



Minutes of River Market
Board of Directors Meeting
Tuesday April 12th, 2016
6:30 p.m. in the River Market Loft

Attendance

Directors Attending

Alison Komarek
Dan Puraty
Sara Morrison
April Rust
Carolyn Scott
Brock Ehnert
Kellie Seth
Nate Hart
Elissa Cottle
Matt Ludt

Directors Not Attending

Mandi Leonard

Also Attending

Mead Stone
Bill Gessner
Allan LaValier
Matilda Rupp

Call to Order 6:31 pm

President April Rust called the River Market Board of Directors meeting to order at 6:31 pm. Introductions were made around the table. April mentioned that the Co-op is recruiting Board members and therefore encouraged questions from anyone.

Owner comments

Allan LaValier and Matilda Rupp talked to the Board about their knowledge of a former staff member of the Co-op who has a no trespassing restriction in place. They questioned the reason for this and also read a letter from Reverend Grace regarding this person. Mead Stone explained that firstly there are confidences that need to be respected and secondly that it is a matter of safety for the employees of the Co-op. Mead said that he takes the safety of his employees very seriously. Allan asked the Board to discuss this further.

Allan also asked the Board to review the current discounts offered at the Co-op. The Board and the GM will discuss this further.

Points of order 7:05

Kellie Seth presented a photo of the Board that she had mounted in order to hang in the store. Individual photos will also be taken at the Spring Retreat.

Approval of Procedural Documents 7:10

The Consent Agenda was called. Items on the Consent Agenda were:

- A. Meeting Agenda
- B. Open Meeting Minutes 3/8
- C. New & Leaving Owners List
- D. GM Informational Report
- E. B.6 Report - Staff Treatment
- F. B.9 Report - GM Succession Plan

- Sara Morrison made a clarification on the Quarter 1, 2016 CDS Consultant Report which was included in the meeting packet. Dan Puraty, Alison Komarek and Sara Morrison all attended the January 2016 Leadership training which was not noted on the report. This is a clerical error.
- Matt Ludt pulled Item E – the B.6 Report – Staff Treatment
- **All other items were approved**

Board Study and Engagement – Bill Gessner – Planning for future change

Bill Gessner from CDS Consulting came to talk to the Board about planning for the future. This was in preparation for the upcoming Spring Retreat and the topic will be further discussed in depth at the retreat. The notes from this discussion will be placed on Backpack.

Business

BOD/GM Open Discussion – 8:08 pm

- The Line of Credit Application was signed by April Rust, Sara Morrison and Mead Stone.
- Spring retreat logistics was discussed for Saturday April 16th.
- The 3rd quarter financials are almost completed. This was our best March ever with sales up 1.9% over last March. This marks 13 consecutive months of sales over \$500,000.
- Our sales growth continues to be above the national sales growth average for NCG (National Co-op Grocers).
- The 4th quarter is typically our best quarter and we are anticipating being up to \$7 million in gross sales.
- Labor hours have been reduced and these will continue to be reduced as part of our goal of getting back to \$100 sales per labor hour.
- River Market is still hiring in the deli as they have experienced some turn over but they have still managed to improve their gross profit.
- The NCG annual report came out which states that they are specifically attempting to supply staff to support co-ops who are in need of more help.
- There has been a great increase in turnover of co-op GMs. This is partly to do with many reaching retirement age and partly because younger GMs are realizing how much harder it is with declining sales in the industry.
- Mead is part of the NCG Central Corridor meetings in which mergers and acquisitions are being discussed as possibilities for some stores. Sales trends are heading down a little. The Central Corridor is about negative 2% but this does not include newer stores that have not cycled through a full year. Labor has gone up about 1 1/2% in the year.
- River Market is thrilled with the increased number of new owners this month.
- HBC (Health and Body Care) had its best wellness Wednesday ever.
- The Board engaged in a discussion about the owners' comments regarding a former employee's trespassing restrictions. The Board will follow up with the owners.

Board Budget Discussion and Approval 8:48 pm

- The Board has reviewed the Board Budget for the upcoming year.
- There was a clarification on what was included in the CBLD /CDS consultant budget which had a 5% increase.
- This budget includes the Quebec Grocers Conference which would need to be increased if two directors were to be sent. This led to a discussion about what directors need to learn, grow and be informed to be able to be thinking leaders who can best direct the co-op. It was decided to increase the Board Budget from \$44,010 to \$50,000 to allow for increased opportunities for growth and learning as they become available.

Matt Ludt motioned to increase the overall Board Budget to \$50,000 with the addition of \$5,990 split into Board expenses and travel. Kellie Seth seconded. Motion carries.

Expense Groups	Expense Budget ID #	Board Budget Proposed 3/9/16	Actual Amount Quarter 1	Actual Amount Quarter 2	Actual Amount Quarter 3	Actual Amount Quarter 4	Amount Remaining
BOARD EXPENSE							
Board Expenses/Misc.	6401	\$4,700					\$4700
CBLD/CDS Consult	6401a	\$7,400					\$7400
BOARD INSURANCE							
D/O Insurance	6402	\$3,190					\$3190
BOARD DISCOUNT							
Discount on Purchases	6403	\$7,920					\$7920
BOARD TRAVEL & MEALS							
Board Travel	6404	\$11,200					\$11200
Board Meals	6404a	\$2,200					\$2200
BOARD ASSISTANT							
Admin. Assistant	6665	\$7,400					\$7400
TOTALS		\$44,010	\$0	\$0	\$0	\$0	\$44,010

CCMA Attendance 2016

- CCMA early bird sign up deadline is April 15 and directors were invited to express interest in going.
- No one will be going from the Board this year. It was agreed that it would be preferential to send more people to it next year when it will be in Minneapolis.
- No staff will be going from the store either.

Board Policy and Rules Committee, C-Report Exercise 9:05

- The Policy and Rules Committee spent a few minutes reflecting on and reviewing the last two to three months of Board Policies to ascertain if they were in compliant or non-compliant.

Growth and Engagement Committee

- The committee met on March 12th, 2016 and will report in May or June.

Board Development Committee

- There will be a Board development social on Thursday 21st April at the Maple Island Brewery to meet potential Board directors.
- Directors Dan Puraty and April Rust will be there to answer any questions.
- Current directors who are reaching the end of their term on the Board this year are Sara Morrison and Mandi Leonard. Sara Morrison will be running again for a seat. Mandi Leonard will not be running again.

C-Share Reimbursement Request

- The Board of Directors discussed and voted on the Policy & Rules Committee recommendation for the request of an early C-share reimbursement. The Committee investigated the request and reported back to the full Board that there is no language in the C-Share prospectus and agreement nor other basis for permitting early redemption by a member. However, the committee noted that the Board can approve a transfer of a share to another owner if transferred at the face value of the share. The Board discussed the committee's report and by vote adopted the recognition of the limitations barring an early redemption and permitting the transfer to another owner at face value.

This was a recommendation from a committee therefore it is a motion and does not require a second. Motion carries.

Events/training

- Nothing to report

Media: Currents; Website, etc.

- Currents Deadline is April 20th. There will be another call for Board candidates in the next Currents issue.
- Matt Ludt will be writing an article for the Currents on engaging with the Board on Policy Governance.

Reports 9:25 pm

- The B.6 Report – Staff Treatment was pulled by Matt Ludt.
- Director Ludt inquired of the General Manager regarding the recent no-trespass directive given to a recently terminated employee. The General Manager addressed the inquiry, noting that he directly investigated the matter with the employees involved. After further questioning regarding the owner remarks presented tonight, the GM also noted he stands by his decision. Director Ludt asked him whether his actions were in compliance with Policy B6, that requires that the General Manager will not treat staff in any way that is unfair, unsafe, or unclear, as well as the General Manager will not operate without written personnel policies that a) Clarify rules for staff; b) Provide for fair and thorough handling of grievance; c) Are accessible to all Employees; d) Inform staff that employment is neither permanent nor guaranteed; and cause or allow personnel policies to be inconsistently applied. The GM confirmed that they were. Director Ludt asked him whether his actions were in compliance with Policy B5, that the General Manager will not be unresponsive to Customer needs as well as allow an unsafe shopping experience for our Customers. The GM confirmed that they were. Numerous members of the board noted the coop's survey of employees, wherein 97% of the co-op's employees participated, demonstrates that that the GM's assurance these policies are heeded. Director Ludt concluded with the challenge that if the Board has any question as to the GM's adherence to the B6 policy regarding the no-trespass directive, it should not adopt the GM's B-6 report as in compliance.
- **Director Sara Morrison moved to accept the B6 Report as in compliance and Director Matt Ludt called for a vote by hands for in favor and out of favor. Director Alison Komarek seconded. The vote was 8 to 0 in favor of accepting the B6 Report as in compliance. Motion carries.**

Director Questions & Assignments

May Assignments:

Leadership Tasks and Work

- Plan GM Review Process
- Evaluate Calendar Monitoring Report Template & Adjust
- Treasurer's Report

Board Closed Session Topics

- Quarterly Analysis (If Warranted)

Board Monitoring Reports

- C.7-Board Committee Principles
- C-8-Governance Investment

GM Activities

- Organize & Plan for RMCC Annual Meeting
- Q3 B.1 Financial Report
- B.3 Asset Protection
- GM Monthly Report

Board Development Committee

- Application Deadline for New Candidates is 3rd Friday of May
- Interview Candidates by June board meeting

Other

- CBLD Consultant Call
- June 20th Deadline for Currents

Open Session Adjournment 9:35 pm

Respectfully Submitted

Nicole Sullivan

Board Administrative Assistant