

MEETING OF THE RISING TIDE BOARD

AUGUST 12, 2014

The August 12 meeting of the Rising Tide Board was called to order at 5:40 p.m. by President Catherine Walton. Present were:

Catherine Walton, President
Jon Weislogel, Vice President
Mary Ellen Barnes
Judy Sandick
Dana Wilson

Also present were members of the Interim General Management Team: Karin Swanson (Recorder), Candy Bordonaro, and Dwight Chamberlain. Elya Markert, Marketing and Outreach Coordinator, was also present.

Catherine opened the meeting with an expression of gratitude to Kimberly Reed, former Secretary of the Board, who has left to pursue graduate studies. Catherine will train Judy Sandick as the new Board Secretary. Elya Markert was introduced and thanked for her contributions on behalf of the Spring Newsletter. Three additional Rising Tide employees joined the group and were introduced to the Board: Bruce Blake, Beer and Wine Buyer, Lisa Burke, Bulk and Herb Buyer, and Kim Michel, an employee with Rising Tide since 2007.

The Board continued its meeting by recognizing that a quorum did not exist for voting purposes; any action that needed to be taken would be addressed via email after this meeting. There followed a discussion of the Board Calendar. The September 9 meeting would include Thane, Board Consultant; the Board will also assign responsibilities for the November (Winter) Newsletter. In addition, Sarah Matel, Treasurer, will discuss the audit project to be undertaken by PFBF (CPA Firm) w/r to 2014 financials. Finally, the date and location of the 2016 Annual Meeting will also be addressed.

Catherine suggested that "New Business" be moved to the head of the agenda in order to address the issue of employee representation on the Board—a topic raised at the meeting of staff and Board representatives (Jon and Sarah) after Sherpa's resignation. Bruce, Kim and Lisa clarified, in turn, that they wished to have the Board consider having an employee on the Board with a vote. Mary Ellen asked after the purpose behind this request. Bruce expressed his feeling that employees who earn their livelihood at Rising Tide have a different perspective that should be formally entertained. Lisa felt that having a fully vested staff member on the Board would empower the staff and enhance transparency across RT constituencies. Jon noted that it was difficult to find a member of the co-op sufficiently interested in becoming a Board member. Catherine clarified that the current Bylaws do not permit an employee to be on the Board, though employees are encouraged to attend Board meetings. Catherine noted that the Board has the authority to change policy in between Annual Meetings. Candy felt that an employee on the Board with voting privileges might be a conflict of interest with policy governance; the Board should not be involved in operations. Catherine reiterated that employees may attend any Board meeting; personnel issues would be reserved for Executive Session.

Elya spoke of her appreciation of the communication between staff and the Board representatives at their June meeting. She felt that there was a need for the entire staff to discuss this issue fully before the Board brings it forward for formal consideration. Kim agreed that more research needs to be done by the Board w/r to roles and responsibilities of an employee member. Though she expressed her comfort with the interim management team, she felt strongly that staff would have benefitted in the past by having a seat on the Board. Lisa confirmed that the staff members present at this meeting do not necessarily bring a grievance; in fact, they are interested in enhancing cohesiveness and transparency between staff and the Board. Jon expressed his appreciation for the comments of the staff attendees and felt there was any number of ways to achieve increased communication between staff and Board. He felt that a good Board could bring cohesiveness to the Co-op without a staff member on the Board. Dana noted that a staff member on the Board would have to report back to staff after each Board meeting. Bruce agreed that two-way communication is key and that the staff representative has to have full support from the staff and has to be qualified to serve. It was agreed that should a staff member serve on the board in a voting capacity, he/she would most likely receive a stipend like other Board members.

There followed a discussion of how an employee member would be selected. Mary Ellen re-confirmed her interest in reviewing research as to how other co-ops handle this issue. Catherine felt that Thane would be willing to gather information for the Board; in return, Catherine wanted to be certain the staff is committed to this proposal. Elya expressed her concern that all staff may not have realistic expectations; she would rather have more frequent meetings between staff and the Board in order to improve communications.

Catherine summarized the Board's ability to act on this by noting that the Board could vote for a change in policy to invite a staff member on the Board to fill a spot until the next annual election at the next annual meeting. The membership would then have to vote to change the bylaws. After further discussion, the Board agreed that it should do further homework and request assistance from their consultant regarding experience of other co-ops. Catherine will put this item on the agenda for the September meeting; in the meantime, she asked that staff be encouraged to attend Board meetings to get a sense of how the Board operated.

Before leaving, staff attendees expressed appreciation for Board feedback and are satisfied that this will continue to be a topic for further discussion at Board level.

Karin Swanson then gave a brief Interim GM report based on the introductory message in the recently distributed Spring Newsletter (attached). Elya Markert was complimented on her webpage work. Karin also presented a brief summary of the financial status of Rising Tide in Sarah's absence: A review of key indicators for May showed a loss of \$124,988. At the end of June, the net income loss was \$80,067. By July's end, we expect to be slightly in the black. All this is due to staff commitment and member support. Sales are up as of the end of July by 14.7%; margin for July is at 34.7 and margin YTD is at 35.3. Karin summarized the member loan breakdown; all May, June and July loans have been resolved except for one which will be completed by week's end. The % of various tenders was submitted for review and a report regarding the status of Guarantors for the upcoming Genesis Loan refinancing was presented. Karin expressed the need for the Board to vote upon a resolution allowing Sarah Matel as Treasurer to

sign all loan documents for upcoming refinancing across all lenders. Catherine will send out a request for an email vote after this meeting, since a quorum is not present this evening.

The FARMS update was available from Beth McPherson via email. The suppression hood and stovetop will be installed soon and the back rooms will be completed by the end of August (attached).

Nominating Committee included notice of the recent Board vote to approve Judy Sandick as a Board member to replace Kimberly Reed for her term. It will be necessary to vote Judy Sandick onto the Board after that term has ended; this will be on the agenda for the 2015 Annual Meeting. Judy will also serve as Board Secretary in Kim's place and will be trained by Catherine. In the meantime, Catherine will be organizing a program to assure Board perpetuation. Mary Ellen suggested a review of the current members' list by town to evaluate the potential for membership on the Board. This would include an evaluation of different strengths and levels of expertise as identified by the Nominating Committee which would benefit the RT Board in its deliberations. Karin will request Elya to distribute this list to Board members.

Jon reported on the CIF distributions. CIF's second application form Juniper Hill School. If the other two members of the CIF Board agree that the Juniper Hill project has merit, they will be awarded the second grant of \$300 to purchase films that will be shared with the community. The next deadline for applications is November 15.

Mary Ellen expressed an interest in a coaching session around reading the financials statements that are distributed as part of the Board package each month. Catherine will bring this up with Sarah Matel shortly. Karin noted that staff could benefit from such a session as well.

There followed a discussion about the need to initiate a Search Committee for the next General Manager. Members reviewed the model used twice before under the direction of Susan Barbera, former Board member. Three Board members plus one Alternate as well as one representative from the RT staff and one representative from RT management will serve as the GM Search Committee. Jon and Dana expressed interest in serving on the committee as Board members. In the meantime, the Board will outline their expectations re the qualifications needed to successfully lead Rising Tide. Members agreed that financial expertise was essential and expressed the hope that Sarah Matel, if not interested in GM Committee membership, be invited to act as the Committee's financial advisor. Jon agreed to ask Susan Barbera to serve as Chair once again. The Board will decide on members by September meeting. Catherine will notify Karin when Board members have been selected and the election of RT members would follow directly. Thane will be invited to meet with the Committee at the September meeting. The proposed time line begins with the establishment of the formal GM Search Committee in September; once the Committee formulates a job description for GM, copies will be emailed to all members of the Board and the GM Search Committee. Ads will be placed as soon as possible thereafter.

Catherine then requested that all email votes needed to complete this meeting be expressed as "I vote in favor of" or "I am opposed to...". Also, Judy Sandick requested that her email be changed to jsandickrt@gmail.com.

Under Policy Governance, Catherine distributed Board binders and discussed the updating and distribution of materials for Board review. After a brief study, it was agreed that both bylaws and

policies had not been updated in the attachments. Karin will ask Elya to update the webpage, the files server, and the policy book in the front of the store. A mechanism to deliver updated materials as soon as they are reviewed and approved by the Board will be instituted.

The Board recognized that "New Business" was undertaken earlier with staff representatives at the beginning of this evening's session. There being no further business, the Board adjourned to complete their actions via email.

NOTE: On July 21, the Board VOTED to approve the loan renewal with the Genesis Fund and to authorize Treasurer, Sarah Matel, to sign the Note Modification and Allonge associated with this loan renewal.

The Board VOTED by email on August 18 to grant Sarah Matel the authority to sign all loan documents through May 2015; in addition the Board VOTED to approve the Consent Agenda from the August 12 meeting.



We are enjoying a busy summer here at Rising Tide—many new folks have chosen to stop in our lovely area because of its natural beauty, but also because of the many family-oriented events, cultural opportunities, and the presence of a cooperative market here in Damariscotta.

We are most appreciative of the support of our Board, member-owners, and staff as we find our way through yet another transition. Our staff is strong in skills and generous in spirit and has stepped up to provide great products and sensitive service to our customers. We meet together often and benefited from a visit with Board representatives during the early phase of our transition, resulting in a stronger relationship between Board and employees and a commitment to open discussion and a successful store.



See our clip & save calendar of events on the back page of this newsletter!

As part of our work here, we have evaluated a number of discount programs and proposals—refining those that benefit members and the store and eliminating those which are not sustainable for Rising Tide. We've worked with our department heads and buyers to improve the quality and mix of products while supporting our staff as we meet the demands of the summer and maintain a sustainable margin across departments.

Produce is focusing on local farm fresh items and offering them at lower margins. A new bulk salad greens section has been added as you walk in the door. The deli is using local produce to enhance their prepared soups, salads and hot foods. Jenny-Rose Graham, our Deli Manager since 2012, recently left us to join her family in New Jersey. We are very grateful for her commitment to the deli during her time here. Fortunately for Rising Tide, Ronnie Pisco, a veteran deli team member, has accepted the position of Deli Manager.

Our bulk department will soon be expanding, with plans to offer more Maine-made GrandOats items and to eliminate many plastic containers. Our grocery department continues to offer great Co-op Deals sales while responding to the many special order requests by both members and summer visitors. Beer and wine is a destination for many and it is often the limits imposed by brewers and brokers that challenge us to meet demand. Our frozen, meat, cheese, refrigerated, and bread sections complement the other offerings in the store and bring in many Maine-made products. Wellness continues to negotiate for the best possible lic drives to complement MCGA's Co-op Deals sales. Our Front End welcomes you as you bring your purchases forward and Blue Cloud Farm's fresh and lovely flowers are available for your summer celebrations. As you can see, we are proud of our store, and though we are not perfect, we are good at what we do and are getting better. Your support has helped us do so and we are grateful.

We are very pleased to see the progress that FARMS has made in developing the upstairs space to offer educational and hands-on programming focused on nutrition and healthy cooking. Their Community Kitchen is nearing completion and classes will begin this fall. A corner space has been reserved for a Rising Tide employee break room upstairs—a respite we have not had before. We have initiated a Rising Tide facility management plan and are slowly, as time and resources allow, refreshing tired areas (bathrooms and entry) and refining our maintenance schedules, especially during seasonal changes, to assure consistent and efficient systems performance.

We enjoyed a successful spring Member-Owner Appreciation Week around Memorial Day and are looking forward to our summer MOAW during the week of August 9-16. We hope you'll stop in to take advantage of your 10% discount on one shopping trip during that week. We'll have in-house sampling of delicious soups from our deli, including our cool summer specialties—gazpacho and cucumber dill. Some of our vendors plan to join us during that week—currently Tierra Farms, BackRoads Granola and Megafnod are on our schedule—and we will have a raffle as well.

Above all, we are hoping to see you in your store. We wish you all a happy, healthy summer in our beautiful midcoast Maine.

Karin, Candy, and Dwight, Interim GM Team



Beth McPherson's FARMS Report:

I do want to contribute my monthly report, however. Here it is:

Things are on track to be finished at the Community Kitchen for the planned opening on Tuesday, Aug. 26, 5-7 pm. On behalf of FARMS staff and board, I want to invite all of you to be there for the Grand Opening Party. Local chef Chris Sprague (author of *Chris Sprague's Newcastle Inn Cookbook: Recipes and Menus from a Celebrated New England Inn*) will dole out hot hors d'oeuvres from the Kitchen's spanking new cooktop. There will be many other delicious tidbits for our loyal friends and supporters to munch on, and long cool drinks to sip. Please come!

The cooktop, refrigerator, and costly range hood are all to be delivered and installed in the next few days. Much of the back/office area will be finished as well. Walls are in place and will be painted shortly. The ceiling grid work is going up, and Matt Dorsey expects the sprinklers and ceiling panels also to be in place before the 26th.

Now we're on to raising money for finishing touches, as well as for cooking dishes and office furnishings.

Sorry to miss the meeting and all the updates!

Beth