

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

Board members present: Robyn Johnson (Left 6:16), Cory McDonald, Sigrid Resh, Roger Woods, Cindy Drake (Arrived 7:05)

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

1. Preliminaries

- a. The meeting was called to order at 5:35 p.m. by Roger Woods
- b. Owner-member issues/comments
 - i. None were 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) Reincorporation/CCMA discussion moved to January meeting.
 - (3. Policy/Ends Development) EL4.3 delayed until January meeting.
 - (6. Monitoring Board Performance) GP6 delayed until January meeting.
 - (6. Monitoring Board Performance) GP9 delayed until January meeting.
 - (6. Monitoring Board Performance) GP4 Officer's Roles delayed until January meeting.
- e.. Approve minutes
 - i. **MOTION:** A motion to approve the October 2009 minutes with changes was made by Robyn Johnson and seconded by Sigrid Resh. The motion passed without opposition.

2. Member Linkage

- a. Transition
 - i. The Co-op is in the process of applying for new licenses (such as for food service and food stamps), updating bank accounts, etc. We have a new federal Employer Identification Number.
 - ii. All of our paperwork for reincorporation has gone through the proper channels.
 - iii. Board members will all come in Jan. 2 to fill out applications and pay for their memberships. Or they may leave their completed applications with payment beforehand and these will be processed on Jan. 2.
 - iv. Membership cards are all set. Membership applications are nearly complete. The payment plan system has been finalized. Work is just getting started on a new Co-op general information brochure (mostly, the membership portion of our current information brochure needs to be updated). A new brochure will be created that will focus on the benefits of membership and what it means to be a member. All of these documents will be made available on the Co-op's Web site.
 - v. A membership drive will take place in the store. Information and applications will be distributed at the Co-op's party Jan. 10. Board members will be present at the Co-op Jan. 2 and Jan. 3 to help people sign up as members.
 - vi. Copies of the Bylaws and the Articles of Incorporation need to be made available for people who request them.
 - vii. At a future date, the Board will create a letter to let people know how to claim their equity in the current Co-op.

- viii. Curt will address questions about licenses and such to lawyer Mark Stewart.
- ix. The Board will consider requests for return of equity at its monthly meetings.
- b. Incorporation lesson learned CCMA?
 - i. Discussion delayed until future meeting.

3. Policy/Ends Development

- a. Ends next steps
 - i. The Board will meet to work on Ends sometime following the Annual Meeting. The Annual Meeting will not take place April 8 as the Board scheduled last month. The new Bylaws require the Annual Meeting to be held within three months of the close of the fiscal year.
- b. B-GM3.4 Revision for interpretation
 - i. Discussion delayed until the January meeting.
- c. EL4.3 Define long term reserves
 - i. No discussion.
- d. Definition of maintaining board files
 - i. Board Administrative Assistant Dan Schneider presented a clearly articulated and compelling account of how People's Co-op in Kalamazoo maintains its Board files. He suggested the Board should retain correspondence received from members in the Board files.

4. Assurance of GM Performance

- a. EL3 Financial Planning & Budgeting
 - i. This report was revisited from last meeting's EL3 report. Sales growth for the Co-op is up approximately 5 percent over fiscal year 2008. There were strong sales leading up to Thanksgiving in particular.
 - ii. (See December Monitoring Check Sheet)
- b. EL4: Financial Condition & Activities
 - i. No discussion.
- c. EL5 Emergency GM Succession
 - i. The Emergency GM Succession Plan is still in development. Curt has been adding to and improving this plan over time, but training of relevant staff remains to be done.
 - ii. (See December Monitoring Check Sheet)
- d. EL8: Communication & Support to the Board
 - i. No discussion. (See December Monitoring Check Sheet).

5. Board Decisions

- a. Board compensation
 - i. The Board discussed changing its compensation structure so that board members would receive a flat rate of compensation rather than a percentage-based discount.
- b. Consent Agenda
 - i. Workers Comp Insurance Term
 - ii. CGIN Membership
 - iii. Federal Tax ID Updates

6. Monitoring Board Performance

- a. GP6: Annual Agenda & Board Calendar
 - i. Delayed until future meeting.
- b. GP5: Board Committee Principles
 - i. There was some gray area in this policy relating to Board interactions with staff, since Board members (specifically the Reincorporation Committee) had substantial contact with staff leading up the reincorporation vote.
 - ii. The Board discussed formalizing the Board's committees and their activities. Minutes should be taken at committee meetings. There should be a roster of active committees, which will be reviewed annually.
 - iii. (See December Monitoring Check Sheet)
- c. GP7: Board Meetings
 - i. The Board discussed either striking this policy from the books or adding detail that will make it more useful. The Board will consider changes to this policy throughout the year.
 - ii. (See December Monitoring Check Sheet)
- d. GP9: Board-Member owner comm.
 - i. Delayed until future meeting.
- e. GP4: Officer's Roles
 - i. This policy will need to change dramatically with the new roles that will come into existence with Reincorporation. For instance, the task of overseeing Executive Limitations compliance will have to be delegated to someone other than the treasurer once the new Board structure is put in place and the the GM will become the treasurer.
 - ii. (See December Monitoring Check Sheet)

7. Closings

Review Decisions, Tasks, Assignments

- a. Update Board Task List Reminders with owners/dates
 - i. Finish equity database (Chris)
 - ii. Create verbiage for a new member brochure. (Sigrid)
 - iii. Get new transition-related documents up on the Web site and available to the public. Also make sure old Bylaws and Articles of Incorporation are removed from the Web site. (Roger)
 - iv. Schedule Board members to be in the store Jan. 2 and Jan. 3, also coordinate Board members' participation at the Jan. 10 party. (Robyn)
 - v. Determine whether we need a form for equity redemption. How will these requests be dealt with. (Roger)
 - vi. Make sure Bylaws and Articles of Incorporation documents are available along with applications on Jan. 2. (Curt)
 - vii. Look into cloth bags as gifts to entice people to sign up and pay for their shares (Curt)
 - viii. Write out pros and cons of flat rate board compensation, send this to Board members. (Cory)
 - ix. After Board discussion, rewrite GP4 to incorporate changes that will come with Reincorporation. (Cory/Board)
- b. How did we do? Review meeting.

- i. All agreed things went pretty well.
- c. The next board meeting will be January 20, 2010 at 5:30 p.m. in the Co-op Community Room.
- d. Draft January Agenda
- e. Closed Session
 - i. The Board went into closed session to discuss the general manager evaluation.
- f. Adjourn meeting
 - i. **MOTION:** Sigrid Resh moved to adjourn the meeting, Cindy Drake seconded. The motion passed without opposition. The meeting adjourned at 7:23 p.m.

Minutes prepared by Dan Schneider.

Submitted by _____ Date _____