

MEETING OF THE RISING TIDE BOARD

SEPTEMBER 9, 2014

The September 9 meeting of the Rising Tide Board was called to order at 5:45pm by President Catherine Walton. Present were:

Catherine Walton, President	Sarah Matel, Treasurer
Jon Weislogel, Vice President	Anna Levitt
Judy Sandick, Secretary	Beth McPherson
Mary Ellen Barnes	Dana Wilson

Also present were members of the Interim General Management Team: Karin Swanson (recorder), Candy Bordonaro and Dwight Chamberlain. Elsa Kevin, Member & Customer Service Coordinator, and Leslie Wicks (recorder) Produce Manager, were also present.

Catherine opened the meeting by introducing Leslie Wicks and then proceeded to go over the Calendar Review which included finalizing responsibility for the November newsletter, reviewing plans for the external assessment of the RT 2014 financials; and choosing a date and location for the 2015 annual meeting.

Catherine requested a review of the August 12, 2014 Board Meeting Minutes. Beth made a motion to approve; Catherine seconded that motion. The Board VOTED unanimously to approve the August 12 meeting minutes.

Karin then reviewed the Interim GM Team's report. She noted that the store has come into a positive net income position as of July31, 2014. Candy spoke of her current work which included closing out the quarter, handling loans, and developing the MRDA projections for the balance of 2014. She also noted that the Deli will be expanding its baking capacity with another oven. Karin added that communication has been well maintained with employees through frequent meetings, tutorials offered by Dwight at the buyers' meetings, and timely 90 day and annual reviews. She recognized that many of the Department Heads were new last year and have since moved into roles as teachers and leaders which has contributed to the store's strength and success. Karin also recognized Dwight's role in facility management which has involved preventative and remedial measures as cash flow permits. One maintenance project planned for the near future is the repainting of the lines and arrows in the parking lot. It was also noted that we have one volunteer from the management staff for the GM Search Committee but no representative from the non-management staff has stepped forward. Thane joined the meeting at that point and was then introduced to the attendees. The final agenda item of the Interim GM report was the need to amend our Articles of Incorporation so that our correct name is represented on our state liquor licensing documentation. Candy reviewed the need for the vote. Beth made a motion in favor of amending the articles; it was seconded by Sarah. Thane asked if an attorney had reviewed the proposed amendment and Candy reassured her that she had communicated via e-mail about the matter with our attorney, Peter Drum. The Board then VOTED unanimously to amend the

Articles of Incorporation to include the DBA name of our cooperative; i.e., Rising Tide Community Market. The legal name will continue to be Rising Tide, Inc.

Catherine moved on to Committee/Board Reports. She started by confirming the current GM Search Committee team that includes Jon, Dana, Judy from the Board and Elsa from the RT management staff. It was noted that the committee still needs another staff member from the store. Karin has offered to pursue this and assures the Board that she will identify someone. Catherine and Susan Barbera have volunteered to mentor the team through the process along with Sarah who will act as financial advisor. Anna also volunteered to assist during the next two months before joining a research cruise. Catherine confirmed with the group that an alternate board member on the search committee was not necessary due to the availability of herself, Susan, Anna and Sarah. The search team's work will begin immediately; the first goal is to place the GM job description in the October issue of the Cooperative Grocer publication which goes out the first week in October. Sarah then asked that the Board to address the idea of a management team instead of just one GM before finalizing the GM's job description. She cited the difficulty in finding a solitary candidate who is the "perfect fit". Some pros and cons were discussed. Catherine informed the Board that she, Jon and Thane had conducted a phone conference specifically to discuss this proposition. Thane said that hiring a team has never been done, however there are GM teams at other coops that have organically emerged (i.e. Belfast Co-op). Alan MacQueen was cited as a successful GM for many reasons but his major attribute was his understanding of the level of accountability expected by the Board on behalf of its constituents. Sarah noted that Alan worked with a team and was very successful in doing so. Jon agreed with Sarah's comment but finds the team concept too complicated. After further discussion the conversation returned to developing the job description. Catherine will send out a group of files via e-mail that will include all previous templates regarding the GM job description and evaluation process. The Board can then re-evaluate all those forms to assure that the correct priorities are in order.

Judy asked if the Interim GM team would be interested in a permanent position as the GM team. Catherine spoke on behalf of the team and expressed their interest in only being an interim team but that they would assist the new GM.

Dana volunteered to chair the GM search committee. The search committee will schedule its first meeting after this meeting.

Beth presented her update about FARMS. They will hold their opening event on 9/30/14 in the FARMS space from 5-7 p.m. The contractor, Matt Dorsey, projected that the space will be finished by 9/17. Beth was happy to announce that Lincoln Health has shown great interest in not only in supporting FARMS but partnering with them. Lincoln Health has already made a financial contribution but is eager to get more involved especially with programming. FARMS still needs to raise more money for finishing their space as well as funding the position of a Youth Program Director. Classes will begin at FARMS after 9/30/14.

With respect to the Finance Committee Report, Sarah confirmed that the Finance Committee will meet every first Tuesday of the month from 8:30-9:30 a.m. She plans to meet separately with Mary Ellen and

Judy to bring them up to speed on the store's finances. The key indicators for July documented that sales revenue was up by 14.7% over last year; UNFI cost plus goal was met which will help our profit margin over the next three months; and overall, our net income figure was positive. She extended thanks to the Interim GM team and all the employees. Sarah then spoke about our long term debt involving two loans from Genesis and MRDA.

Our Genesis loan requires a guarantee of \$100,000 to support refinancing. We have a commitment for \$50,000 from members, but we will need to guarantee an additional \$50,000. The MRDA loan has been extended through September and Candy is working on projections. Dana then inquired as to what exactly a "member loan" was and Sarah explained how we came to purchase our new store and how these loans were initiated from members. She also noted that once the upstairs was complete, a reappraisal might contribute to a more favorable rate with our bank lender. Sarah then thanked Karin for her presentation to MRDA. The external audit planned for 2014 financials was discussed. Thane suggested that the store should compare itself to NCGA benchmarks. The function of the Nominating Committee was discussed and a reminder was made to identify potential candidates with financial and leadership experience from the region. Catherine reviewed Board terms about to expire in the near future. Thane explained that an ideal board member for a co-op works well in a group, has time to devote to the board, is attentive and empowers management.

Jon spoke about the Community Investment Fund (CIF) and their support of the Juniper Hill School's new video that's not yet approved but in the making. He extended an invite to the board to a Farm to Table fundraiser put on by the board at Juniper Hill School. The question was posed how many grants does the CIF give out a year, and the response was at least twice a year.

Catherine then introduced Thane Joyal, CBLD consultant, and reminded the Board of the need for a refresher course on Board governance in the Co-op world. Thane addressed the four pillars of co-op governance, reminding the Board that it is accountable to everyone—including all members and the General Manager (and team). Though the policy register should be familiar to the Board, the end policy formulates what the unique success of each co-op looks like. Thane acknowledged that our membership loan program is an example of democracy in action. The necessity for strong strategic leadership is clear for, though we are a unique community, we are not invulnerable to competition. Thane stressed that the search for a new General Manager was an opportunity for re-invention. She also offered the CBLD library page and videos to assist the Board with their work. Thane also mentioned the CBLD course in Keene, NH for new Board members and the Co-op Café in March. She suggested that trend data available through Cocofist be included in RT's key indicator report. Candy will add this dimension to the report.

There followed a discussion about staff interest in having a voting position on the Board. Jon and others enumerated the current opportunities for staff to interact with the Board: (1) representation on the GM Search Committee; (2) standing invitation for any staff to attend regular Board meetings; (3) availability of Board meeting minutes in a notebook at Front End. Jon and Sarah also discussed the value of the meeting with staff that they attended after Sherpa's resignation. They and others felt more meetings of a similar nature would be helpful in enhancing meaningful communication between the Board and Staff.

After further discussion, the Board VOTED* not to make a policy change at this point in time regarding staff membership on the Board. Instead, they agreed to meet with staff on a more frequent basis to discuss Board policy and expectations and converse with staff about their concerns.

Under New business, Dana Wilson agreed to serve as Chair of the newly formed GM Search Committee. Catherine will be available as will Sarah Matel—specifically for review of candidates' financial knowledge. Susan Barbera will share her templates and experience as past Chair of two GM Search Committees.

The deadline for submission of the Board section of the winter newsletter is October 31. Jon will write an article about the recent deliberations of CIF. Catherine then asked the Board to assist in setting a date for the 2015 Annual Meeting. It was agreed that Lincoln Academy (LA) provided the best venue; Catherine will call LA to reserve the third weekend Sunday in March of 2015 if at all possible.

The meeting was the adjourned at 7:44 p.m.

*Judy Sandick abstained from the vote.