicators so next month's report will be more complete.

Deb and Dana presented the plans for the Annual Meeting on Saturday, October 15, 2016 from 5-7pm at Morris Farm. An e-blast invitation will be sent along with signage in the store. The meeting's main goal is to serve as a member engagement opportunity with a theme of looking back and looking forward at RT. New board members will be introduced. Food will be provided by RT kitchen. Board members will be at the meeting at 3:30pm for setup and will volunteer for specific tasks. Michael confirmed that the Board would pay for the food at cost and for any kitchen support staff. Jessie suggested that it might be worth having a professional banner made next year to promote the meeting outside the store.

Jessie presented the Nominating Committee report. Ballots have been mailed and are due postmarked by Friday, October 7th. Ballot counting has been scheduled to begin at 8:00am on Wednesday, October 12 in the cafe. Volunteers will assist with the counting.

Mary Ellen presented the C7 Board Committee Principles and C8 Governance Investment reports. With new members in attendance, she explained that the GM and Board both report out on one to two policies each month. It was decided that Mary Ellen will make a change to the report to note that the Nominating Committee charter was reviewed and voted on during the July meeting. She will also make a note that the Finance and Membership Committee charters must be reviewed before we reach full compliance. The Board confirmed that Michael will finish his FY17 budget before December and they will discuss their budget at the November meeting. Dana wondered how the RT board stipend compares with other co-ops. Jessie noted that her inquiries to other co-ops revealed it is relatively low. There was no further discussion. Dana motioned to approve the C7 and C8 reports with Mary Ellen's small changes. Deb seconded. All voted in favor.

The board discussed their desire to engage more with members in the store via café sessions and MOAW bagging. Deb explained that her initial idea was for these sessions to be informal and unscheduled. Mary Ellen suggested promoting the sessions and Jessie asked for some kind of schedule so other board members know who is at RT and when. Dana noted that board members should feel comfortable interacting with members as they wish, whether it be bagging, sitting in the café, walking around with a clipboard, or tabling with CIF on Wednesdays. She suggested coming up with a schedule at the end of each board meeting for the upcoming month. All seemed to agree with that.

Mary Ellen returned to Paul's petition. It was decided that the Board will inquire about best practices at other co-ops with their CDS consultant, Thane, before making a final decision regarding how to proceed if any candidates do not receive two-thirds majority vote of the membership. Mary Ellen

stressed the importance of having a full and balanced board. A procedure will be decided upon before ballots are counted.

The meeting adjourned at 6:34pm and the Board went into Executive Session to discuss HR/personnel.

Next meetings: *Board meeting: Wed., Oct. 12 @ 5 pm, FARMS*
 Annual Meeting, Sat., Oct. 15 @ Morris Farm, 5 to 7 pm
 Regional Co-op Board Training, Sat., Oct. 22, FARMS (all day)
 RT Board Retreat, Sat. Nov. 12, FARMS (all day)

Respectfully submitted by Harley Bartles, Board reporter.

These minutes were voted on and approved by the Board of Directors on October 12, 2016.