

Moscow Food Co-op Monthly Board of Directors' Meeting
Tuesday, December 8, 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 and *Debi Robinson-Smith (in training)*

Guests: Joan Rutkowski, Joe Gilmore, Greg Meyer, Scott Fedale, Diana Armstrong, Kenton Bird, Jeanne Leffingwell

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.

Diana Armstrong – Would like for employees to be able to run for a position on the Board of Directors. In her opinion, it is undemocratic, self-defeating and reduces the possible candidate pool for the Board if employees can't run for election. Kurt confirmed with Diana that there are certain tax laws we need to be certain about, and approving bylaw changes can only happen during our Annual Meeting. Diana would like to see a vote during the next Annual Meeting to allow an employee to run for the Board of Directors. Diana would also like to see this topic discussed during an Open Forum.

Kenton Bird - has a follow up question regarding employees serving on the Board of Directors. He would like to know when this subject would need to be on the agenda for the Annual Meeting in order to have it voted on.

Action: Colette to let Kenton Bird know when the topic of “employees serving on the Board” needs to be added onto the Annual Meeting Agenda in order to be a vote.

Action: Joan Rutkowski to send Diana Armstrong articles that she has read relating to employees serving on the Board.

Kay addressed the speakers of the forum, clarifying that the Board will consider the owners' concerns and the Board President will contact them with responses.

STUDY & ENGAGEMENT:

Beer with the Board was held in place of Study and Engagement for the month of December. The event took place just prior to the meeting next door in the Arts room at the 1912 Center.

CONSENT AGENDA

Minutes:

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

GM Compliance Reports:

Policy B3: Communication & Counsel to the Board

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

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

Policy B9: Q3 Financials

The General Manager (GM) provided a written report regarding the current financial conditions.

The Board commended Melinda on her job well done in regards to financials. The Co-op debt is at a reasonable place which will be a benefit as we move forward with expansion and take on some more debt.

Motion to accept Policy B9 and find it in compliance, seconded, **passed 7-0**

BOD Policy Compliance Survey

C3: Calendar of performance

There were no flags in terms of this policy.

Colette confirmed for the two newly appointed Board members that Melinda did provide all the requested information in regards to the request for a compensation increase this year.

Action: Dena to include Melinda in all future Survey Monkey surveys.

Motion to accept Policy B9 and find it in compliance, seconded, **passed 7-0**

D1: Governing Philosophy

Board members scored lower than normal in regards to clarity of expected participation. This subject will not be discussed tonight but during the retreat this coming weekend.

There was some confusion from guests regarding what the Board was discussing since the paperwork wasn't included in the guest packet offered at the meeting. Bill thought it would be beneficial to discuss what information should be included in the guest packet for visitors attending Board Meetings.

Colette would like to add this topic to the business agenda for later discussion. If there is not time to discuss it tonight it will be moved to the January Board meeting agenda.

Motion to accept Policy D1 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 – The racks on the patio should be covered by the December Board meeting!
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 back further to the 8th December. This will disrupt business somewhat.
4. NCG Meeting – The winter Western Corridor Meeting begins at 4pm on January 26th and goes through January 28th in San Francisco.

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

Action items as of December 8th, 2015

Owner Engagement (*internal action items kept separately*)

1. Collaborate with Melinda to identify potential Owner Forum topics. – *In Process*
2. Owner Engagement to schedule an Open Forum for an opportunity to discuss the primary owner letter with members who have questions. – *In Process*
3. Laurene will add the Ad Hoc Committee's presentation to the Agenda for December. - *Done*

Election/Recruitment (*internal action items kept separately*)

4. 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? – *In Process*
5. Work on verbiage for elections making it clear for voters of how many people they need to vote for. – *In Process*

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

6. Continue to look at B policies (other than B13, B6 and B7) for congruence with the new Ends and the purpose of B policies. – *In Process*
7. Policy and Bylaw Committee will ask 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. – *In Process*
8. 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. – *Idgi met with Laurene, Joan and Joe to discuss this, In Process.*
9. Policy and Bylaw to clean up B10 and make it clear. – *In Process*
10. Policy and Bylaw to remove the annual planning document from B3 and add annual planning document to B8. – *In Process*
11. Policy and Bylaw to merge and combine B6 and B7. – *In Process*

12. Policy and Bylaw to look at the CBLD policy template. – *In Process*
13. The Bylaws need to be updated in order to define what Board member participation needs to be in order to remain on the Board. – *In Process*

Professional Development (*internal action items kept separately*)

Strategic Initiatives (*internal action items kept separately*)

14. Strategic Initiatives Committee to schedule a meeting time to discuss different initiatives that could be discussed and researched with owner collaboration. – *In Process*

General

15. Melinda to research food safety in regards to serving food in a self-serve bar. – *In Process*
16. Laurene to investigate legal structure of member loans offered in Idaho and Washington. – *In Process*
17. Melinda to email the Board information about our stores deli department and how it compares to other Co-ops. – *In Process*
18. Colette to send Joan updated information about the business partnership program. – *In Process*
19. Melinda to remove Board members from Book People press release recipients list. – *Done*
20. Colette to find out if Art can facilitate our spring retreat. – *Yes, he can, the date is still TBD.*
21. Colette to ask Todd G our attorney, what is the age to be an owner? – *Done, this has been resolved through policy.*
22. Melinda to share the Open Forum Presentation online. – *In Process*

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

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

CONFIRM AGENDA

Discussion of contents in the Guest/Owner Email Packet

BUSINESS AGENDA

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.

Board of Director Laurene Sorensen presented a draft letter intended to be mailed to the 600 accounts that need clarification. Below are some of the questions and concerns that arose from presenting the letter:

- There are multiple accounts in the database that need to be cleaned up including 600 ownership accounts with 1,200 receiving the Primary Owner Letter.
- Who would receive the patronage dividend and be able to vote?
- Who owns the equity? What happens if there is a divorce?
- Do we need to address the federal securities law in this letter?
- This is an issue that is going to cause some upset in the ownership and we need to take the time to explain it.
- We are not able to transfer equity in the ownership; this is a correction on the account, not a transfer.
- These accounts need to be cleaned up to have a successful electronic election in 2016.

Joe Gilmore provided some clarification in regards to the ownership accounts. There is one primary owner on an account, all equity shares are equal regardless of being described as household or life-time.

Action: Owner Engagement Committee to schedule an “Information Session” for owners’ receiving the Primary Owner Letter to attend if they have questions or concerns.

Action: Laurene to include scheduled “Information Session” date in the Primary Owner Letter.

Action: Primary Owner Letter to be mailed by December 20th. The deadline for owners’ to provide corrections if the primary is incorrect will be February 12th.

Ad Hoc Committee Presentation (R)

The Ad Hoc Committee was a temporary committee charged with the following specific tasks.

- identify specific gaps in owner communications & other services/values lost with discontinuation of the *Community News*
- assess to what degree, current communication strategies address the gaps and services/values provided by the *Community News*
 - identify possible options for addressing remaining communication gaps
 - propose options to the MFC Board for consideration

As Owner Engagement Committee Chair, Laurene summarized the proposed memorandum below. The report is so long and extensive that the suggested topics will need to be discussed at multiple meetings of the Board.

Memorandum

To: MFC Board

From: Laurene Sorensen, on behalf of the Ad Hoc Subcommittee on Owner Communications

Date: December 8, 2015

Re: Recommendations for Owner Communications: Topics, Media, Concerns

The following report is based on discussions during meetings of the Ad Hoc Subcommittee on Owner Communications and on emails solicited from a group of members (~16) and transmitted by Jeanne Leffingwell of that subcommittee, assisted by Romney Boehm. This is not a scientifically sound gathering of representative data, nor is it intended to be. Rather, it is a gathering of rich, anecdotal feedback. The author of this memorandum has added additional analysis and observations.

I. Topics

The group of owners who communicated with Jeanne and Romney had the greatest appreciation for content on the following topics (ordered by popularity). This list combines what some miss in a printed Community News (sometimes referred to herein as "CN") and what some said they would like to see emphasized more, regardless of the mode of communication or engagement. (Not all of this content appeared in recent years of Community News.)

Some of the following topics are found via other communication tools; Marketing & Outreach staff representatives on the committee have noted in brackets where these topics/opportunities can be found. Providing this context is not meant to imply that the degree or depth of communication satisfies every owner's needs.

Ad Hoc committee discussion about these topics revealed an underlying concern that even if some topics are available electronically (via online Community News or elsewhere), some owners won't engage online. Because some of these owners who aren't connecting electronically might do so with education and assistance, there also is a desire for greater publicity about where information can be found. Marketing & Outreach Department staff who serve on this committee have increased this publicity over the last couple of months and will implement additional publicity ideas if needed as directed by the GM following Board feedback on this report.

Desired/missed content:

- *A wide range of features and content that go beyond marketing the Co-op's products.*
- *Profiles of staff, customers, food producers, and volunteers. [Staff profiles are in the online CN, and profiles of food producers are in each Rooted issue. (Rooted is published quarterly.)]*
- *Owner-to-owner communications*
- *Stories about people and/or the land. Stories are a tool for connecting people with each other, and connecting the present to the past. [Rooted is now where stories about people and/or the land are featured.]*
- *A safe venue for member opinions, including healthy feedback and dissent. "Dissent" in this context means disagreement with the actions or opinions of the Co-op's management or Board, or of other owners.*
- *More information about what the Board is doing, and quicker dissemination of it. [Board news is currently found online under the Board tab, in online Community News, and via the semimonthly e-newsletter, but only when Board members submit articles.]*
- *Co-op history. [Co-op history is featured in each issue of Rooted and is found on our website. This is not something that was a regular part of Community News.]*
- *Growth plans.*
- *Food and drink: its health benefits, preparation, and what distinguishes the Co-op's offerings from those of commercial supermarkets (local, natural, sustainably produced, etc.) [Product education and features are in each issue of Rooted.]*

- Gardening and local food production. [One or both are featured in each issue of Rooted.]
- Product knowledge. [Some product education is in each issue of Rooted, and a few shelf signs provide further information about products.]
- Recipes. [Recipes can currently be found in the black information rack, which is across from the Customer Service Desk; next to certain items in the produce department; and during weekly recipe and product samplings in the store.]
- Sustainability.
- Community events. [Submitted announcements of community events are posted weekly if not sooner via our online calendar, a monthly printed calendar is on the front bulletin board, and 2-3 events are featured at the beginning of each month's online Community News.]
- Other: book reviews, essays, health, and Q&A. [The Moscow Public Library's review of new food/farming books is featured in the online Community News, and we have begun printing this column in Rooted as well; health is talked about via product education in Rooted.]

II. Media

A. The front end

Many respondents talked about the checkout counter and how front-end staff promote owner engagement. They interface not only with owners, but also with non-owners and transient visitors, and are the sales force for new memberships and renewals. We don't have a way of counting individual customers, but our point-of-sale system shows that we have on average 11,000 transactions per week.

Recommendations for check stand/front end of store:

- Offer copies of printed information when possible; previously this included Community News. Check stands are already the primary point of contact for owner enrollment and renewal. [Limited copies of online Community News are now printed and available at the bulletin board near the ATM.]
- Display printed information for users to pick up. Most respondents who talked about CN said they got their copy from the check stand, sometimes returning it after reading it in the deli.
- Provide bag stuffers for critical information [We currently do this for certain events, such as elections and the growth forums.]
- Promote voting in elections [Voting is promoted through all communication platforms; in the front end, information about voting/elections is shared by cashiers, printed on receipts, publicized on posters, and in Rooted, which is at each check stand.]

B. Rest of the store

Owners also suggested ways that the rest of the store could be more of a communications platform for a variety of information as well as promotions. A big change in recent years has been the customer service kiosk. One participant said we should think about what data is most effectively presented in store versus online. Focusing energy on shoppers who come into the store is logical, because it relates to the store's business mission, and because shoppers are demonstrably engaged stakeholders.

Suggestions included the following:

- A large, erasable calendar of events, possibly replacing what's above the microwave/utensil area. At present a smaller printed calendar is displayed at the front-of-store bulletin board.
- A "Read Me First" easel to display time-sensitive action items for owners: forums, surveys, elections, and PO openings. Right now we have two content-rich bulletin boards that display both "static" and "dynamic" data. A shopper in a hurry may not have the time to parse through all of this content.
- [This topic is addressed earlier in this memorandum.] Information about products posted where those products are displayed. This could include reasons to choose the Co-op product rather than a conventional one (fair trade, sustainably produced, local, etc.) One writer said it would be like having "bits of CN". The Wine Spectator cards in the wine department are a good model. [The Co-op's Merchandising Manager is

considering how to display more product information without overwhelming and confusing customers. We provide some info via Owner Picks.]

- Enhanced offerings at the customer service kiosk, such as “tech support” for online voting and surveys. Some of these could be PO tasks, as they are distinct enough from existing staff duties.

C. Print

Some participants, including those in dialogue with the committee, expressed disappointment with the loss of the printed CN, and the “Topics” list above includes the specific components of communication that they miss the most. Several of these people admit that they only read the articles that interested them, and most picked up their copy of CN in the store rather than at remote locations, although one person commented on how she liked to find the CN at businesses’ waiting areas. One limitation of CN was its monthly nature, prohibiting truly current coverage of news.

Here are some recommendations for future print communication:

- A two-page (both sides of one sheet) flyer that reports essential news from the Board and news from the GM.
- Do an all-owners canvass, possibly in the context of elections, to identify which owners need to receive physical mailings of key documents, because they are truly offline. This should not be a large group.
- Remind owners that CN archives are online.
- A one-sheet “teaser” distillation of news from the online CN, with links to the website. This could be a bag stuffer. [We do a teaser with the e-newsletter that’s emailed to our list; no print teasers to date other than the actual printed copies on the bulletin board.]
- Be a sponsor or key advertiser in, but don’t ‘own’, a community-produced alternative paper.
- Enhance coverage of Co-op events in other print venues, including college papers. [We have a volunteer who submits press releases to area publications each month.]
- If another printed newsletter is published in the future, print fewer copies. Many readers read CN on site and left it for others rather than taking it with them. This partially explains why so many copies were left at month’s end.
- Print the online CN for in-store enjoyment. [DONE.]
- Print and circulate the communications tools list widely. [IN PROCESS.]
- Be sustainable about use of paper. Quarter sheets are good.

D. Online

Online communications from the Co-op are typical of those from other organizations: fragmented across many electronic platforms.

- For critical communications, we need a single mode of electronic contact that is a ‘must’ for owners, so they don’t miss something because they looked at the website but not Facebook, etc. Many computer-savvy owners won’t read an online newsletter, or other e-comms, because they spend their work life looking at screens. The CN was an easy way to do community outreach; now we need to find new ways to reach non-members effectively.
- Put the calendar of events on the first level of the website.
- Do an all-owners canvass to identify an email address for critical /actionable announcements, and set up a dedicated ‘from’ address. Encourage owners to whitelist it in order to ensure receipt of messages. [If a new owner provides an email address on the sign-up card, they will automatically receive “Co-op news” via the e-newsletter unless they mark that they want to opt out.]

E. Owner-to-Owner Communication Initiatives

One perception of CN is that it connected owners to each other. This achieved community building, free exchange of ideas rather than one-way transmission, and a venue to express concerns about crises. Suggested ways to do this in the future:

- *Run an owner/ member column in Rooted and perhaps in other forums. This would be more directly about the Co-op and not the thematic features already written by Participating Owners.*
- *Host panel discussions featuring longstanding members, aimed at transmitting institutional memory.*
- *Have breakout groups at large meetings.*
- *Offer other forums, such as one to explain voting rights.*
- *Start a moderated online discussion group.*
- *Publish Facebook pages.*

III. Concerns

Many of the comments we received were from owners who see discontinuation of CN as one symptom of a fundamental change in “Co-op culture;” others are the decision to open a second store in Pullman; the confidentiality provision of the volunteer code of conduct that is required for Board committees (but not other PO roles); and changes in the volunteer program. They contend that the past, the organization was much more transparent and “grassroots”; today, upper management and the Board are more remote and “corporate,” keeping owners out of the loop on major decisions until those decisions are a done deal, and the store is at risk of turning into a “mini-Whole-Foods” rather than a “third place.” The Board’s minutes, where such decisions are reported, are not released until after the following month’s Board meeting, when the Board approves them. This means that if an important topic is brought up at one meeting, owners won’t know about it until after the following meeting, when action may already have been taken. . How can we address these concerns?

- *We need to find a way to get owners in the loop on Board discussions so that they can provide input in a timely manner, such as by disseminating a “Board Highlights” summary shortly after each meeting. A Participating Owner or staff member could do this.*
- *To increase perceived visibility of the GM and other top managers, post photos of managers along with Board photos in the front of the store; have them staff the Customer Service desk; hold “office hours” periodically at a location on the main floor.*
- *Provide educational events and publications about competitive realities, where MFC fits in the context of other food co-ops, the nature of Co-op culture, the Co-operative business model, and Co-operatives in general.*
- *Commemorate and honor long-time members, including life members.*
- *Make better financial disclosure to the public.*
- *Request that the Board re-examine the language of the confidentiality agreement document for Board committee members to make this document more specific about what types of items should be kept confidential, so committee members (and potential ones) will have a clearer idea of why they are being asked to sign this document.*
- *Clarify that the confidentiality agreement only pertains to members of Board Committees – other volunteer roles do not involve any confidentiality requirements.*
- *Encourage owners to acquaint themselves with key documents such as the bylaws and strategic plan.*
- *Have a mailing list for people interested in the growth process. (DONE.)*
- *Have more community events*
- *Educate owners on the reason the PO program and discount system was restructured and the types of opportunities now available.*
- *Have one pre-election forum that focuses on process, e-voting, “one member– one vote,” and the representative democratic model, rather than on candidates.*
- *Streamline the procedure for approving minutes, so they can be available sooner to owners. Some ways to do this are to have e-mail approval; consider them at the work session following each Board meeting; and make minutes much shorter by omitting the transcript-like accounts of discussions.*
- *As a counterbalance to shorter minutes, encourage owners to come to Board meetings and stay for the whole meeting—not just the public comment period—so they will know what was discussed.*
- *Extend the public comment period at Board meetings beyond its present 10- minute limit; it’s not widely known that this already is possible, so meeting information should make this more clear and widely known.*

- *Start a dialogue with owners about the intersection of alternative culture and the Co-op, and the divergences between them.*
- *Expand owner involvement in the Owner Engagement Committee. (It initially had two volunteers, one resigned, and the charter allows for three.)*

Merging Ad Hoc into Owner Engagement (D)

Laurene Sorensen led a discussion on merging the Ad Hoc Committee into the Owner Engagement Committee. The Ad Hoc Committee was initially formed as an issue spotting group and now needs to merge with Owner Engagement as a practical matter for time restrictions.

Owner Engagement Committee is currently looking for a Participating Owner to join the group.

D1 packet discussion

The Board discussed the contents that are included in the guest packet and owner email packet regarding Board meetings. It was suggested to include more relevant information in the packet and approve minutes faster so guests are better informed of what is being discussed at the Board meetings. It was recalled that condensed financials are included quarterly. There was a mix of opinions on whether or not Melinda's compliance reports should be included in the packet to owners.

Nothing was currently changed in the contents that are shared in the owner email distribution list and guest packets.

There was a general consensus that the owner email list should receive the approved meeting minutes the day after the Board meeting.

Action: Dena to email approved meeting minutes to the Owner Email list the day after Board meetings.

Committees: Reports/Work Plans progress (report)

Nominations & Elections – Kurt would like to put a notice of electronic voting on the website and include this information with a link in the next e-newsletter publication.

Action: Joe to include information about electronic voting on the website by December 11th.

Policy & Bylaw – met in regards to the Primary Owner Letter.

Professional Development –

Owner Engagement – submit e-newsletter publication for this Thursday.

BOARD ASSIGNMENTS AND MEETING REVIEW

Rooted submission:

February – (Bylaws/Annual Meeting)

May 18 –

E-newsletter assignments:

December 10 – OE Committee
December 20 – Elections
January 10 – OE Committee
January 20 – Elections

Upcoming dates to remember:

Fall Retreat: Dec. 12th 9-5 1122 6th Street
December Work Session cancelled
Work Session: January 18th 4-6
Cultivating Co-operative Roots Conference: February 5-7 Spokane
Elections Forum – March 6th 1912 Center

Meeting review –

Meeting adjourned at 8:00 p.m.

EXECUTIVE SESSION

Development Co-op Visit – Growth

*Notes taken by Dena Van Hofwegen
Meeting adjourned at 8:00 p.m.*

The next meeting will be Tuesday, January 12th at 6:00 p.m. (with dinner beginning at 5:30 p.m.) in the Fiske Room of the 1912 Center.

Signature of the Board President

Date