

Approved Oct. 19, 2010

**Grain Train Natural Food Cooperative
Board of Directors September 21, 2010 Meeting
Horizon Book Store, (basement meeting room) 6:00 PM**

Attending: John Paul Westbrook (J.P.) - President, Amy Maus - Vice President, Hal Willens - Treasurer, Trisha Shattuck - Secretary, Allie Greenleaf Maldonado, David Heidtke

Absent board members: , Maggie Daniels, Renee Allen, Gary Hammons

Interim General Manager: Chelsea Jarvis (GM)

Attorney present: Matthew Lesky

Consultants: Laura Cherven

Employees attending: Troy Smith, Erica & Dan Tosch previous Board members

Visitors: Bret Huntman - previous GM 1994 - 2003, Laura Cherven, Elizabeth Loozz, previous Board member - 2005 - `08

Time Keeper: Amy

Secretary: Trisha

Our Mission: The Grain Train is committed to empowered individuals, vital communities and a healthy planet. As a Natural Foods Cooperative, we are the trusted source in northern Michigan for high quality, local, organic and natural products at a fair value to our membership and community.

Meeting called to order: (6:07) Quorum determined

Next Meeting: October 19, 2010 - 6:00 Horizon Book Store, basement meeting room.

Open member forum: Troy submits his application for Board candidacy. Erica requests termination mediation & delivers a letter dated 9/21/2010. Former board member, Elizabeth comments on the recent informational letter to the membership; Check the posted BoD meeting times & locations which were not appearing on the website. Questions the wording of the second paragraph of the informational letter and suggests the letter implies lax oversight of previous boards.

Approval of minutes from the August 17, 2010 Board meeting. Amy motions to approve the August 17th minutes as read. Hal seconds the motion. Unanimous approval.

Tabled: Approval of Special Meeting minutes tabled until the attorney has reviewed them.

General Manager's Report: Time constraints limited total report. Chelsea asks for questions. Dave has additional analysis for review in committee.

Old business:

Motion: Allie motions for the board to ratify Robert Struthers' contract to fill the position of General Manager of the Grain Train Natural Food Cooperative with recent changes.

Amy seconds the motion. **Discussion:** Hal requests that these minutes state the Board's intent that the(\$10,000) additional funds provided to, and requested by Robert Struthers are for use in purchasing Health Care Insurance and are over and above his base salary. Unanimous approval.

Personnel Policy updated 9/21/10: Chelsea has updated and sent out to the Board, the GT Personnel Policy codifying the Board approved, Drug & Alcohol Policy as well as several inclusions she has prepared with advice from Carolee Coulter - cooperative consultant: Lactation Policy, Relationships at Work, Right to Search, Conflicts of Interest, Return of Employee Checks, E-mail & Internet Access, Reduction in Forces, Resignations, Conflict Resolution / Grievance, IRA , Paid Time Off, Footwear Reimbursement, Jury Duty, Military Leave, Terms of Credit / Debit Card Usage, Expense Reimbursement.

Motion: J.P. motions to approve the Grain Train Personnel Policy dated 9/21/10. Hal seconds the motion. Discussion: Unanimous approval.

Old business:

Payment made to B. Houston for cabinets installed in the front office.

New business:

Hal Willens, Board Treasurer discusses highlights of the recent Finance Committee Meeting where the 2011 Budget was presented. Chelsea describes methods of developing the budget. Department Managers prepared business plans and forecasts resulting in a goal of 6.8% sales growth. Describes financial controls being put into place and monitored. Hal recommends the Board tentatively approve this 2011 draft budget, but allow the new General Manager an opportunity to approve it.

Motion: Allie motions for the Board to approve the Draft 2011 Budget document. J.P. seconds the motion. Discussion: Unanimous approval.

Motion: Hal motions for the Board to begin paying outside consultant(s) (Theresa Giffore) for monthly review of the financial documents: checkbook ledgers, combined with informational comparisons of the monthly bank statements. Anticipate 1 - 3 hours per monthly basis at the [approximate] rate of \$30 / hour. J.P. seconds the motion.

Discussion: Unanimous approval.

Motion: Hal motions for the Board to support a Statement of Board Intention to possibly [may] provide to the Member / Owners a Patronage Rebate for the end of fiscal year 2011 (sometime in November, 2011), provided the Grain Train is financially sound enough to offer such a rebate. Allie seconds the motion. **Discussion:** Unanimous approval.

Matt Lesky, Attorney: Point of Order - Insure members are given copies of the Bylaws of the Grain Train.

Motion: Amy motions to extend the Board Candidacy Application deadline until October 30th. Trisha seconds the motion. **Discussion:** Unanimous approval.

Member / Owner e-mail brought before the Board: Amy reads various e-mail. There were few e-mail responses to the recent informational letter to owners aside from Bret's communications. One referred to patronage rebate options.

Committee Updates: General Membership Meeting Committee (GMM) to meet Wednesday, September 29 at 9:30 at the store to discuss plans for the GMM scheduled for Saturday, January 8, 2010 at the Carnegie Building, Petoskey. Volunteers needed to participate.

Motion: J.P. motions to enter Closed Session. Trisha seconds the motion. Enter Closed Session - 7:37

Motion: J.P. motions to Exit Closed Session. Amy seconds the motion. Unanimous approval. 8:19 PM

Motion: Allie motions for the Board to allow attorney, Matthew Lesky to enter into discussions with terminated former employees on behalf of the Board with signed severance documents that include the phrase, "...responsible for *any* fees associated with ... (as per attorney's suggestions)". Hal seconds the motion. **Discussion:** Unanimous approval.

Motion: In a goodwill gesture, Allie motions for the Board to pay accountant, Steven Bartha to amend employee tax returns where previous employee bonus discrepancies surfaced as a result of the Internal Audit. J.P. seconds the motion. **Discussion:** Unanimous approval.

Motion: Trisha motions for the Board to accept the minutes of the Draft - Special Meeting of the Grain Train Natural Food Cooperative, Inc. Called for by the Secretary, dated September 10, 2010 with amendments. Amy seconds the motion. **Discussion:** Minutes amended. Unanimous approval.

Adjournment:

Motion: J.P. motions to adjourn the meeting. Amy seconds the motion. Vote: Unanimous approval. 8:25 PM.