

Moscow Food Co-op Monthly Board of Directors' Meeting Tuesday, May 13, 2014, 6 p.m.

Present: Bill Beck, Glenn Holloway, Kurt Obermayr, Idgi Potter (Board); Melinda Schab (General Manager); Joan Rutkowski (Administrative Assistant) **Absent:** Colette DePhelps, Julia Parker

Facilitator: Idgi Potter

Guests: Laurene Sorensen, Joe Gilmore

Due to absences, the Board does not have enough directors present to change policy (policy changes require a majority plus one of directors be present to vote). There are enough directors present for quorum and to vote on all other proposals.

MEMBER FORUM

No members with a desire to speak were present. Joe Gilmore, the Co-op's Information Technology Manager, introduced himself and said he would be happy to answer any questions in his domain that arise during the meeting.

STUDY & ENGAGEMENT: Appointment Candidate Interview

The Board interviewed Laurene Sorensen, who applied for the open seat that was vacated by Tammy Parker. (Tammy accepted a job out-of-state and resigned from the Board in March.) The other appointee applicant withdrew himself from consideration due to time constraints related to his work. Tonight's Executive Session will be used to vote on the appointment.

CONSENT AGENDA

Minutes:

Motion to accept the April 2014 BOD meeting minutes, seconded, passed 4-0-0

GM Compliance Reports:

Policy B3: Communication and Counsel to the Board

The GM provided a written report about events and trends affecting store performance and stability.

- Bill said that he appreciated the excerpted materials from the National Cooperative Grocer Association's spring meeting. A lot of the information about market trends and new initiatives could merit future conversation.
- The NCGA is establishing a new loan fund, and it is just \$100,000 short of the \$2 million needed to launch the fund. Melinda said it requires a minimum (possibly \$50,000 or \$100,000) investment, which she hasn't yet wanted to consider until our strategic goals are clearer.
- In 2014, the NCGA will begin to expand services to provide increased fresh and regional programming and support; this may include an effort to work with meat and produce distributors to get exclusive deals for NCGA co-ops. At the same time, Melinda noted, it is important that we be able to differentiate ourselves on a local level. There are unanswered questions about how this NCGA effort will play out.

Motion to accept B3 and find it in compliance, seconded, passed 4-0-0

Policy B4: Emergency Succession Plan

The GM provided a written report about what the Co-op does to plan for emergency situations.

- Joe Gilmore shared information about how he backs up our critical data and what he does to ensure that information technology access is maintained in case of his absence. He also is working on training another employee to understand more of what he does.
- The Store Operations Manager is working on developing a more formal emergency phone tree.
- Glenn recommended that Melinda have departments develop how-to manuals for all of their positions and/or essential procedures.

Motion to accept B4 and find it in compliance, seconded, **passed 4-0-0**

CONFIRM AGENDA

Change: Because there are not enough directors present to change policy, the B3 and D9 policy update proposals will become discussion items.

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

Ongoing Action Items

- The Owner Engagement Committee will meet to finalize the latest draft committee charter for submission to the Board.
- The Owner Engagement Committee will develop a draft Communications Plan for owner engagement.
- The Owner Engagement Committee will create a call for owners to join the committee.
- The Elections Committee will develop a recruitment plan to present at the Board's July meeting.
- The Nominations & Elections Committee will reach out to the PO who is helping with recruitment and invite her to work with the committee on this. *May: To Do*
- The draft Nominations & Elections Charter will be updated to reflect any changes made to how special membership meetings and elections are overseen. *May: First the Board needs to vote on P&B's D9 proposal*
- After Board approval, Joan will send Tiffany the approved elections committee charter to help publicize the PO openings. *May: To do when the charter is finalized*
- Policy & Bylaw will draft a policy for bringing a grievance against the GM for inclusion in the employee handbook and a separate policy that provides a process for bringing a GM-related concern or complaint to the Board when a formal grievance is not warranted. *May: In process and on agenda*
- P&B will draft policy changes that address what's needed to guide future Strategic Plan processes. *May: To Do, probably after retreat*
- The Professional Development Committee will determine whether any of the Board's goals from the April Study & Engagement need to become action items for the Board or for specific committees. *May: To Do*
- The 2015 survey for Policy D8 should separate question #2 into two parts. *May: Joan just needs to consider how to do this without losing 2014 data or whether it matters to lose online record*
- At the May Board meeting Julia and Idgi will present non-Board member names to fill the remaining openings on the ad hoc Participating Owner Committee. *May: To Do, change deadline to June*
- The PO program discussion could include whether to seek feedback from POs and/or owners on how the Board's discount should be structured and/or whether to consider Board stipends. *May: This is a reminder for when PO committee forms*
- Melinda will talk with Sarah about developing a Strategic Plan outcomes report and let Strategic Initiatives know if their assistance is needed. *May: In process*
- Julia will draft a letter of support for the Lewiston co-op effort and send it to Colette and Melinda for consideration in advance of the May Board meeting. *May: To Do*

- Melinda and Hunt will talk with managers to help propose summer dates for a joint Board/Management dinner gathering. *May: In process; it may be October*
- The Board will review its financial indicators after the Strategic Plan update is finalized.
- If and when it's needed, Melinda will produce a written Market Opportunity Report on growth opportunities/ideas. She also could consult with Development Cooperative about what support they can provide, including developing a pro forma.
- If so directed by the updated Strategic Plan, Member Engagement will consider how to involve owners in the growth conversation/process; this effort will include feedback from the Strategic Plan Update.

DONE

- ✓ Melinda will incorporate the NCGA financial guidelines into or alongside the charts that involve those indicators.
- ✓ Melinda will ask Deb if she can make inactive committees show up as such in the budget.
- ✓ Joan will create a Survey Monkey for C2 and Melinda can provide informal feedback on a hard copy version of the survey.
- ✓ P&B will research how to handle oversight of special membership meetings and elections and consider how to align related policies with what our bylaws say about this topic. *Submitted D9 proposal*
- ✓ Joan will track down the Growth Highway article for May's Study & Engagement.
- ✓ Joan will add a January calendar reminder for the Board/Treasurer to begin planning for the Annual Meeting.
- ✓ Policy & Bylaw will consider clarifying whether B3 should instead reference the business plan as a three-year plan that gets updated annually.
- ✓ The Policy & Bylaw Committee will consider how to address the need for a procedure that guides Board appointments. *Addressed in D9 election policy proposal and a new action item for Elections Committee*

BUSINESS AGENDA

GM financial report/Monthly update (report)

The GM provided a written report, per Policy B9, about the Co-op's financial activity.

- Melinda shared more detailed information about individual department performance that does not show up in the monthly chart of financial activity. She talked about options for individual department improvement and growth. She is monitoring what is going well, what's not, and ensuring plans are in place to address all weaknesses.
- Joe offered to show directors how the store uses the Catapult point of sale system. We are in the midst of a large Catapult upgrade and this is a good time to jump in for introductory training.

Motion to accept the financial reports as in compliance, seconded, **passed 4-0-0**

B3 Policy Update Proposal (discussion)

Kurt described the proposed changes to B3, which the committee drafted to update how the policy identifies the business plan. Directors agreed that the changes seem satisfactory.

D9 Policy Update Proposal (discussion)

Kurt described the proposed D9 changes, which seek to establish guidelines for appointment processes. P&B also looked at the existing wording about the oversight of special membership meetings and elections and concluded that it is in line with the bylaws. The bylaws specify who can call special meetings and the policy specifies that the elections committee oversees those meetings. The committee feels that the elections committee is equipped to handle the logistics of special meetings/elections due to its experience with regular elections. Directors agreed that the changes seem satisfactory.

Board Policy Compliance C1 (1-2) and C2 (proposal)

The group reviewed outcomes from the monitoring surveys for Policy C1 (parts 1 and 2) and Policy C2. The survey reports come to the Board motioned and seconded when the results show compliance. Five of six directors completed the surveys. They concluded that all guidelines and goals in Policy C1 (Delegation to the GM) are met to a moderate or great extent. The results show compliance with both policies.

- The group discussed some dynamics related to the Board's relationship with the GM, such as the benefit of having open discussions about the store while also making it clear when the GM is empowered to act. Directors reiterated that direction from the Board can only come through a vote; everything else is just conversation.
- Managers and Board members may need clarity about how they should relate and communicate with each other. This could include clarifying what level of confidentiality to expect in conversations with the HR Coordinator.
- Melinda wondered about the policy guideline that says the Board monitors organizational performance and thus the GM's performance, utilizing as criteria the Board policies. She said this seems to mean that her evaluation should be based only on compliance reports on store performance, and that she felt blindsided by the additional component to her evaluation that is about interpersonal relationships with the Board. She wondered if feedback about interpersonal relationships with the Board should come through a monitoring report that is about the Board/GM relationship. Although, then this feedback would be public in a sense, depending on how much of the information showed up in public meeting minutes.

Action: The Policy & Bylaw Committee will look for an appropriate place in policy to define how the GM should relate to the Board and how the Board should monitor those expectations.

Action: The Policy & Bylaw Committee will consider drafting a change to C2 to change "visionary policy" to "Ends policy."

Motion to find the Board in compliance with Policies C1 and C2, seconded, **passed 4-0-0**

At-Will Article (proposal)

The Board discussed whether the Co-op should publish the drafted article about at-will employment as it is or with changes. Most directors expressed discomfort or skepticism about the need to say we are "obligated" to inform employees that we can terminate employment at any time and for any reason. Some think it's a choice to be an at-will employer, though we have received legal advice saying that it is a de facto legal status by virtue of being a business in Idaho. Also, some directors were uncomfortable with saying that this subject is "morally murky," as it may invite more concern than is truly warranted.

Motion to print the at-will article as initially drafted, seconded, **failed 0-4-0**

Action: Kurt will take the lead on drafting changes to the at-will article and pass it around for Board feedback.

July Board Meeting (proposal)

Motion to move the July Board meeting to July 22, seconded, **passed 4-0-0**

Grievance Process Update (discussion)

Kurt summarized where the Policy & Bylaw Committee is at with its task to draft a policy that describes how an employee would bring a grievance against the GM to the Board. There is discomfort with having

the GM be the final arbiter on what are ultimately his or her practices and decisions. The committee is still discussing how to shape this process; it wants to make sure staff are aware of the opportunity to bring major concerns to the Board while also making sure the Board is not opened up to hearing every little gripe about the GM.

- The committee has discussed having the Board be the final stop in the Co-op's grievance process.
- This would give employees an opportunity to essentially appeal grievance decisions made via the in-store process. However, concerns about gross misconduct or illegal actions on the part of the GM still would go straight to the Board.
- The committee is uncertain about whether terminations should be grievable. Current employee policy does not allow for terminations to be grieved internally. Though, any owner can bring forth a concern during Member Forum, and this could include expression about a termination.

Melinda wondered about how well confidentiality about personnel matters would be maintained if the Board was involved in grievances. It was pointed out that the Board's Code of Conduct requires directors to maintain confidentiality as needed to protect the Co-op.

Kurt asked Melinda if she is comfortable with the tentative grievance process details he shared, and she said yes.

Spring Retreat Agenda

The Board reviewed the agenda for its upcoming retreat.

Professional Development Options (discussion)

Melinda shared Colette's suggestion that the Board consider an alternative to the Cooperative Board Leadership training that is in Portland on July 19th. July can be an inconvenient time for travel away from family, and it may be a better use of professional development funds to have someone come to Moscow and conduct a full-day workshop with the Board on a topic of current interest, such as growth.

Directors have found the Cooperative Board Leadership trainings to be very helpful, but some also thought the information could be digested just as well through the readings alone. Bill said he doesn't disagree with that point, but said it's worth noting the value of the shared energy that comes from working with other cooperative board members at the Portland trainings.

The Board agreed that it will explore alternatives to attending the July 19th CBL training in Portland.

Action: Idgi will photocopy for Melinda the CBL 101 materials.

Committee Reports/Committee Work Plans for June (report)

Committee members said that information about their committees' work was shared at other points in the meeting and during the Action Item update. The Board's Administrative Assistant summarized the few comments that the Strategic Initiatives Committee has received on the draft Strategic Priorities.

Action: Committee chairs will present draft committee work plans for 2014 at the June Board meeting.

BOARD ASSIGNMENTS AND MEETING REVIEW

Newsletter Assignments

Due 5/15 or 6/15: Appointment result – Bill/Elections Committee

Due 5/15: Committee information/recruitment – TBD

Due 6/15: Retreat synopsis – Colette

Upcoming articles may be about:

- At-will employment
- Growth Roadway

Breakfast with the Board (BWB)

At the upcoming Spring Retreat the Board will determine its topic for the June BWB.

Regular meeting adjourned at 8:35 p.m.

Notes taken by Joan Rutkowski

The Executive Session topics were “Board Appointment” and “GM Check-In.”

The next meeting will be Tuesday, June 10, at 6 p.m. (with dinner beginning at 5:30 p.m.) in the Fiske Room of the 1912 Center.

Signature of the Board President

Date