

# Bluff Country Co-op Board Meeting Minutes

Monday, July 11, 2016

5:30 pm – 8:00 pm

Faith Lutheran Church

Attendees: Dawn Schreiber, General Manager, Melissa Gordon, Liz Reach

Board Members Present: Lynn Carlson, John Chernega, Rachel Kimman, Diane Leutgeb Munson, Mary Kirk, Ann Lichliter, Aurea Osgood

Board Members Absent: Charlotte Roraff

| TOPIC                                 | DESCRIPTION   | ACTION/OUTCOME |     |         |
|---------------------------------------|---|----------------|-----|---------|
|                                       |   | Yay            | Nay | Abstain |
| Task Review                           | <ul style="list-style-type: none"> <li>All tasks were completed.</li> </ul>   |                |     |         |
| May Minutes                           | <ul style="list-style-type: none"> <li>No changes were made.</li> <li>Rachel motioned to approve the May board meeting minutes. Diane seconded.</li> </ul>  | 6              | 0   | 1       |
| June 3 Emergency Meeting Minutes      | <ul style="list-style-type: none"> <li>Aurea will call for vote via email because not all directors were able to read the minutes in advance.</li> <li>Mary will share minutes on Drive.</li> </ul>   |                |     |         |
| June Minutes                          | <ul style="list-style-type: none"> <li>Change wording from “liability insurance” to “directors and officers insurance.”</li> <li>Change typo of “brining” to “bringing.”</li> <li>Aurea will call for vote via email because there was not quorum.</li> </ul>   |                |     |         |
| Review of June Closed Meeting Minutes | <ul style="list-style-type: none"> <li>Aurea will call for vote via email because there was not quorum.</li> </ul>  |                |     |         |
| GM Monthly Update                     | <ul style="list-style-type: none"> <li>Rain garden is scheduled to be complete at the end of next week. A temporary ramp has been built for access.</li> <li>People’s Food Co-op is replacing their community room with a liquor store.</li> <li>Our fiscal year just ended. July sales are expected to be slow.</li> <li>Summer sales are generally unaffected by the farmers</li> </ul> |                |     |         |

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|  | <p>market; the relationship between the co-op and the farmers market is more complementary than competitive.</p> <ul style="list-style-type: none"> <li>• Rachel and Aurea have received positive feedback regarding the letter sent to all owners about the second offering of preferred shares.</li> </ul>  |   |   |   |
| GM Monitoring Report B7 – Communication to the Board | <ul style="list-style-type: none"> <li>• The GM is in compliance in all areas.</li> <li>• Ann noted that Dawn does a good job at providing a heads up on anything of concern.</li> <li>• Ann will add B2 Planning and Budgeting to the Annual Monitoring Report and get it to Mary for signature and then to Dawn for filing.</li> <li>• John motioned to approve the B7 Monitoring Report. Aurea seconded.</li> </ul>  | 7 | 0 | 0 |
| Survey Results: D3 Delegation to the GM              | <ul style="list-style-type: none"> <li>• All respondents agreed or strongly agreed to all questions.</li> <li>• No discussion ensued.</li> </ul>  |   |   |   |
| Committee Updates                                    | <ul style="list-style-type: none"> <li>• Project Committee <ul style="list-style-type: none"> <li>○ \$30K member loan is being extended.</li> <li>○ \$13K in Preferred Share investments have come in.</li> <li>○ Many more owners are interested in investing.</li> <li>○ We have a final floor plan.</li> <li>○ Charlotte and Dawn have been meeting with banks regarding loan.</li> </ul> </li> <li>• Member Outreach Committee <ul style="list-style-type: none"> <li>○ Working with Owner Services Coordinator.</li> <li>○ Planning AMM.</li> <li>○ Discussed committee charter revisions. Most updated version of charter is available on Drive.</li> <li>○ Committee will potentially assist with new member drive in October.</li> <li>○ Dawn will get last year’s itemized AMM budget to Rachel.</li> </ul> </li> <li>• Board Development <ul style="list-style-type: none"> <li>○ Lynn offered her house for the fall retreat.</li> <li>○ Charlotte sent an email asking directors to sign up to reach out to potential board members.</li> <li>○ According to Joel, there is no term limit for officers. Ann suggested the possibility of creating an evaluation for officers. This evaluation would not be the same as the end-of-the-year board evaluation. This evaluation would be completed mid-year, and would be designed to identify individuals’ strengths</li> </ul> </li> </ul> | 7 | 0 | 0 |

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|  | <p>as well as areas of improvement, thereby helping to get people in the roles most suited to their abilities. It might also evaluate officer roles. The evaluation format could be a survey, like the monthly surveys the board already takes.</p> <ul style="list-style-type: none"><li>○ According to Joel, our Vice President plays the same role as most other boards' VPs (i.e. the VP steps in when the president is unavailable).</li><li>○ Ann brought back the idea of having other directors perform officer duties to give different directors a chance to experience the officer role and develop skills.</li></ul> <ul style="list-style-type: none"><li>• Social Equity Committee<ul style="list-style-type: none"><li>○ The Owner Services Coordinator attended the last meeting. OS Coordinator currently makes all decisions regarding donations, and the vast majority of donations come from the marketing operating budget. Julie pointed out that the use of abandoned equity is restricted, and therefore cannot be used for donations.</li><li>○ Social Equity Committee wants to work with Twin Pines Cooperative Foundation, which would manage the funds from our abandoned equity. Benefits of working with Twin Pines include:<ul style="list-style-type: none"><li>▪ Our abandoned equity would be used to support other co-ops.</li><li>▪ The interest generated from our equity could be used to support organizations of our choosing.</li><li>▪ Owners would have an outlet to make tax-deductible donations.</li><li>▪ BCC would not have the burden of running a non-profit.</li></ul></li><li>○ In order for BCC to work with Twin Pines Cooperative Foundation, a by-law change is required. The Social Equity Committee has proposed this change via email.</li><li>○ Mary motioned to bring the by-law change to the 2016 Annual Member Meeting for a vote. Lynn seconded.</li><li>○ The Committee also discussed the idea of "Rounding Up," which is popular among many other co-ops right now.</li><li>○ The Owner Services Coordinator shared one method of discounted memberships that another co-op has</li></ul></li></ul> |  |  |  |
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|                                       | <p>found successful, which is to create a membership for \$5 down, with \$2 added to each additional receipt until the membership is paid in full. The committee determined this wouldn't work.</p> <ul style="list-style-type: none"> <li>○ The definition of "abandoned equity" was clarified. It is officially only for equity where no certificate was ever issued (i.e. abandoned equity only occurs when an owner fails to pay dues in full. If an owner pays in full and then dies or moves away, this money is not considered abandoned equity).</li> </ul>   |   |   |   |
| Directors and Officers Insurance      | <ul style="list-style-type: none"> <li>• The GM filled out the paperwork with Winona Agency.</li> <li>• \$1,000 would be added to 2017 board budget.</li> <li>• The GM also filled out an application with Linda Horihan Agency.</li> </ul>   |   |   |   |
| Expansion and Capital Campaign Update | <ul style="list-style-type: none"> <li>• Five banks have been asked for a loan of \$1.5 million.</li> <li>• Each bank asked for additional information. The information they wanted varied from bank to bank</li> <li>• Home Federal has offered to roll the mortgage and expansion loan in one 20-year loan with an adjustable interest rate of prime plus .75%.</li> <li>• Other banks are wary of our collateral.</li> <li>• Talking points will be updated by Dawn and Melissa. If you have questions, email them to Dawn.</li> </ul>   |   |   |   |
| Email Vote to Approve Minutes         | <ul style="list-style-type: none"> <li>• Lynn motioned to approve the June GM Monitoring Report: B3 Asset Protection. Diane seconded. Please vote online. (John, Mary, and Ann should abstain.)</li> <li>• Lynn motioned to approve the June board meeting minutes. Rachel seconded. Please vote online. (John, Mary, and Ann should abstain.)</li> <li>• Diane motioned to approve the June closed board meeting minutes. Rachel seconded. Please vote online. (John, Mary, and Ann should abstain.)</li> <li>• John motioned to approve the June 3 emergency board meeting minutes. Mary seconded. Please vote online.</li> </ul> |   |   |   |
| Meeting Adjourned                     | <ul style="list-style-type: none"> <li>• Meeting adjourned at 8:00PM.</li> </ul>  |   |   |   |
| June Minutes Approved Via Email Vote  | <ul style="list-style-type: none"> <li>• On July 18, board members voted via email on the July 11 motion by Lynn (second by Rachel) to approve the June minutes.</li> </ul>   | 5 | 0 | 2 |
| June Closed                           | <ul style="list-style-type: none"> <li>• On July 18, board members voted via email on the July 11 motion by Diane (second by Rachel) to approve the June</li> </ul>   | 5 | 0 | 2 |

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| Minutes Approved Via Email Vote                   | closed minutes.   |   |   |   |
| June Emergency Minutes Approved Via Email Vote    | <ul style="list-style-type: none"> <li>On July 18, board members voted via email on the July 11 motion by John (second by Mary) to approve the June Emergency Meeting minutes.</li> </ul> | 6 | 0 | 1 |
| June GM Monitoring Report Approved Via Email Vote | <ul style="list-style-type: none"> <li>On July 18, board members voted via email on the July 11 motion by Lynn (second by Diane) to approve the June GM Monitoring Report.</li> </ul>     | 5 | 0 | 2 |

| TASK   | RESPONSIBLE PARTY |
|--|-------------------|
| <ul style="list-style-type: none"> <li>Aurea will call for a vote via email to approve the following items: <ul style="list-style-type: none"> <li>June GM Monitoring Report</li> <li>June board meeting minutes</li> <li>June closed board meeting minutes</li> <li>June 3 emergency board meeting minutes</li> </ul> </li> </ul> | Aurea             |
| <ul style="list-style-type: none"> <li>Vote on GM Report and various minutes</li> </ul>  | All board members |
| <ul style="list-style-type: none"> <li>Send doodle poll regarding best times for phone conferences with Joel.</li> </ul>   | Ann               |
| <ul style="list-style-type: none"> <li>Respond to Ann's doodle poll regarding best times for phone conference with Joel.</li> </ul>  | All board members |
| <ul style="list-style-type: none"> <li>Add B2 Planning and Budgeting to the Annual Monitoring Report and get it to Mary for signature and then to Dawn for filing.</li> </ul>  | Ann, Mary, Dawn   |
| <ul style="list-style-type: none"> <li>Get last year's itemized AMM budget to Rachel.</li> </ul>   | Dawn              |
| <ul style="list-style-type: none"> <li>Identify folks to contact on the list of potential board members and contact them.</li> </ul>   | All board members |
| <ul style="list-style-type: none"> <li>Update talking points for expansion.</li> </ul>   | Dawn and Melissa  |
| <ul style="list-style-type: none"> <li>Email questions for talking points to Dawn.</li> </ul>  | All board members |