

Moscow Food Co-op Monthly Board of Directors' Meeting
Tuesday, November 10, 2015 6 p.m.

Present: Bill Beck, Kurt Obermayr, Idgi Potter, Colette DePhelps, Alex Lloyd, Laurene Sorensen, Derick Jiwan (Board); Melinda Schab (GM); Dena Van Hofwegen (Board Administrative Assistant)

Absent:

Facilitator: Kay Keskinen

Guests: Joan Rutkowski, Joe Gilmore, Greg Meyer, Logan Morris

7 of 7 members present, a quorum is present

PUBLIC FORUM

Public Forum is a time for the Board to listen to owner and general public comments; follow-up is considered outside of the forum.

Greg Meyer would like to meet the newly appointed Board member Derick Jiwan. Derick introduced himself to Greg and said hello.

STUDY & ENGAGEMENT: *Open Forum Discussion*

Open Forum Reflection

Bill led a discussion on the Open Forums that took place October 11th and November 8th. The following comments were made:

October Forum at the 1912 Center – 39 in attendance

- There were a few people upset that the decision to expand to Pullman had already been made before the Forum was held.
 - Colette noted the Board did due diligence in regards to expansion and followed best practices for expansion. While we recognize not everyone agrees with our process and decisions, the Board values all owners and community members' opinions and appreciates their participation in the forum.

November Forum at the Bell Tower – 130 in attendance

- There was a tremendous amount of engagement, gratitude and excitement at the Pullman Forum.
- Terrific age diversity at the event.
- A lot of consideration about possible locations of a future store.
- The director of the Pullman Chamber of Commerce was in attendance.
- Pullman location requests:
 - Classroom
 - Large deli
 - Same amenities that the Moscow Food Coop has
 - Expanded bulk foods section (it was noted bulk foods are not available at other Pullman grocery stores)
 - The meat department to provide wholesale sales to local restaurants
 - Downtown location, very similar to the Moscow store

There was some interest at the Open Forum from attendees for more specific information about member loans to help with expansion. We need to put some information together about member loans and put together a packet to disperse to interested owners who would like to invest in the Pullman expansion. The Development Co-op could help with investigating the legal structure of a member loan for our specific needs.

Alex complimented Melinda on her Forum presentations saying she did a wonderful job presenting the information.

Action: Laurene to investigate legal structure of member loans offered in Idaho and Washington.

CONSENT AGENDA

The Moscow Open Forum notes need to contain the attendee's full names that were left at the tables.

Action: Colette and Dena to complete attendee names from October Open Forum

Minutes:

Motion to accept the October 2015 BOD meeting minutes as amended, seconded, **passed 7-0**

GM Compliance Reports:

Policy B1: Employee Treatment

The GM provided a written report about efforts to ensure that employment conditions are humane, fair, dignified and in accordance with the employee Personnel Policy Handbook.

Moscow Food Co-op hired CDS Consulting Co-op to complete an employee survey for the year 2015. Carolee Colter provided a written policy compliance report to explain the results of the survey. The Co-op was in compliance except for one question that was about whether employees understand the system for determining pay raises.

Motion to accept Policy B1 and find it in compliance, seconded, **passed 7-0**

Policy B3: Communication & Counsel to the Board

The General Manager (GM) provided a written report about events and trends affecting store performance and stability.

There was a discussion in regards to the Co-op's current health insurance premium increasing by 7%.

Motion to accept Policy B3 and find it in compliance, seconded, **passed 7-0**

General Manager (GM) FYI Report

The General Manager (GM) provided an FYI report as an informal opportunity for the GM to update the Board on important Co-op information and for the Board to ask brief, clarifying questions.

1. Year-End Inventory – Just a reminder! Inventory is scheduled for January 3rd. We will be closed that morning to count but intend to open by 2pm.
2. Bike Racks – We are still working with the city to get them covered.
3. Produce Wet Rack replacement – We have placed an order through Market Equipment in Spokane for two new cases for our Produce Department. The total cost (including freight and installation) is approximately \$50,000. The install date has been pushed to the first week of December.
4. Cooler lighting – We were approached by the organization that performed our 2008 Energy Audit about our interest in replacing our Drinks and Milk cooler lighting (currently fluorescent) with LEDs. Avista has a rebate program so our total cost will only be about \$1000. **DONE**
5. Seed Sowers Fund – Last spring we were approached by the Twin Pines Foundation about creating our own Cooperative Community Fund. We applied for and received a grant to match the first \$5000 we raise. We are launching a *Change the way you Give* campaign on November 11th.
6. Bicycle Benefits – In January 2016 we are taking our rewards program that incentivizes bicycling to the Co-op a step further. We will be participating in a program called Bicycle Benefits. The best part about this new program is that it allows us to partner up with other downtown businesses to encourage and reward bicycle riding. Please see the attached flyer for more information.

Colette - The explanation of the Seed Sowers Fund is so complex, there needs to be a simpler explanation. For example, "We pay money into a fund, the fund is loaned to other Co-op's, we receive an annual interest payment back from the fund and we distribute that money to different community groups in the area. A Co-op committee comprised of staff and owners determines what community group(s) receives the money from the Seed Sowers Fund."

The Bicycle Benefits description is long and complex as well. Colette suggests simplifying it before soliciting business partners.

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

The Palouse-Clearwater Food Coalition is holding an event January 29th at Banyans on the Ridge in Pullman from 9-4. This event is a collaboration to increase access to local food. It would be great for Board members to attend.

Action items as of November 10, 2015

- Collaborate with Melinda to identify potential owner forum topics. *(IP)*
- The Nominations and Elections Committee will gather more information on staff serving on the Board and report back to the Board. Specifically, if this is even legal? *(IP)*
- Nominations and Elections Committee will be in charge of submitting an article for winter publication, due November 11th. *(Done)*
- Work on verbiage for elections making it clear for voters of how many people they need to vote for. *(IP)*
- Continue to look at B policies (other than B13, B6 and B7) for congruence with the new Ends and the purpose of B policies. *(IP)*

- Laurene to review the Co-op's bylaws (using drafted version with member-owner changes), and if she finds anything significant she will put it on the Board's agenda for directors to consider submitting for owner approval at the Annual Meeting in April. *(IP)*
- Policy and Bylaw will move forward with an approach to change current ownership practices. The Committee will consider changing ownership to allow for only one Primary owner, with all other persons having only the right to shop on the account. *(IP)*
- Policy and Bylaw to clean up B10 and make it clear. *(IP)*
- Policy and Bylaw to remove the annual planning document from B3 and add annual planning document to B8. *(IP)*
- Policy and Bylaw to merge and combine B6 and B7. *(IP)*
- Policy and Bylaw to look at the CBLD policy template. *(IP)*
- Strategic Initiatives Committee to schedule a meeting time to discuss different initiatives that could be discussed and researched with owner collaboration. *(IP)*
- Melinda to email the Board information about our stores deli department and how it compares to other Co-ops. *(IP)*
- Colette to send Joan updated information about the business partnership program. *(IP)*
- Melinda to remove Board members from Book People press release recipients list. *(IP)*
- Colette is working with Dena to find lodging for the Fall Retreat. *(Done)*
- Colette to find out if Art can facilitate our spring retreat. *(IP)*
- Laurene to find out the age to be an owner of the Moscow Food Coop. *(IP)*
- Melinda to share the Open Forum Presentation online. *(IP)*

Future Action Items

- Melinda to find out if GM in Boise is available to meet with us?
- Melinda will gather the information necessary to prepare for store expansion in Pullman.
- Laurene will complete pro bono research on member loan options.
Strategic Plan Timeline (some items duplicate action items above, but here are organized together)
- Melinda will share what policy she comes up with based on the charitable giving criteria.

CONFIRM AGENDA

Some additional items were added to the agenda:

- Identify 2016 Election Forum date
- Letter to primary owners

BUSINESS AGENDA

401K Updated Resolution (P)

Melinda gave a brief description of the updated 401K Resolution. The current plan allows employees to receive eligibility at 90 days of employment. Moving forward, we would like to extend eligibility to start after one year of employment.

Responses to the updated resolution:

- This is not an attractive incentive to employees, especially students.
- Asserts the Co-op's interest in keeping employees for more than one year.
- Offering a 401K is wonderful and fiscally responsible.

Motion to accept 401K Updated Resolution, seconded, and passed 5-1-1

FY2015 Patronage Dividends Resolution (P)

The Board of Directors of the Moscow Food Co-op does hereby resolve to pay the maximum patronage dividend to our owners, based upon the results of the 2015 financial statement review by the independent accountants at Wegner CPAs. Twenty percent (20%) of the patronage dividend will be paid out and 80% will be retained, with a \$2 minimum check cutoff.

A motion to accept FY2015 Patronage Dividends Resolution, seconded, and passed 7-0

NCG Member Agreements, Board Resolution (P)

The Board needs to authorize Melinda to sign the NCG Member Agreement form.

Motion to sign and renew the NCG Member Agreement, seconded, and passed 7-0

Audit pre-work update and timeline (D)

Melinda explained that the auditors came for a visit a couple of weeks ago. We are currently waiting for their formal report which will include a list of things we need to be doing differently. Our initial report was very good. The Financial Review will take place in March 2016 (of the complete 2015 financial statements). The complete final audit piece will begin with inventory on January 3rd, 2016 and will be completed in early 2017.

Bill is very glad the audit is happening and thanked Melinda for getting it taken care of.

Electronic Voting for 2016 BOD Elections (D)

Joe Gilmore gave a presentation on Votenet (A company that offers online voting).

Joe covered the following points during his presentation:

- Electronic voting pros:
 - General consensus on Votenet software is extremely positive.
 - Increase voter turnout.
 - Decrease staff hours needed to run the election table.
 - Vote notifications can be emailed to owners.
 - Votenet is easily shared on social media to inform others that you have voted for your Co-op.
 - Election candidate pictures and information go directly on the voting page keeping voters are well informed.
 - Voting records can be printed and stored electronically.

- Electronic vote is not section locked, you can return to the page before submitting your vote.
- Electronic voting cons:
 - We are missing email addresses for some owners and will need to gather them before sending out information for the 2016 election.
- A contract would need to be signed 45 days before the election. Three different support levels are available:
 - Pro version: \$1,200-\$1,400, email support only.
 - Premium version: \$3,400, all access and phone support.
 - Premium Hosted version: \$5,400, all services covered. We send them all the information and they do all the work for us, including manually entering paper ballots.
- Joe recommends we sign up for the Premium version for the 2016 election. It would be wise to have phone support available for the first election using Votenet. Once we have some experience under our belts we can subscribe for pro version and save on expenses for future elections.
- The Co-op will provide a kiosk to vote electronically in the store.
 - If an absentee paper ballot is requested, those in charge will need to remove the owner's name and number from the electronic option. The votes can be entered manually without a name on the ballot for confidentiality.

Questions and comments in regards to Votenet:

- Can we add an option on the voting system for people to fill in other personal information when they are voting – like an up-to-date email address?
 - Joe answered that this could be difficult to offer with voting but he could look into it.
- If we offer in store electronic voting we need to make sure it is ADA compliant.
- How do we get all owners emails added to the system before elections?
 - Joe confirmed that we have automatically been entering email addresses over the last couple months as new owners sign up.
 - We could offer incentives for owners to update their information and add email addresses.
 - We could offer e-receipts to get more emails and save on paper, in turn collecting addresses.
 - Postcards could be mailed out to owners offering a coupon as an incentive to update email address on file at the Co-op.

There was a discussion on paper ballots and if they should be offered in addition to electronic voting. Absentee paper ballots will be available by request.

Motion to have electronic voting with an option for paper absentee ballot only, seconded, **passed 5-0-2**

Motion to grant Kurt Obermayr as chair of the Board's Nominations and Elections Committee and Joe Gilmore as IT Manager authorization to be administrators on Votenet, seconded, **passed 6-0-1**

Primary Owner letter (D)

To comply with the Co-op principle of one owner, one vote and Federal securities law, the MFC needs to identify one owner with each owner account. There are approximately 600 owner accounts where the primary owner is not specified clearly. To remedy the situation, the Co-op will be asking persons on these accounts to identify the primary owner. The primary owners will have the voting right in the 2016 election and will be credited for all purchases on the account. In the event of a patronage refund, the primary owner will receive the refund check.

The first step in clarifying the primary owner will be to send a letter to each account in question. The Primary Owner letter needs to be very clear as to why we must make this clarification. It will be important to clearly convey the legal aspects of this change and why votes and equity will lie with the primary owner only.

Joe Gilmore confirmed that there has never been a set and consistent way of updating and maintaining the membership database in the past. He would like some clarity from the Board as to what he is required to maintain from their perspective.

Kurt suggests adding this topic as an Open Forum to give the owners an opportunity to receive clarity if they are confused as to why the letter was sent out.

Action: Owner Engagement to schedule an Open Forum for an opportunity to discuss the primary owner letter with members who have questions.

Action: Laurene to review and revise the Primary Owner Letter and present at the December Board Meeting.

Election Forum Date (D)

Colette led a discussion on the Election Forum date and location. The Nomination and Election Committee would like to host the Forum in the Co-op deli, but Colette is worried that the deli will not be large enough to host the large turnout expected for the 2016 forum.

Joe confirmed he would be able to mic any location we would like to have the Election Forum.

The Board agreed to host the Elections Forum in the Great Room at the 1912 Center to better accommodate the guests.

The Elections Forum will open the day after Elections open to encourage attendees to vote immediately. Voting dates will be March 5th – 13th

Action: Dena to reserve the 1912 Center Sunday, March 6th from 4pm – 6 pm. We will reserve the room 3-6:30

Election Recruitment (D)

Colette shared the importance of encouraging others to run for the upcoming elections. Please be sure to have candidates identify skills and experience they feel are important to offer to the Co-op Board of Directors. Also share the time commitment expected of a Board member, and how rewarding it is to volunteer on the Board.

Kurt – Dave Nelson is interested in running for the Board.

Action: Joe to update recipients of the boardelections@moscowfood.coop email to include Colette, Joan, Kurt, Toni and Dena.

Fall Retreat Agenda/Logistics (D)

The Fall Retreat will take place on Saturday, December 12th from 9-5. Lunch and snacks will be provided.

Location is Alex Lloyd's home @
1122 6th and Blaine. Yellow house

Todd will be creating an agenda before the retreat for the Board to review.

Action: Dena to send the CDS Policy Template by email to the Board and print one for Laurene and Colette.

Spring Retreat Agenda Dates (D)

Possible dates for the Spring Retreat will be either the 3rd or 4th weekend in April. Colette will continue to correspond with Art in regards to the retreat and keep the Board and GM notified.

Beer with the Board - December 8th (D)

Beer with the Board will take place Tuesday, December 8th from 5-6:30 in the Arts room at the 1912 Center. The Board Meeting will start at 6:30 in the Fiske room immediately following Beer with the Board. There will be heavy appetizers offered at Beer with the Board in lieu of dinner at the Board meeting.

New Board Member Committee Assignments (D)

Derick Jiwan was added to the Owner Engagement Committee and Policy and Bylaw Committee. Laurene Sorensen was added to the Policy and Bylaw Committee. Laurene also chairs the Owner Engagement Committee.

Committees: Reports/Work Plans progress (report)

Nominations & Elections – Kurt has to be off NE next year because he will be up for re-election
We have been looking into staff serving on the Board.

Policy & Bylaw – Action: Idgi to schedule a meeting. Regular monthly meeting is cancelled for November.

Professional Development – rescheduled for Monday, November 30th at 4:30 pm.

Owner Engagement – Laurene is now Chair of the Owner Engagement Committee. The Ad Hoc Committee is extremely active and reaching out. Laurene is putting together a Draft Report that will be submitted to the Board prior to the December 8th meeting for discussion.

Action: Laurene will add the Ad Hoc Committee's presentation to the Agenda for December.

BOARD ASSIGNMENTS AND MEETING REVIEW

Rooted submission:

November 11th – Two articles: 1. Growth and Expansion article (Melinda will write) 2. Elections article (Kurt drafted and sent to Board for review)

February – (Bylaws/Annual Meeting)

E-newsletter assignments:

November 10 – Laurene (Ad Hoc)

November 20 – Kurt (electronic voting)

December 10 – OE Committee

December 20 –

January 10 –

January 20 –

Upcoming dates to remember:

Work Session: November 16th 4-6

Beer with Board: December 8th 5-6:30

Fall Retreat – Dec. 12th location TBD

Elections Forum – March 6th 1912 Center

Action: Dena to cancel the December work session with 1912 Center.

Meeting review – This meeting went longer because of some required discussion. We will try and avoid going so long during future meetings.

Meeting adjourned at 9:00 pm.

EXECUTIVE SESSION

No Executive Session.

*Notes taken by Dena Van Hofwegen
Meeting adjourned at 9:00*

The next meeting will be December 8th at 6:30 p.m. immediately following the Beer with the Board event starting in the Arts room at 5 pm at the 1912 Center.

Signature of the Board President

Date