

**Moscow Food Co-op Monthly Board of Directors Meeting  
Tuesday, December 13, 2016  
Fiske Room, 1912 Center, 412 East Third St., Moscow, ID**

**Present:** Colette DePhelps (Board President), Kurt Obermayr (Vice President/Secretary)—present via teleconference, Laurene Sorensen (Treasurer), David Nelson (Board); Alex Lloyd (Board); Idgi Potter (Board)—arrived at 7:15pm; Tim Kohler (Board), Melinda Schab (GM); Willow Venzke (Board Administrative Assistant)

**Facilitator:** Colette DePhelps

**Guests:** Douglas G. Holloway, Mike Brown, L. Pye, Heather Nelson, Joe Gilmore, Scott Fedale, Kerry Morsek, Eric L. Jensen, Jamie Peters, Garrett Cabeza, Michelle Shannen, Betsy Dickow, Geoff Nelson, Kimberly Vincent, Carolyn Ferguson, Brennus Moody, Cathy Porter, Jack Porter, Tom Newhof, George Bedirian, Nancy Bedirian, Greg Meyer, Deb Reynolds, Kelly Moore, David Hall, Ashley Hamlin, Tim Nowell-Smith

**7 of 7 directors present, a quorum is reached**

---

**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.

Due to the high number of owners wishing to speak, Colette set a 2-minute time limit per person. Colette requested that owners who wished to speak begin by introducing themselves. Speakers were given the option of providing a copy of their statement to be included in the minutes.

**Betsy Dickow** shared that she has been an owner for 32 or 33 years. She expressed gratitude for Bill London's newsletter legacy continuing with in-store printed newsletters. Betsy would like to see better communication with the public, including seeing Melinda on the floor more often. Regarding Brennus's dismissal, she stated that it was a surprise to owners and that she feels a difference in the Co-op. In reference to Pullman expansion, Betsy said she is concerned about things moving too rapidly, and she would like to see the Co-op take baby steps in this process.

**Tim Nowell-Smith** expressed that he felt the Colette has brought sincerity to the Board. He shared that the Co-op should focus on linking local producers with consumers. Tim communicated that expansion is risky, and that Pullman grocery stores will create competition by selling more organic food, like Rosauer's has done in Moscow.

**Jeffrey Nelson** was hired by the Brennus Moody in the summer of 2014 to work in the meat department. Jeffrey has never met a more reasonable, fair employer. He stated that working without Brennus takes away a huge portion of his joy of working for the Co-op.

**Bekah Robb** shared that she hopes the Co-op doesn't start to use QR codes. She stated that people in other areas don't have the environmental awareness we have here, and that we should all pull together and be grateful. Bekah expressed interest in possibly volunteering on the Sustainability Committee. She also thanked everyone who has been contributing to the local food banks.

**Scott Fedale** shared that he has been an owner-member for 40 years. He read the following statement, and said the requests were from several owners:

QUESTIONS for the Co-op Board, December 13, 2016

Please ask the General Manager to provide the following information at the January meeting:

1. A report of turnover in management personnel (anyone with supervisory or financial responsibilities) in the last four years (2013-2016). Primarily managers and assistant managers, but may include other senior staff.
  - a. Is the board comfortable with this degree of turnover?
  - b. What can be done to provide stability in mid-management?
2. Results of exit interviews with managers and assistant managers who have left the Co-op's employment during this time.
3. A description of changes in management structure (i.e., positions created and eliminated), including the new "store manager" position.
4. A statement as to whether personnel policies are being consistently enforced, including due process for employees and the opportunity to appeal termination. (Reference Colette's letter that there is no grievance procedure for a terminated employee.)

**Glenn Holloway** was on the Board for couple of years. He came back to Moscow after being in the military, where he was the Chief of Critical Infrastructure for the Department of Defense. He stated that food is an important infrastructure, and that big farms are not the answer because they are not sustainable. Glenn questioned the goals of the Sustainability Committee, and stated that he would like to see a report of what the Co-op expects from the committee.

**Jamie Peters** shared her excitement for a future Co-op in Pullman, and said that there is a growing movement of people who support the expansion. Jamie stated that she obviously doesn't want to see the Co-op go under, but wanted to share her enthusiasm of seeing a Co-op to Pullman.

**Lida Saskova** shared her concern for moving senior discount day to Tuesday and questioned why it is happening. Melinda answered that senior day has been very successful for the Co-op. The Co-op gets major deliveries on Mondays and Wednesdays. With so much inventory being purchased on Thursdays, some shelves have been open by Sunday afternoons. Lida requested that senior discount day not be changed.

**Eric Jensen** read the following statement:

Comments Presented to the Board of Directors of the Moscow Food Co-op at Its Monthly Meeting on  
December 13, 2016 by Eric L. Jensen

My name is Eric L. Jensen. I am a lifetime member of the Co-op. I have been shopping at the Co-op since the store was located on Washington Street.

I was surprised and appalled to learn that Brennus Moody had been fired from the Co-op. Brennus was a long-time pillar of the Co-op organization. His customer service skills are excellent. He is very well liked by his customers. His knowledge of the meat department is excellent. He has made the meat department at the Co-op into the best in the region.

I am formally requesting an independent, external investigation into the termination of Brennus. What was he accused of? Was this accusation suitable grounds for termination? There is a basic principle in criminal law which is clearly applicable to the situation of termination of employment: proportionality. That is, the sanction for an infraction should be in proportion to the harm caused by the infraction. Of course, this investigation must include interviews with Brennus. His side of the story must be heard by the independent investigator.

Further, there needs to be a thorough assessment of Co-op human resources policies and practices by an external expert. Are these policies and practices acceptable by professional standards in the field?

We must get to the bottom of the problem here and solve it.

**Kimberly Vincent** served on the Board for 9 years, including being president for 4 years. Kimberly stated that she posted on Facebook when she found out that Brennus had been fired. She shared her own frustrations as well as those she heard from the Director of the Moscow Chamber of Commerce regarding the dismissal of Brennus, including rumors of bullying and retaliation at the Co-op by the General Manager. Kimberly would also like to see Melinda on the floor more often.

**Carolyn Ferguson** is currently a substitute employee at the Co-op, and has recently quit working full time due to an unpleasant workplace. Carolyn said that bullying and retribution are occurring. She expressed frustration concerning the culture of the Co-op and certain practices that are taking place.

Colette shared that the Board appreciates that the owners came and spoke. She said that the Board hears and takes very seriously everything people have had to say. The Board will discuss the comments and requests in Executive Session to decide how to proceed. She shared that *all* feedback is appreciated, positive and negative. She reminded owners that emails to [board@moscowfood.coop](mailto:board@moscowfood.coop) are confidential only to the Board, and that owners are welcome at any Board meeting. Colette also gave her direct email address, [cdephelps@moscowfood.coop](mailto:cdephelps@moscowfood.coop).

---

## STUDY & ENGAGEMENT

The Board did not have a Study and Engagement topic for the month of December due to Beer with the Board being held prior to the meeting.

---

## CONSENT AGENDA

### Minutes:

Motion to accept the November 2016 Board of Director meeting minutes, seconded, passed 6-0-0

### GM Compliance Reports:

#### Policy B1: Financial Condition and Activities

The General Manager (GM) provided a written report, per Policy B1, about the Co-op's financial activities. The Board showed appreciation for Melinda's work.

Motion to accept Policy B1: Financial Condition and Activities, and find it in compliance, seconded, passed 6-0-0

#### Policy B7: Communication to the Board

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

Motion to accept policy B7: Communication to the Board, and find it in compliance, seconded, passed 5-0-1

---

## GENERAL MANAGER FYI REPORT

December 2016 FYI Report –  
No action needed

1. Please see the attached update from Dave Swanson at Dorsey Whitney.
2. In October, we had some work done on one of the Meat coolers – we've ordered a replacement that should arrive in January.
3. We worked with Carlton Electric and Avista Utilities to replace 90 fluorescent lightbulbs in our T8 fixtures (mezzanine, Kitchen, Bakery, back hallway, receiving area) with LEDs. After the rebate from Avista, our total out of pocket was under \$300.

4. We have a new hot water heater on order because the existing one is failing.
5. We received a renewal notice from Shook Leavitt for Directors & Officers Insurance for 2017. I'm happy to report that there was no increase in our premium amount.
6. We are participating in a community-wide conversation about developing a Moscow-Pullman bike-share program. We are looking to be a founding organization and to have our own bike-share location on the property.
7. Tasteful Thursdays begins on November 3<sup>rd</sup> and continues through Christmas.
8. The Fall Gathering event was so successful that we are planning a Winter Gathering, tentatively scheduled for January 9<sup>th</sup>.
9. Melinda's upcoming schedule and other events:
  - December 24<sup>th</sup> – store closes at 6pm
  - December 25<sup>th</sup> – store closed
  - December 31<sup>st</sup> – store closes at 6pm
  - January 1<sup>st</sup> – store closed
  - January 2 – store closed for ½ day due to inventory.

Update from Dave Swanson at Dorsey Whitney:

1) Original plans were for my colleague Morgan Helme to write the white paper. She has been out of commission (not a health problem, but farmed out to a client's office for on-sight work) and has been unable to get to the White Paper. So Kelsey Dolven – another of our associates in our coop group – is going to work on this. I expect we will have a draft relatively shortly.

2) On the bylaw project, I reviewed the draft bylaws and will have a few comments to suggest. I told Dena I would give her a cost estimate first. I would do this for \$1,000 fixed cost if that is acceptable to you. This would include providing some comments and some suggested additional paragraphs for the Patronage Dividends section, as well as follow – up discussion with Melinda and the board if desired (I could do this either in a phone call or via emails). I think it is most efficient for me to do this project myself, because I have had a lot of experience with natural food coop bylaws and the CDS bylaw template.

Sorry to be slow on all this. I am very enthused about working with Moscow Food Co-op, even if that doesn't seem consistent with my slow responses.

Dave

David P. Swanson

.....  
 D O R S E Y & W H I T N E Y L L P  
 P: 612.343.8275  
 C: 612.963.7863

---

## BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

### BOARD Action Items– 12.13.2016

#### Owner Engagement (*internal action items kept separately*)

1. Owner Engagement to discuss bringing in a guest speaker for the Annual Meeting.—*In progress*

#### Nominations and Elections (*internal action items kept separately*)

1. Confirm publicity for the upcoming election.--*Done*

#### Policy & Bylaw (*internal action items kept separately*)

#### Executive Committee (*internal action items kept separately*)

#### Strategic Initiatives (*internal action items kept separately*)

#### General

1. Melinda will provide the Board with a document that specifies NCG and DC targets for expansion readiness.—*In progress*
2. Board to look at policies of expansion.—*In agenda*
3. Melinda and Joe to go through FAQs on website and update as needed.—*In progress*
4. Laurene to talk to Thain Joyal regarding bylaws on special meetings.—*In progress. Possible conference call.*
5. Laurene to research statutory obligations and boundaries.—*Willow to clarify to Laurene--Done*
6. Colette to find email regarding Armory Board room price quote--*Done*

#### Future Action Items (These items are in process and ongoing)

1. Melinda to verify that the ownership form aligns with new bylaws when they're adopted.
2. Revisit the topic of "staff serving on the Board of Directors" January 2017.—*Added to January 2017 Agenda as Study and Engagement topic.*
3. Create an Advocacy Committee that will keep the Board informed of topics related to Food policy and democracy in action. (This item is on hold until further notice.)
4. Make a timeline for the capital campaign and consider hiring a capital campaign manager. (This item is on hold.)
5. Go over in Board orientation: What does it mean to be a fiduciary? What is our responsibility?
6. In Board orientation, stress the difference between business and personal finance.
7. Include in Board orientation where we are in the expansion process.

## DONE

- ✓ Policy and Bylaw will review old policy C3/new policy D4 regarding the timing of Melinda's evaluation.
- ✓ Policy and Bylaw to prepare the Policy Appendices for adoption by the Board at the December Board Meeting.
- ✓ Policy and Bylaw Committee will develop a policy that allows the Co-op membership access to notify members of a special meeting to meet the quorum requirements of 10%.
- ✓ Melinda to obtain turnover rate.
- ✓ Schedule a Work Session to discuss the suggested FAQ's from the "Growth Roadway" article.
- ✓ Kurt and Idgi will meet to discuss Board document archiving and decide how they would like to move forward before discussing the topic with Melinda, then Joe.
- ✓ Melinda to get David the pricing from CPA.
- ✓ Update Co-op website to reflect newly adopted policies (ends).
- ✓ Willow to get a printed updated ends policy to Tim.
- ✓ Willow to add to Board executive session agenda item: expansion.
- ✓ Inform Owner Engagement of possible speaker for Annual Meeting. Steve Peterson.
- ✓ Add wording into Policy B4 "...the required member equity, or fair share, determined by the Board, is \$150."
- ✓ Add establishing owner share price to December Business Agenda.
- ✓ Get in touch with WSU student that had previously emailed regarding growth in Pullman for the purpose of Board recruitment.

---

## CONFIRM AGENDA

Additions/changes to the Business Agenda:

- Move banking document to January agenda when Kurt will be present.
- Approval of finances to Dorsey Whitney for review of bylaws.

---

## BUSINESS AGENDA

### Financial approval for review of bylaws (P)

Dorsey Whitney will charge a flat fee of \$1,000 for review of bylaws. Board would like to give Dorsey Whitney a deadline to assure that we get the bylaws returned in a timely manner.

Move to approve \$1,000 payment with a deadline of January 4<sup>th</sup>, seconded, passed 6-0-0

### Establishing member share price (D)

This item is not necessary to discuss. It was voted on last month.

### Brainstorm potential Board applicants (D)

David shared that he is open to hear suggestions of possible candidates, and to email him with any recommendations. Greg Meyer (present) was asked if he was interested. He did not commit. At Tasteful Thursdays, a representative of the Board will staff a recruitment table. This Thursday: Laurene and Colette. Next Thursday: David.

### Request budget for speaker at Annual Meeting (O)

Laurene requested the budget for a speaker at the Annual Meeting. A discussion followed regarding transportation and lodging if the speaker is not local. Board discussed the local recommendation: Steve Peterson, a Professor in Economy who completed impact studies for the Moscow Farmer's Market and the Co-op. Board agreed to ask Steve first, and if he isn't available, Owner Engagement committee will choose a speaker and present a specific budget request to the Board.

Action: Colette to contact Steve Peterson and ask him to be the speaker at the Annual Meeting.

### January work session date (Jan. 17<sup>th</sup>) (D)

It was agreed to hold the work session January 17<sup>th</sup> from 5-7pm.

### Proposal for Growth Project Presentations (P)

An outline was presented regarding what the Board would like from the GM when an option for growth is put before the Board. The Board requested adding "Includes NCG and DC requirements" under the financial feasibility tab. Also, #6 was changed to "Specific requests of the Board" and "Other" became #7.

*Idgi joined the meeting at 7:15pm.*

Colette updated Idgi on the changes to the document.

Motion to approve proposal including additions, seconded, passed 7-0-0

### Patronage Dividend Resolution (P)

Melinda explained that in October 2015, the Board voted on approving patronage dividends in advance of having financials. This year will be the same. The Board discussed the document.

Motion to approve patronage dividend resolution, seconded, passed: 7-0-0

Colette signed the resolution to be given to the Co-op's Finance Manager.

### Policy C5 (P)

The Board discussed proposed Policy C5, and decided that some points that need to be clarified before voting. Policy C5 will be sent back to the Policy and Bylaw committee for editing and clarification.

### Policy Appendices (P)

Called to vote, approved 7-0-0



## Committees: Reports/Work Plans progress (R)

Nominations & Elections – David proposed adding Sofia Marrion as a Participating Owner to the committee. This will be voted on in Executive Session. Joe from IT gave presentation to committee on electronic voting process. The committee discussed the option of a comment box on the electronic ballot, and the Board decided against this option.

Policy & Bylaw – Worked on Growth Project Proposal and Policy C5.

Owner Engagement – Planning Annual Meeting. The speaker is to be determined. Colette will let committee know if Steve Peterson is unavailable.

Strategic Initiatives – Has not met.

Colette brought up whether this committee should reconvene due to an owner's requested action item of creating an advocacy committee that will keep owners informed on policy. The committee should consider whether or not this is the time to create the requested committee.

It was requested that the Board look at the Farm Bill as Study and Engagement in the future.

**Action: Colette to put together Farm Bill information for Study and Engagement.**

Executive Committee – Did not meet this month.

---

## **BOARD ASSIGNMENTS AND MEETING REVIEW**

### **E-newsletter brief-200 words or less**

Due the 10<sup>th</sup> and 20<sup>th</sup> of each month

- (10<sup>th</sup>) No submission this month (holiday-focused).
- (20<sup>th</sup>) Elections—Willow

### **Community News online/printed: "Board News" – 800 words or less**

Due the 20<sup>th</sup> of each month—Tim

- Summarize latest Board meeting.
- Introduce the Growth Project Proposal document.
- In January, David will write about elections.

### **Rooted "Looking Forward" event submission – 80 words or less**

February 2017—Willow

- Board meetings
- Beer with the Board
- Elections events

Rooted article – 600 words for single page; – 1200 words for double page

February 2017— Colette

- Bylaw revision
- Annual Meeting
- Elections

Upcoming dates to remember:

January Board meeting: January 10<sup>th</sup>, 2017

January Work session: Jan 17<sup>th</sup>, 2017

Board Candidate Orientations: January 25<sup>th</sup>, 2017

Board Candidate Forum: March 5<sup>th</sup>, 2017

**Meeting review**

Board felt that Colette conducted the Public Forum very well.

*Notes taken by Willow Venzke*

*Meeting adjourned at 7:57pm*

---

The next meeting will be Tuesday, January 10<sup>th</sup> at 6pm in the Fiske Room at the 1912 Center.

Executive Session: Board approved appointment of Sofia Marrion to the Nominations & Elections committee. 7-0-0

---

Signature of the Board President

Date