

MEETING OF THE RISING TIDE BOARD

APRIL 8, 2014

The April 8 meeting of the Rising Tide Board was called to order at 5:35 p.m. by President Catherine Walton. Present were

Catherine Walton, President

Kimberly Reed, Interim Vice President and Secretary

Sarah Matel, Treasurer

Board Members: Anna Leavitt and Beth McPherson

Board Guests: Mary Ellen Barnes, Judy Sandick (Kim's guest), and Jenny Begin.

Also present were the following Rising Tide employees: Tsewang "Sherpa" Sherpalama, General Manager; Karin Swanson, Wellness Manager and Recorder; Dwight Chamberlain, POS Coordinator.

Catherine welcomed our two new guests and everyone introduced themselves upon invitation of the President.

With respect to Calendar and Agenda Review, Catherine noted that Board committee charters need revising which will be handled at the May meeting. In the meantime, she confirmed the committees that are still in place: Finance, Nominating and Community Investment Fund; Upstairs Committee has been discontinued with the advent of FARMS as Rising Tide's upstairs tenant along with Beth McPherson's appointment to the Rising Tide Board as FARMS Liaison. As an introduction to guests of the Board, Catherine explained the functions of each standing committee and noted that the Board handled committee review during last year's retreat instead of at the monthly board meetings. This year, the committee review would be re-introduced at the next monthly meeting. She then summarized the responsibilities associated with policy governance. She also noted that "policy governance" will most likely be changed to "cooperative governance" in the near future.

Moving to the Consent Agenda, the Board VOTED unanimously to approve the minutes from the board meeting of March 11, 2014 as submitted.

There followed a brief discussion of the Annual Meeting which was held at Lincoln Academy this past Sunday. Kim wished to follow-up on the question of re-introducing volunteer member/"workers" at Rising Tide. Sarah explained that as a \$5,000,000 operation, there is concern about using volunteers for a number of reasons. She suggested placing this concern on the agenda for further discussion. Kim expressed the importance of a clear and unified approach from the Board. Meanwhile, Sherpa has contacted other co-ops, CLBD, and legal representatives to determine the viability of using volunteers. Though operational opportunities are limited, non-operational opportunities exist. Sherpa noted that he is researching all aspects of the use of volunteers and will send his findings to the Board. Sarah added that the Department of Labor has definite views about the "value" of volunteer hours and how it should be formally documented.

As for the members' questions about the ongoing work of the Product Policy Committee, Sherpa has prepared a statement which is being reviewed by the Committee based on the mission and vision

statements of Rising Tide. He plans on reviewing this with Staff at their meeting on April 17 and will then forward the refined statement to the President and members of the Board. Sherpa then reviewed work in progress. He is proposing a community project to benefit the Food Pantry. Rising Tide Co-op bags will be filled with non-perishable items totalling \$15.00 in retail value; customers will be able to purchase these at \$9.99 and donate them to the Food Pantry which will pick up the bags once a week. Our goal is to sell 101 bags. He will bring this proposal forward for discussion at the Staff meeting on April 17.

From a financial standpoint, the store is showing a 10.99% growth YTD and a GPM of 31.10%. Sherpa is conducting a review of pricing and is working with Dwight to correct UNFI retail prices throughout the store. Jenny Begin expressed concern about increasing prices. Sherpa will be looking to protect local items from any significant increase; instead, he will focus on making certain our labels reflect actual cost plus correct margin.

Sherpa then noted that both of our downstairs bathrooms have new flooring. He mentioned his participation at the Co-op Cafe Conference in Keene, NH recently as well as at a conference in Augusta focusing ways to support local communities. Karin Swanson has been appointed to be Staff to the Board in order to provide admin and logistical support. As part of RT's support to the Board, A New Member Welcome Package will be designed. We are also working on improving our website. Sherpa invited Board members to the Staff meeting on April 17; the agenda is "Let's have Fun."

He then noted that Candy Bordonaro, Office Manager, will be leaving Rising Tide; we are interviewing a former RT employee for the position.

As part of his B9 report (GM Succession), Sherpa announced that Karin Swanson is appointed as his Designated General Manager. The Board voted unanimously to accept Sherpa's report. C1 And C2 (Board reports) are postponed until May due to Jon's absence.

Committee reports followed. Beth updated the Board on the progress expected shortly in the FARMS kitchen; cabinets are ordered and the central island will be part of this phase along with a sink and dishwasher. She is looking to raise funds from the community for additional appliances. It is FARMS hope that the kitchen will be functional by the end of August in time for the harvest. Beth asked for suggestions from the Board in terms of potential contributors; a suggestion was made to email members rather than include requests for donations in the newsletter. Beth will contact Elya in order to implement the most effective communication regarding funding opportunities to member/owners. Sherpa mentioned that he, Dwight and Elya are improving the RT website which will enhance communication among constituents of Rising Tide.

Sarah presented the Finance Committee report. She reviewed the key indicators and expressed concern about the GPM. Inventory numbers are not final but she did remind Board members that health insurance expenses in the first quarter are up and that heat, plowing, electricity were up during a particularly severe winter. Sherpa's buying strategy is to purchase heavy in the first month of the quarter and taper off as inventory date approaches. Sarah plans to discuss the 2013 review by PFBF at next month's meeting and will extend an invitation to the CPA firm to attend. She also discussed member loans and a strategy for this year. Since this is Sherpa's first year as GM at Rising Tide, she

recommends following the same practice as in years past—which includes the option to roll over loans if members were willing. After a motion was made and seconded, the Board VOTED unanimously to use the same practice of offering extensions, repayment, or option to donate. Final loan statements have been sent to all our member lenders who have loans due in March and April.

In Jon's absence, Catherine distributed a draft of the ballot for review. She also explained the voting process to guests and noted that the Nominating Committee was responsible for the perpetuation of the Board. Currently, the board is at six members; ideally, we should have nine. Anna will go to three years and Mary Ellen and Dana will be on the slate of nominees for election by ballot. Catherine expressed the Board's willingness to vote new members onto the Board at any time. Jenny Begin and Jessica Labonte have also expressed interest. Catherine encouraged the board to take the ballot home and review for corrections/additions. In the meantime, the Board VOTED unanimously to form an adhoc committee to process the ballots, once they have been returned; Anna volunteered to chair it.

There followed a lengthy discussion about Board Governance and the documentation necessary for its success. Kim has been working with Catherine to collect all historical documents and move forward to establish a standard for full sharing—individually and dynamically which will allow a secure view of documentation (password protected). Kim mentioned a bio-sharing service called Spider Oak. Sherpa added his thoughts and mentioned that he and Dwight have been working on a secure system for storage and protected sharing of Board documents. Kim, Dwight, and Sherpa will meet to continue the work on this project.

Catherine then reminded Board members of the Annual Retreat, April 26, upstairs in the FARMS area. Board candidates are welcome; Thane will once again serve as Board Consultant. Catherine has been talking with Thane and will place "The Accountability Zone" article on the agenda for discussion. Catherine invited attendees, including candidates, to attend a potluck supper at her home on the evening of the 25.

Catherine added "New Business" to the Agenda to allow for last minute communications. Portland Food Co-op will be switching to Policy Governance and would like to attend a meeting of our Board when convenient. The May meeting may provide a good platform for the Policy Governance model since there are three Board reports due (C1, C2, and C5—the Board Code of Conduct). The Portland Co-op members would be able to sit on all discussions except for the CPA's presentation of the 2013 review and financial matters deemed to be confidential by Sarah. C5 will be prepared by Catherine with assistance from Kim.

There being no other business, the Board adjourned at 7:13 p.m. and entered Executive Session.