

Keweenaw Cooperative, Inc.  
Board of Directors Meeting  
1035 Ethel Avenue — Hancock, MI  
Approved Minutes of July 13, 2011

Board members present: Robyn Johnson, Libby Meyer, Heather Sewell, John Slivon, Roger Woods

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

1. Preliminaries

- a. The meeting was called to order at 6:04 p.m. by Roger Woods.
- b. Owner-member issues/comments
  - i. None were presented.
- c. Monitoring Affirmation
  - i. Board members affirmed they had read the Board packet.
- d. Agenda Review
  - i. Changes to the agenda:
    - a. (4. Assurance of GM Performance) EL3 & EL4 monitoring delayed until August meeting.
    - b. (5. Board Decisions) "Consent Agenda" added above "GM Evaluation Status"
- e. Approve minutes

**MOTION:** A motion to approve the June 2011 minutes with changes was made by John Slivon and seconded by Robyn Johnson. The motion passed without opposition.

2. Member Linkage

- a. Board Presence
  - i. The Board agreed a monthly Board presence in the store should continue. The next shift will be scheduled for August.
- b. Relocation orientation/Summer party plans
  - i. Relocation orientation
    - Bill Gessner, a representative from Cooperative Development Services will be here August 4, mostly to meet with Curt, learn about the town (the local market here), meet with staff.
    - More time with Curt August 5.
    - Meeting with the Board August 6.
    - The focus of the analysis will be to determine, within the context of the Co-op and its present structure and state, what are the necessary steps to get us from here to relocation.
  - ii. Summer party August 7: Do we want to do anything as a Board?
    - A lot of this will depend on what the Board has to share with members following the relocation process orientation.
- c. Patronage refund process

i. If people do not cash their checks, do we have to pay taxes on the entirety of their patronage refund, as we would on the un-cashed cash portion of the refund.

d. Member patronage donations

i. The Board discussed the idea, inspired by the Berkshire Co-op Market, of distributing refund checks at the Annual Meeting, allowing members to cash their checks or sign them over to a number of local charities.

ii. This would require the expediting of our book-closing process from the previous year to have the numbers and the checks ready in time, requiring a policy change to assert the new timeline. There are operational benefits to earlier completion of the books, beyond early check distribution, as well.

iii. The policy changes required to do this would not be difficult to put in place.

3. Policy/Ends Development

a. Sustainability word choice

i. Several Board members shared their thoughts over the past month.

ii. Perhaps this would be better decided with the full Board here.

iii. It was suggested that the Board could develop its own definition of "Sustainable" and continue to use the word, as we define it.

iv. It may be inadvisable to fix the word with a definition, given the changing nature of the world and the fact that what is considered "Sustainable" can change over time.

v. "Conscientious" is a less specific term that inspires toward the same kind of goals as "sustainable."

vi. The important thing is that Curt can use the word and its definition, as part of the Ends, to set operational goals.

vii. But Curt is always given latitude to interpret the Ends.

viii. How about "The Keweenaw Coop exists so that the community has reliable access to conscientiously produced goods and services provided through the use of mindful practices."

ix. Curt will give his interpretation of this statement at the next meeting.

x. The Board will make a final decision on the wording in August.

4. Assurance of GM Performance

a. EL1 Members & Customers

i. No discussion.

ii. (See July Monitoring Check Sheet)

b. EL3 Financial Planning & Budgeting

i. Delayed until August meeting

c. EL4 Financial Condition & Activities

i. Delayed until August meeting

d. EL2 Staff

i. No discussion (See July Monitoring Check Sheet)

- e. EL8 Communication & Support to Board
  - i. Curt has now obtained the information necessary for the EL3 and EL4 monitoring, which he plans to complete this week.
  - ii. (See July Monitoring Check Sheet)

## 5. Board Decisions

- a. Consent Agenda
  - i. Keweenaw Peninsula Chamber of Commerce membership.
    - The Board approved renewing the Co-op's membership without any objections.
  - ii. The Board approved two equity redemption requests totaling \$40.
- b. GM Evaluation status
  - i. Curt has received his evaluation form.
  - ii. John and Libby will distribute the staff's feedback forms, collect them in early August.
  - iii. The evaluation will progress from there.
- c. Audit
  - i. Should the Board see if our current auditor, Joe Daavitella, is interested in learning about Cooperative economics to gain the expertise necessary to continue performing our audit? Or should we seek an accountant from outside the area who has this experience already?
  - ii. Curt will collect some information about this, seek some advice from other Co-ops about which accountant to use.
- d. Legal retainer
  - i. Since Mark Stewart's passing, there doesn't seem to be as much expertise related to cooperatives at Mark's firm in Ohio. The lawyers at the firm are often slow to respond to inquiries. Should we find another law firm that is more responsive? Does our current firm have a plan for improving its performance in these regards?
  - ii. Roger will call the law firm to discuss this.

## 6. Monitoring Board Performance

- a. B-GM3 Delegation to the GM
  - i. No discussion (See July Monitoring Check Sheet)
- b. GP8 Cost of Governance
  - i. Monitoring re-submitted to include data.
  - ii. GP8.2.1 was revised to read: "Governance expenses during a fiscal year are not to exceed 125% the benchmark for similarly-sized co-ops based on the last available CoopMetrics statistics."
  - iii. See July Monitoring Check Sheet.

## 7. Closings

### Review Decisions, Tasks, Assignments

- a. Update Board Task List Reminders with owners/dates

- i. (Board) Determine your availability for August 4th and 5th for socializing with Bob from Cooperative Development Services.
  - ii. (Curt) Provide interpretation of the new Ends statement containing adjectives formerly known as “Sustainable.”
  - iii. (Board) Investigate possibilities for legal and accounting services.
  - iv. (Roger) Call our current law firm to discuss the relationship between the firm and the Board.
  - v. (Robyn, Curt) look into what's needed for check distribution at the Annual Meeting.
  - vi. (Dan) Update GP8 policy with new changes.
  - vii. (Roger) See if we can get Carl on Skype while the CDS consultant is here.
  - viii. (John & Libby) Continue work on general manager evaluation.
- b. How did we do? Review meeting
    - i. The Board felt the meeting went well.
  - c. The next board meeting will be August 10 at 6:00 p.m. in the Co-op Community Room.
  - d. Draft September Agenda
    - i. Revisit Patronage refund donation
    - ii. EL3 & EL4 on tap
    - iii. Also on the bill, discussion about relocation work based on consultant's advice.
  - e. Adjourn meeting

**MOTION:** John Slivon moved to adjourn the meeting, Libby Meyer seconded. The motion passed without opposition. The meeting adjourned at 7:16 p.m.

Minutes prepared by Dan Schneider