

Keweenaw Cooperative, Inc.
Board of Directors Meeting
1035 Ethel Avenue — Hancock, MI
Approved Minutes of September 16, 2009

Board members present: Chris Alquist, Diane Miller, Robyn Johnson, Libby Meyer, Roger Woods, Cindy Drake, Sigrid Resh

Others present: Dan Schneider (Recording), Co-op General Manager Curt Webb, Julie Brimm

1. Preliminaries

- a. The meeting was called to order at 5:33 p.m. by Roger Woods
- b. Owner-member issues/comments
 - i. There were none presented.
- c. Monitoring Affirmation
 - i. All board members affirmed they had read the board packet.
- d. Agenda Review
 - i. Changes to the agenda:
 - (2. Member Linkage): Cashier script discussion added
 - (4. Assurance of GM Performance): EL3 and EL4 removed; no reports submitted
 - (5. Board Decisions): Discussion of Taste for Life article added
- e. Approve minutes
 - i. **MOTION:** A motion to approve the August 2009 minutes with changes was made by Chris Alquist and seconded by Cindy Drake. The motion passed without opposition.

2. Member Linkage

- a. Transition
 - i. The Board summarized e-mail correspondence relating to the transition from the last week, including the following topics relating to payment plans:
 - Incentives for full payment of share price up front. The Board said immediate commencement of patronage refunds is an incentive in itself. The Board is also considering an incentive such as a free Co-op shopping bag or a coupon.
 - The Board agreed members should receive voting rights on first payment.
 - Late payments/payment lapses. Should members be notified when their payments are due or overdue? The board formed a payment plan committee to sort these issues out. Cindy and Diane comprise the payment plan committee.
 - Patronage refunds. The Board agreed members should not begin receiving patronage refunds until their share price is fully paid.
 - Returning equity to members who are delinquent in their payments. The Board said yes, the equity must be returned. Members must contact the Co-op to request the return of their payments.
 - The Board said there should be a grace period for members who are delinquent on their payments, during which they would continue to receive benefits such as voting and bulk buying discount.
 - ii. The Board discussed other transition issues including:
 - Current equity. Curt reported to the Board that records are not as clear as hoped regarding past equity structures. There is evidence in the membership file of any number of different arrangements, making it difficult to determine what members originally paid for their membership. After member number 1,540, the

membership form is more clear about how much members paid initially. This is important for determining how much equity a person has which can be applied to a share purchase. Board members and Curt will talk to past board members, long-time members, etc. to get information about previous payment arrangements. Curt's assessment: records are fairly clear from 1994 to the present, less clear between 1986 and 1994, and downright mystifying prior to 1986. Fair Share deposits are well-documented, which will help in this process.

- Portions of members' 2009 dues will be returned to them, pro-rated on a quarterly basis.
- The Co-op will have to pay out current equity, fair share deposits and prorated 2009 payments in cash because of limitations in the store's POS system.
- The Board will update the Co-op's membership brochure and membership card. It will also provide a new script for cashiers to help them explain the transition to customers. A new membership application is in the works.

b. Nominating Committee Report

- i. The Board plans to have a gathering for potential board nominees. Board members will contact possible interested parties, as well as extend an open invitation. The Board talked about developing a packet to give to potential Board nominees.

c. Cashier script

- i. The Board decided it is best to keep the script (See 3.1.ii above) brief, with longer answers available in the Transition FAQ brochure now in development. The script will be finalized and distributed to cashiers soon.

3. Policy/Ends Development

a. Clean up Board policy tasks

- i. The Board made changes to its task list to bring it up to date and clarify tasks.

4. Assurance of GM Performance

a. Assurance of GM Performance

- i. EL3: Financial Planning & Budgeting
 - No discussion. No report submitted.
- ii. EL4: Financial Condition & Activities
 - No discussion. No report submitted.
- iii. EL8: Communication & Support to Board
 - No discussion.
 - (See September Policy Monitoring Sheet)
- iv. EL9: Ends Focus of Grants or Contracts
 - The Board removed this from the annual monitoring schedule. The policy will remain in place, but will not be monitored until it becomes relevant to Co-op operations (such as if the Co-op initiates a grant program).
 - (See September Policy Monitoring Sheet)

5. Board Decisions

a. GM Evaluation Status

- i. Staff survey will be distributed and returned by Oct. 2, Curt's self-evaluation will be returned as well. The board will discuss these evaluations at a closed session following the October 21 meeting.

b. Board opening

- i. The Board discussed Board member Cory McDonald, who is up for re-election next year but will not likely remain in the area long enough to fulfill a three-year term. The Board felt he should run, anyway, if he wants to.
 - ii. The Board will seek a member to fill the seat vacated by Rhiannon Schmidt.
- c. Taste for Life article
 - i. Curt envisions an article of about 600 words describing the reincorporation vote we just went through. The article will be printed in an upcoming edition of Taste for Life magazine.

6. Monitoring Board Performance

- a. GP2 Board Job Description
 - i. No discussion.
 - ii. (See September Monitoring Check Sheet)

7. Closings

Review Decisions, Tasks, Assignments

- a. Update Board Task List Reminders with owners/dates
 - i. (Sigrid, Board) Update the Co-op's membership brochure and membership card. Provide a new script for cashiers to help them explain the transition to customers. Develop a new membership application.
 - ii. (Cindy, Diane) will plan a breakfast gathering for potential board nominees.
- b. How did we do? Review meeting.
 - i. By general consensus, the Board covered a lot of ground in the time allotted.
- c. The next board meeting will be October 21, 2009 at 5:30 p.m. in the Co-op Community Room.
- d. Draft October Agenda
 - i. (4. Assurance of GM Performance) Monitoring EL3 and EL4 added.
 - ii. Closed session to discuss GM Evaluation added
- e. Adjourn meeting
 - i. **MOTION:** Sigrid Resh moved to adjourn the meeting, Chris Alquist seconded. The motion passed without opposition. The meeting adjourned at 7:26 p.m.

Minutes prepared by Dan Schneider.

Submitted by _____ Date _____
 (Board Secretary, Chris Alquist)