

Keweenaw Cooperative, Inc.  
Board of Directors Meeting  
1035 Ethel Avenue — Hancock, MI  
Approved Minutes of January 20, 2010

Board members present: Chris Alquist, Robyn Johnson, Diane Miller, Sigrid Resh, Roger Woods, Libby Meyer (arrived 5:39)

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

1. Preliminaries

- a. The meeting was called to order at 5:33 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:
    - (4. Assurance of GM Performance): EL4: Financial Condition & Activities delayed until future meeting
    - (5. Board Decisions) Equity Redemption added after Consent Agenda
- e.. Approve minutes
  - i. **MOTION:** A motion to approve the December 2009 minutes with changes was made by Robyn Johnson and seconded by Chris Alquist. The motion passed without opposition.

2. Member Linkage

- a. Common Share purchase status
  - i. According to the most recent numbers, we have sold 241 shares. The pace at which shares are being purchased fluctuates depending on the day. Staff are trained in on getting people signed up for their shares. Most of the people buying shares are paying in full rather than using a payment plan. Few are choosing the ten-year payment option.
  - ii. About 21 people have filled out the form to redeem their equity in the previous corporation. The Board decided members of the previous corporation who paid dues within the last three quarters of 2009 would be entitled to receive back from the Co-op a prorated portion of those dues as compensation for the portion of the membership benefit they did not receive.
  - iii. The Board discussed how best to maintain files for member owners (member agreements, etc.). Applications are cataloged in binders stored in the checkout area. The Board will contact lawyer Mark Stewart about legal requirements regarding record keeping. Members will be contacted to correct flaws in applications and member agreement.
  - iv. Member equity is up.
  - v. Some members of the previous corporation want to forfeit their equity, the Board will contact Mark Stewart about how to deal with these situations.
  - vi. Enthusiasm appears to be high surrounding the common shares and the new ownership structures.
- b. Nominating Committee Report
  - i. Documents have been prepared for distribution to prospective Board members. The first document describes the role of Board members. The second is an

information form for prospective Board members to fill out. Board members made suggestions for improvements to the verbiage of both documents.

c. Annual Meeting planning

i. First order of business: a new date (not April 8) that complies with the Co-op's new Bylaws. The Board will make sure members of the previous corporation know about where and when the Annual Meeting will take place, in addition to current members of the Co-op.

**MOTION:** A motion to reschedule the Co-op's 2010 Annual Meeting for March 25 at 6:00 p.m. was made by Diane Miller and seconded by Robyn Johnson. The motion passed without opposition.

ii. Location: the Methodist Church in Hancock was discussed, as was the Finnish American Heritage Center. The Board will iron out more details concerning venue and meal plans at future meetings.

3. Policy/Ends Development

a. Ends next steps

i. The Board agreed it needs to revisit its ends. This will be a major part of the Board retreat tentatively scheduled for April 24.

b. Curt mentioned that, at future meetings, this part of the agenda might be a good place for the Board to discuss its intentions and goals.

4. Assurance of GM Performance

a. E 1-3: Ends

i. The Board discussed whether selling things like Coca-Cola and candy are consistent with our ideals and goals.

ii. The Board suggested that the Co-op should develop ways to quantify its compliance with ends. For instance, how well do we support other cooperatives (sixth cooperative principle)?

iii. (See January Monitoring Check Sheet)

b. EL4: Financial Condition & Activities

i. Delayed

c. EL8: Communication & Support to the Board

i. This report was amended to state that sales are actually up 12 percent so far in January, not down as described in the EL8.2 portion of Curt's report.

ii. (See January Monitoring Check Sheet)

5. Board Decisions

a. Board compensation

i. The Board is discussing a fixed Board compensation of \$1,000 per year in store credit. The rationale for this change includes: it is easier for the store's computer to deal with this, it is more equitable among Board members, it is easier to budget for a fixed level of compensation, rewards for service rather than consumption.

ii. The compensation could be paid out quarterly in case a Board member has to cease his/her service during the year.

**MOTION:** A motion to compensate each member of the Board of Directors at π \$1,000 per person per year distributed at the end of every quarter through whatever means the General Manager sees fit was made by Robyn Johnson and seconded by Diane Miller. The motion passed without opposition.

iii. The first payment under this new structure will be distributed at the end of March as compensation for the first quarter's service.

b. Consent Agenda

- i. The Board approved the Consent Agenda renewing the Co-op's Keweenaw Chamber of Commerce membership (dues are \$124.50) and state licenses. Curt distributed appropriate documents for necessary signatures: Sales Tax License, EBT/Food Stamps Update, Unemployment Insurance, Food Establishment License, State of Michigan Liquor Control Commission License

c. Equity Redemption

- i. The Board discussed this month's requests for equity redemption. The total dollar amount will be reported at next month's meeting. Curt suggested a letter be sent to the people along with the equity redemption check.

**MOTION:** A motion to redeem the current equity requests that have been received at the co-op was made by Chris Alquist and seconded by Sigrid Resh. The motion passed without opposition.

6. Monitoring Board Performance

a. GP9: Board-Member owner communication

- i. No discussion (See January Monitoring Check Sheet)

b. GP4: Officer's Roles

- i. The Board will revisit officer's roles given our new Bylaws and Articles of Incorporation, particularly with regards to Treasurer's and Secretary's roles.
- ii. (See January Monitoring Check Sheet)

c. GP6: Annual Agenda & Board Calendar

- i. This report will be modified and resubmitted at the February 17 meeting to reflect noncompliance with the General Manager evaluation schedule (GP6.2). The Board did not complete the evaluation on schedule last year.
- ii. (See January Monitoring Check Sheet)

d. GP1: Schedule/plan Board Orientation

- i. Tentatively scheduled for April 24.

7. Closings

Review Decisions, Tasks, Assignments

a. Update Board Task List Reminders with owners/dates

- i. (Libby) See if the Marzen Retreat Center is available on April 24.
- ii. (Diane) Contact possible venues for the March 25 Board retreat.
- iii. (Dan) Look through policies for terms and verbiage that have changed since Reincorporation (member-owner, member, etc.)
- iv. (Robyn) Ask on CGIN about what terms are used for member/owner/shareholder/etc.
- v. (Diane) Draft a letter to be sent along with equity redemption checks.
- vi. (Roger) Contact Mark about legal questions.
- vii. (Libby) Conduct General Manager evaluation surveys

b. How did we do? Review meeting.

- i. The Board discussed future discussions of board intentions. This includes discussion of individual Board members' long-term intentions. This includes preparing board

members for future roles as officers. The Board could also perform periodic self evaluations of its strengths and weaknesses.

c. The next board meeting will be February 17, 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:** Libby Meyer moved to adjourn the meeting, Chris Alquist seconded. The motion passed without opposition. The meeting adjourned at 7:35 p.m.

Minutes prepared by Dan Schneider.

Submitted by \_\_\_\_\_ Date \_\_\_\_\_