

Board members in attendance:

Betsy Blake, Tia Cromartie, Stephen Johnson, Alexandria Jonas, Joel Landau, Yvonne Lee-Hawkins, Jonathan Maj, Dave Reed, Allen Sharpe

Board members absent:

Owners: 4 owners/staff present, NCG staff, Cindy Flowers

Meeting start time 6:00 pm

1. Review Minutes for September 26th

Proposed Joel, Seconded Jonathan. Accept minutes with changes proposed. Passed unanimously

2. Owner Feedback

2.1. No statements from the floor.

3. Staff Appreciation Potluck Update

3.1. Lots of donations from the local business community, very much appreciated by DRM and staff.

4. Outreach Committee

4.1. ToR for committee presented.

4.2. Add "Subcommittees are project specific and report back to the Outreach Committee."

Motion to accept modified ToR. Proposed: Joel Seconded Jonathan, Passed with changes unanimously.

5. Financial and Operations Update

5.1. Terry Bowling and Peg Nolan from NCG about the current financial and operational situation of DRM.

5.1.1. Roadwork is making it more difficult – need to look at sales/marketing to counter impact of these changes.

5.1.2. DRM has pieced together services and they are maintaining, but not ideal. HR systems need work.

5.1.3. Working with Cindy on finances and Matt on operations.

5.1.4. POS system is important focus – currently no staff has ability to operate in 4 basic areas of the POS.

Working with SMS and others to train staff to ensure improvements in understanding and operations of POS system

6. Review Treasurer's Statement for 2015 financials

6.1. Presentation by Jonathan on letter to owners.

6.1.1. Clarify that we reduced operational expenses by \$40K

6.1.2. Clarify that the net loss for 2015 was less than the net loss for 2014

Proposed that we send modified letter to owners and post to website Stephen, Seconded Joel, Passed unanimously

Proposed Jonathan, post 2015 certified financial statement online. Seconded Joel. Passed unanimously.

7. Shared Capital

7.1. Information request by loan officer to enable discussion with her Board about restructuring the loan. Bullet point list of topics from loan officer that requires some narrative.

7.2. Jonathan put some initial points onto paper.

7.3. Board members will discuss online and at separate focused meeting on this report to Shared Capital.

7.4. Aim for end of December for Board to review and then provide document to NCG team for their input.

7.5. Currently interest only till February 2017 so we need to begin work on this material ASAP.

7.6. In September 2017 DRM will owe a balloon payment.

8. Engaging with broader community

8.1. Postpone till Outreach Committee meets.

9. Articles of Incorporation

9.1. **Summary:** This proposal adds a new policy that requires management to keep certain information in our Articles of Incorporation filed with the NC Secretary of State up to date.

9.2. **Proposal:** The following policy text will be added to Policy 2.5: Asset Protection:

2.5.2: Maintain accurate Articles of Incorporation information

The General Manager or other staff member designated by the Board of Directors will ensure that the following information in the Articles of Incorporation filed with the North Carolina Secretary of State is kept current:

- The principal office currently is 600 N Eugene St, Greensboro, NC 27401.
- The registered office currently is 600 N Eugene St, Greensboro, NC 27401.
- The registered agent currently is the General Manager. If there is an absence of a General Manager, the Board President will be temporarily listed as the registered agent.

Proposed Jonathan, seconded Tia. Passed unanimously.

10. Personnel and Supervisory Committees

10.1. Discussion on two approaches presented in the documents.

10.1.1. Betsy – proposed Personnel Committee. Work with GM to identify areas of need for GM and staff. Support and accountability for Board President as well.

10.1.2. Dave – proposed General Management Supervisory Committee. More restricted and focused on GM and Board relationship.

11. Palm Oil

11.1. Short presentation by Betsy on palm oil.

12. Future Meeting Schedule

12.1. No additional dates scheduled. Discuss Shared Capital at Jan 9th Finance Committee meeting.

Meeting adjourned: 9:16pm

Outreach Committee

TERMS OF REFERENCE

Type:

- Standing

Purpose:

To deepen relationships with owners and the surrounding community while developing the Deep Roots brand.

Term :

Valid 11/2016. To be reviewed in 6 months.

Membership:

- Board members
- Owners

Meeting Arrangements:

Meetings to be held a minimum of once a quarter, frequency determined on as needed basis. Sub-committees are TBD. Subcommittees are project specific and report back to the Outreach Committee. We envision this committee as an umbrella for several marketing-related projects and sub-groups.

Roles and Responsibilities:

The Outreach Committee will:

- Foster cooperative education
- Work with marketing staff person to carry out vision of store
- Plan events when appropriate
- Oversee clear communication channels to/from owners

Scope:

- Schedule and hold meetings with owners on suggestions to help build the DRM brand
- Provide and facilitate the posting of board meeting minutes, messages from the board, financial reporting, and other items with appropriate staff help
- Provide reporting and suggestions to the board from discussions with owners
- Suggest and help facilitate owner participation in event planning and other coop activities
- Hold events as determined with proper notice to the board

Authority: Projects may be approved by board, then tasked to Outreach Committee, who can accept or reject taking them on. Make recommendations to board for direction in brand development and execution.

Reporting: The Outreach committee’s reporting will be made by a designated committee member at each Board meeting. If a vote is expected, committee will make effort to send advance materials to the Board.

Resources and Budget:

- Solicit as much free help & services as possible from our local community (private businesses, and ownership base)
- Monies will be generated from Deep Roots Marketing Budget, as approved by board and GM

Deliverables: Event organization, increased communications with owners and surrounding community.

Review: Review of the Outreach Committee will be every six months to track progress.

Personnel Committee

TERMS OF REFERENCE

Type:

- Standing

Purpose: To provide support and accountability for the general manager and complex challenges facing the coop

Term: This Terms of Reference is effective from 11 / 2016 until terminated by the Board of Directors.

Membership:

- Board only

Meeting Arrangements: Meetings to be held monthly as needed, but at least once a quarter.

Purpose/Roles and Responsibilities:

This committee is meant to be a “support” mechanism for the general manager as well as additional support and accountability for the board president. In a challenging and transitional retail season, it cannot be expected for any one person to have all the skills necessary to fulfill all aspects of being a General Manager at Deep Roots. This committee is an additional layer of encouragement in making the individual and our cooperative to thrive.

This committee would check-in with the GM once a month (TBD) to hear where there are goals and where there may be

lack.

*Considerations: Does the individual need additional training (and can we arrange/provide that)?
Or are there areas where we might bring in professionals who focus in these particular areas?*

This committee would also be a place to catch any of the broader personnel issues that may fall through the cracks (i.e. the HR director is also the Front End manager and therefore cannot be clearly unbiased on personnel issues pertaining to Front End employees.)

This committee is a creative problem-solving team.

This committee may form a sub-group to lead a new GM search.

Authority: The Board President would remain the sole accountability point for the GM. The committee listens well at monthly GM meetings and can make recommendations, but would have no authority over the GM otherwise. The committee also provides support for the Board President when needed in his/her managerial duties. The committee can make recommendations to the President. If a sub-group of this committee oversees a new GM search, they would be fully accountable to the board in process and findings.

Reporting: Reporting will be made by a designated committee member at each Board meeting, when relevant public information/updates need to be shared. Group will keep minutes from their sessions.

Resources and Budget:

- TBD. Currently N/A.

Deliverables:

- A thoughtful environment for DRM's GM to thrive
- Accountability and additional back-up support for board president

Meetings: The Personnel Committee will meet once a monthly as needed but at least once a quarter.

General Management Supervisory Committee

TERMS OF REFERENCE

Type: Standing

Term: [DATE PASSED]

Chair Person: Board President

Purpose: This committee meets with the General Manager, their designee, or, in the absence of a GM, appropriate senior managers (hereafter "GM") to hear updates on the operations of the store, provide feedback and guidance, and report to the full Board membership on operational developments.

Policy Considerations:

Section 3 of Deep Roots' Policy Governance Register defines the link between the Board of Directors and the operations of the store. This committee, unless explicitly authorized by the full Board through a voted upon resolution, is not empowered to offer binding direction to the GM or general staff members.

This committee will fulfill Policy 3.1.3, which states: *"The President and GM shall establish a schedule for regular communication that occurs at least once every two weeks."*

Membership: Board members only, President as chair.

Meeting Arrangements: As required in Policy 3.1.3, the committee will meet with appropriate store staff, described
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above, at least every other week.

Reports to: Deep Roots Market Board of Directors

Resources and Budget: TBD. Currently N/A.

Review Period: There will be a review by the full Board of this committee's effectiveness and utility every six months.

In Scope:

- Monitor and review progress toward operational, sales, and other goals determined by the GM and the full Board.
- Suggest changes to GM reporting requirements (not including financial reporting, which is monitored by the Finance Committee) to the whole Board.

Not In Scope:

- Giving direct binding instruction to the GM, or other staff members.
- Requiring reporting outside of that specified in Policy Section 3.4.
- Directly engaging in operational affairs of the cooperative.

Deliverables:

- Brief update to the full Board after each meeting with the GM.
- Recommendations (non-binding as per existing policy) to the GM regarding operational issues that arise during committee meetings.
- Meeting minutes will be kept. These minutes will be available to Board members and considered confidential unless otherwise explicitly determined by the full Board.

Authority: Ability to meet with the GM on a schedule determined with the GM.

Metrics of Success: We recognize that this may be difficult to identify. In general the committee will be considered successful if the GM and the full Board feel it has:

- Helped increase efficient progress toward operational goals;
- Increased the full Board's knowledge of operational issues;
- Contributed to increased communication and clarity between the GM and the full Board.