

Approved 3/17/2015

Grain Train (GT) Natural Food Cooperative
Board of Directors February 17th, 2015 Meeting
Grain Train Business Office, 5:00 PM

Attending: Trisha Shattuck – President, John Paul Westbrook (J.P.) – Vice President, David Heidtke - Treasurer, Lynn Eckerle, Paula Welmers, Allie Greenleaf Maldonado, Robert Struthers (Bob) - General Manager (GM), Liz Meeks – Support Services, Jim Tisdell – Visiting Owner

Absent: Hal Willens– Secretary, Renee Allen, Meagan Krzywosinski

Time Keeper: JP

Secretary: Liz

Ends Statement: Grain Train Natural Food Cooperative exists so that our community is inspired to make well-informed healthy choices that support both people and planet.

Meeting called to order: (5:00) Quorum determined

Preliminaries

Agenda Review – Motion: Usage of Board Signature was removed from Board Decisions and tabled until the March Board Meeting. The decision to set the 2015 Board Retreat date was tabled until after the General Membership Meeting (GMM).

Open Member Forum – Owner Jim Tisdell was present to observe the meeting.

General Business

GM Monthly Update: February – Bob provided the report in advance. Discussion ensued. JP made a motion to accept the report. Seconded by David and **unanimously approved.**

GM Monitoring Report – B1: Financial Conditions Q4 & Year-End 2014 – Bob provided graphic representations of preliminary results in lieu of the report, completion of which was postponed pending accountant review and closing of the year’s financials. Discussion of the preliminary results followed.

2015 Proposed Bylaw Changes Committee Update – Paula provided an update on the Committee’s work. Two proposed changes were approved by the Board on January 20th. Paula, on behalf of the 2015 Proposed Bylaw Changes Committee moved that the Board accept the Proposed Bylaw Language for Bylaw 3.6 as follows: “The Co-op shall annually determine its net savings. Net savings shall be calculated by such person(s) as is/are selected by the Board of Directors, with the calculation being made as described in section 11.35 of the Michigan Nonprofit Corporation Act, MCL 450.3135, as may be amended. The net savings of the Co-op derived from the excess or deficit of revenues over costs and expenses shall be determined in accordance with generally accepted accounting principles.

Net savings shall be distributed or allocated in accordance with the provisions of this section. If at any time a change in federal or state law renders the provisions of this section void, unenforceable, or materially changes the tax consequences associated with the method of distribution, the allocation and distribution of net savings shall be made in accordance with section 1135(3) of the Michigan Nonprofit Corporation Act, as may be amended.

- a. Distribution of net savings to member-patrons. Net savings attributable to member-patrons may be distributed partially in cash or voucher and partially in allocated retained patronage credited to the account of each such member, but in no event shall the cash/voucher portion be less than the percentage necessary to qualify the distributions as “qualified written notices of allocation” as that term is defined in 26 U.S.C. Liber 1388, as may be amended.
- b. Calculation of distribution to member-patrons. The distribution amount a member-patron shall receive, shall be proportional to the total dollar amount of purchases made by the member-patron during the time frame for which net savings are calculated. If a member owes the Co-op for the payment of member capital, the Co-op may apply the net savings payable to such member toward the payment of the member capital payable by such member.
- c. Allocation of net savings of non-member patrons. Net savings attributable to non-member patrons shall be allocated to retained earnings, operating expenses or capital expenditures and shall be used to further the common benefit of all patrons or may be allocated to a fund used for charitable donations or activities.
- d. Use of Patronage Dividend; Failure to Claim or Redeem. The cash/voucher portion of any patronage dividend distributed to a member may be used for the purchase of goods at the Co-op or redeemed for cash. The cash portion of a patronage dividend distributed to an owner that is not claimed, used, redeemed or donated within 90 days from issuance shall revert to the Cooperative as a donation without further notice to the member. Such cash portions of patronage dividends that are donated or that revert to the Cooperative as provided in this subsection shall be distributed and allocated as the Board may determine.
- e. Consent of member to distribution of net savings. Each person who hereafter applies for and is accepted to membership in this Cooperative and each member of this Cooperative on the effective date of this bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to their patronage occurring after (insert date of adoption of by-law,) which are made in written notices of allocation as defined in 26 U.S.C. Liber 1388, as may be amended, and which are received by the member from the Cooperative, will be taken into account by the member at their stated dollar amounts in the manner provided in 26 U.S.C. 1385(a), as may be amended, in the taxable year in which such written notices of allocation are received by the member.”

Seconded by Lynn and **unanimously approved.**

Bob requested clarification regarding the requirements for presentation of the proposed language to the Membership, and the Board confirmed that the proposal must be presented as a red-line document.

David moved to empower Bob to resolve any questions that may arise from the staff marketing team as they produce materials for presentation to the Membership at the GMM. Seconded by Trisha and **unanimously approved.**

Open Discussion of Unexpected Topics – Allie suggested that the Board revisit the reasoning behind the decision to be an employer of choice, perhaps putting it in writing. The Board concluded to add “Employer of Choice Discussion” as a potential Board Retreat topic.

Trisha reminded the Board of the need to complete the 2014 audit process with a phone call with Bruce Mayer, asked if the entire Board or a committee should participate in this task. Dave suggested a standing Audit Committee could handle the task.

JP moved to empower Bob to have the computer cutoff for GMM voting be 6:00pm on April 24th. Seconded by Trisha and **unanimously approved.**

JP moved to switch the Board’s Cooperative Board Leadership Development (CBLD) consultant to Ben Sandel. Seconded by Trisha and **approved unanimously** with Lynn abstaining from the vote.

Board Decisions

Self-Monitoring Reports Assignment List – Reviewed. Liz to change the Assignment list to coincide with the April-to-April Board calendar to reflect changes following the Board Elections.

Board Education

Board Education Committee: Meeting Recommendations Recap – Paula presented the recommendations from the standing Education Committee. The Education Committee moved that the Board accept the following recommendations:

- Use every-other full board meeting (6/12 yearly meetings) as a time for Bob to “educate” us on various topics of the co-operative food business. Those topics may include:
 - how the Grain Train operates,
 - the strengths and weaknesses of our organization,
 - our customer likes and dislikes,
 - local as well as national trends in the grocery business.
 - Topics will initially be introduced by Bob and allowed to be “fluid:” if we find a topic that we would like to explore in more depth or from a different perspective, then those needs will help determine the next succeeding topics.
- In order to find time on the agenda for educational topics, we recommend:
 - moving the “Consent Agenda” to the very last position on the monthly agenda;
 - having monitoring reports on a quarterly, rather than a monthly basis;
 - strictly limiting board questions and conversations to the topics at hand
 - any board member who has a specific question not answered to his/her satisfaction during the meeting, to pursue that topic outside of the meeting, one-on-one with Bob or the appropriate individual.
- We recommend holding a fall retreat in 2015.
- We recommend the broad topic of the retreat be “expansion” and allow our ideas to emanate from the give and take of educational presentations from earlier in the year. As our

ideas develop, we can then decide whether our retreat needs will be met via facilitation with a CBLD consultant or some other way.

- The Education committee resolves to evaluate this plan of action in March or April, 2015.

Seconded by JP and **unanimously approved.**

Consent Agenda

Approved Unanimously: Draft Board Meeting Minutes from January, Board Self-Monitoring Report C5: Directors' Code of Conduct.

Per earlier discussion, David moved that the Board charter the Audit Committee, for the express purpose of developing audit evaluation procedures and reviewing financial issues annually to recommend to the Board what form of financial review should occur each year. To be reauthorized annually, with David and JP as co-chairs and Trisha and Allie as members for the first year. Updates are to be brought before the Board at least annually before year-end. Seconded by Allie and **unanimously approved.**

Review Decisions & Tasks

Next Meeting Topics:

- Approve February Meeting Minutes - Liz
- Self-Monitoring Report – C7: Committee Principles – Trisha
- GM Monitoring Report – B3: Asset Protection – Bob
- GM Monthly Update – Bob
- Revise Annual Calendar – Trisha

JP made a motion to adjourn the meeting. David seconded the motion. **Unanimously approved.**

6:53 pm, meeting adjourned.

Parking Lot Topics

Board Education: Financials, Retail Basics, Emerging Topics concerning the Grain Train Executive Committee – Job Descriptions

Procedures Handbook Topics

- *Audits – Determine the period between audits*
- *Accounting*
- *How to handle requests for support? (Causes) – See Bylaws*
- *GMM- Planning and Managing the GMM*
- *Officer Elections – Outline all aspects from Recruiting to Announcing the result.*
- *How to handle CDS changes to policy language?*
- *Allocating Monitoring Reports*
- *Attendance & Punitive Measures*
 - *Define Extenuating Circumstances*
 - *Define Attendance*
- *Participation on Committees*

Discussion of 5.2, Subsections n. and o. of the Bylaws

Arrange Conference Call with Bruce Mayer

What are the alternatives to audits?

What sorts of ongoing financial reviews are considered forms of acceptable monitoring?

Requirements of Membership Adopted by the Board of Directors

Retreat

- *Employer of Choice Discussion*

Open Committees:

Proposed Bylaw Changes Committee for 2015

Prepare draft bylaw language with explanations of the proposed bylaw changes, to be brought before the Member/Owners for their vote at the 2015 General Membership Meeting (GMM). Following the GMM, insure that the Bylaws of the cooperative have been accurately updated to the Board portion of the cooperative website, and distributed to the Board as both MS Word documents and PDFs. Beginning September 2014 and ending when the Bylaws have been updated following the GMM, April 2015. Chaired by Paula Welmers with Trisha, David, and Allie as members.

Election Committee 2014-2015

Meet Board Bylaw requirements for the General Membership Meeting (GMM) 2015, beginning December 9th, 2014 and ending following submission of the Post-Election Report by the committee chair. Chaired by Hal Willens with Trisha and Liz as members.

Education Committee

Provide the Board with education designed to enable the Board to better fulfill our responsibilities under the Bylaws, beginning December 9th, 2014 and ongoing. To be chaired initially by Paula with committee membership with rotating committee membership.

GMM Committee 2014-2015

Plan, prepare and implement the GMM for April 18th or 25th, 2015, beginning December 9th, 2014 and ending after the GMM in 2015. To be chaired by Meagan with Trisha and Renee as committee members.

Outstanding Board Work Reminders

Bylaw clarifications:

Does “Membership” mean one person or a ‘household’? Please define.

Executive Committee Elections - Article 5, Section 6.1, Review and define 'election ties', etc.

Audit Cycle – Currently every 2 years. Consider every 3-5 years. Define.

Board Procedural Handbook section(s):

Elections: Elections Committee Chair - Ballot Counting & Results Conveyed (PW)

Board Members’ behavior during Staff Meetings (AM)

Board Member Exit Interviews (RA)

Officer Elections: Develop a methodology to simplify process

Audits: Types of Audits (DH), Arranging for an Audit, (DH)