



## Board of Directors Monthly Meeting

Monday, February 22, 2016; 5:33 pm - 8:17 pm

232 South Main Street, Goshen

Goshen, IN 46526

**In attendance:** Eric Amt, Ava Breniser, Robin Ebright-Zehr (arrived at 5:38 pm), David Gerber, Tim Martin, Phyllis Miller, Amanda Qualls

**Absent:** Vicki Mast, Brian Wiebe

**Others Attending:** Brad Weirich, David Shenk, Josiah Metzler, Carolyn Rogel

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**5:00 pm:** Board shared dinner and team building. Many thanks to the Maple City Market deli staff for providing the meal.

**5:33 pm:** Declaration of quorum

- Preliminaries:
  - Check-In: “Are we prepared to act on everything before us?”
  - Commitment to stay on task
  - Ends reflection: Because of MCM: Owner-members and customers in the Michiana region will be healthier; there will be a local, sustainable food system in Michiana; the local environment & resources will be responsibly shared, protected and restored; there will be a locally-owned cooperative business; there will be a thriving model that inspires other businesses in the Great Lakes region.
  - Board Commitment:
    - Increase board communication with members
    - Be more visible in community as board members
    - Board in the store
      - David and Robin discussed their board in the store experiences.
    - Engage friends and colleagues re Co-ops: Advocate
    - Focus groups
      - Ava discussed a focus group with Brad.
        - Keep Tim in the loop, as he is the CAFE committee chair. He is looking for diverse membership in the committee so one viewpoint doesn’t dominate.
    - Invite members to meetings
    - Board project dreaming--capitalization
  - How did we do this month?

**5:36 pm:** Approve or amend agenda

- Amendments:
  - Add Policy revisions: X.1, X.3, X.6, X.5, G.5
  - Add recruitment exercise
- **Motion:** To accept agenda as it stands  
Amanda Qualls moves and Eric Amt seconds  
No discussion  
Motion passes: 6 in favor; 0 oppose; 0 abstain

**5:39 pm:** Consent agenda:

- Minutes of January 25, 2016 Board Meeting
- Board Self Monitoring – compliance
  - G.5 Agenda Planning
- **Motion:** To approve the consent agenda  
Ava Breniser moves and David Gerber seconds  
No discussion  
Motion passes: 7 in favor; 0 oppose; 0 abstain

**5:40 pm:** Board decisions

- GM Monitoring: Brad
  - X.3 Asset Protection
    - Slight change to the report for X.3.2 (made in the weekend prior to the board meeting); there is \$1,000,000 coverage for the board
    - X.3.2a should become X.3.3
      - **Motion:** To change X.3.2a to X.3.3 and modify other numbers  
Tim Martin moves and Eric Amt seconds  
No discussion  
Motion passes: 7 in favor; 0 oppose; 0 abstain
    - **Motion:** To approve X.3 Asset Protection  
Tim Martin moves and David Gerber seconds  
No discussion  
Motion passes: 7 in favor; 0 oppose; 0 abstain
  - X.1 Financial Condition & Activities
    - Same as we have been seeing; X.1.1 to X.1.3 are out of compliance. Sales in the beginning of the year tend to be lower.
    - We gained cash in January: where did that cash come from? That cash came from inventory, mostly.
    - Brad would expect January to be a loss (historically, it has been); this tends to average out over the quarter.
    - Because January started off strong, Brad didn't cut back staff as quickly as he would have otherwise, which affected labor as a percent of sales and overall expenses.

- Discussion of the new Fresh Thyme market in Mishawaka; we do not believe it will have a long-term effect on MCM sales, but there may be a slight ding. Also discussing ALDI's organic.
- We had a \$9,000 loss: are there enough variables within the GM's control to make that a \$0 loss? Mostly, labor is controllable. To move toward zero loss or a gain in down months, we would need to consider layoffs. Other than that, we are trying to be very conservative with spending.
- Discussion of retained earnings
- **Motion:** To accept X.1 Financial Condition & Activities with recognition of non-compliance and acceptance of Business Plan to ameliorate non-compliance  
Robin Ebricht-Zehr moves and Ava Breniser seconds  
No discussion  
Motion passes: 6 in favor; 0 oppose; 1 abstain
- Agenda revision – Policy revisions? X.1, X.3, X.6, X.5, G.5
  - X.6: No suggested changes to X.6 at this time; in the future, should finances become a larger issue, change so that CDS is not required.
  - X.5: No changes at this time.
    - X.5.1 and X.5.2: It would be nice to have additional data for those policies rather than lack of customer complaints.
  - G.5: No changes at this time.
  - X.1: Proposal: the GM will not fail to post the prior month's cash income statement on a monthly basis in the market. This would be number 12 under X.1. This is typical in the credit union world. This could also be sent out in the newsletter.
    - **Follow-up in the March meeting:** Brad will bring the prior month's cash income statement for the board to review; the board will consider that addition at this time.

**6:26 pm:** Discussion

- GM Reports: Brad
  - Finance Report
  - State of the Market
    - Discussion of alcohol sales in the market. A survey was conducted and results were inconclusive. While most people were in favor or neutral, a small group was very against the idea.
    - Background: Some owners grew up with the Christian temperance movement, and those memories hang heavy; some are just morally opposed. Though some owners may be unhappy, they are certainly shopping at other locations that sell alcohol. If we're talking about an ethical choice, it would be more ethical to remove meat and replace that with liquor.
- Role of Treasurer: Board

- The treasurer role has been reduced over time. In 2012, the relationship between the corporate treasurer and board treasurer was removed. Per the current treasurer, the role should either be increased or the role should be eliminated.
- There were educational readings in the work week folder related to the treasurer position on the board.
- Should policy be revised so that the board gets different financial information? What information does the board need to understand the financial situation of the market? Current treasurer does not feel comfortable with the limited amount of financial information we're getting.
- The question is around the officer's role of the treasurer.
- Proposal: Consider the treasurer role over the following month. Questions to consider:
  - Do we want to continue with the treasurer position?
  - Does the current treasurer want to step back from the role?
- Consider nesting the 'prior month's cash income statement' in the board communication policy rather than in X.1.
- Discussion session paused

**7:24 pm:** New business or comments from the community

- Carolyn Rogel has been a member for a long time. She is concerned about the direction of the co-op (moving away from the bedrock values of the organization). Does not agree with alcohol sales at the market. She wants extra organic produce at the market; upset that there is shelf space for alcohol potentially, but no additional room for more organic produce.
  - Another possibility would be to offer alcohol sales by the case (no shelf space required).
- Josiah Metzler hasn't been to a meeting in some time; he is a former employee and current owner. He is very eager to see how things play out financially, community-wise. He has been generally watching things over the past year; he likes some of the visual changes in the store. He is on the other end of the spectrum on alcohol sales; his perspective is shaped by the changes in the grocery world. Getting feedback from the customers is very important, but at the end of the day the co-op will have to make changes that aren't agreeable to everyone. Hopefully those disagreeable choices are those that lead to the co-op being around.

**7:48 pm:** Discussion session continued

- Board Budget 2016: Ava
  - On hold in February awaiting discussion of treasurer role in March
- Ends Discussion: Team to take a fresh look? Brad & Phyllis
  - They will undertake this this year
- Annual Meeting Planning: Amanda
  - Originally planned for Sunday, May 15, 2016
  - Board replacements/elections:

- Tim Martin will be resigning at the end of June
- Vicki Mast will be leaving at the end of June because she is relocating to Michigan
- David Gerber's position is up for election, but he will not be running for re-election
- Eric Amt's position is up for election, and he will be running for re-election
- Consider alternate locations: Rieth Interpretive Center, Waterford Mennonite Church (Brad to look into these)
- Theme: Engaging our community
- Board Recruitment: Phyllis
  - Agenda addition: Recruitment exercise
    - What do we ideally want in new board members? Representatives from Latino community, young co-op members...
    - Look at the member list and see if any names jump out at you.
    - In-store voting: 2 weeks before annual meeting would be ideal.
- Board update (if any):
  - Capital Project Proposal
  - Co-op presentation
  - Board gathering: Phyllis
    - David Gerber to discuss Abshire mansion location.
  - CAFÉ Committee
  - Fundraising Committee Update
- Upcoming Events:
  - Vibrant Communities events this week
  - Governance by Design, March 2 & 3 at the Bricolage
  - Food Summit on Friday, March 18

**8:05 pm:** Executive session opens

**8:16 pm:** Executive session closes

- General manager's compensation has been approved

**8:16 pm:** Calendar review

- Next board meeting is on March 28, 2016
  - GM Policy Monitoring: X.5 Treatment of Customers
  - Board Policy Monitoring: R.3 Delegation to the GM
- Looking ahead:
  - Annual meeting – June?
  - Board Elections

**8:17 pm:** Meeting adjourns