

Moscow Food Co-op Monthly Board of Directors' Meeting-Approved
Tuesday, April 14, 2015, 6 p.m.

Present: Idgi Potter, Colette DePhelps, Glenn Holloway, Bill Beck, Kurt Obermayr, Charlene Rathbun, Alex Lloyd (Board); Melinda Schab (GM); Sara Miller (Board Administrative Assistant)

Facilitator: Kay Keskinen

Guests: Joe Gilmore (Staff), Joan Rutkowski (Staff), Deb Reynolds (Staff); Kenton Bird (Owner), Ellen Thiem (Owner), Logan (Owner)

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. Three members of the public addressed the Board with interest in reinstating the Co-op's *Community News*.

Kenton Bird introduced himself as a lifetime Co-op owner and thanked the Board for their service, with a special thanks to Laurene Sorensen for the time she put in for the Board. Kenton thanked the Board for providing him the opportunity to address his concerns over the Co-op's decisions to cancel the monthly *Community News*. Kenton asked the Board to reconsider cancelling the newsletter based on three concerns:

1. The owners received no advanced notice or opportunity to comment or suggest alternatives.
 - a. The first Kenton heard of the newsletter cancellation was in April, after the last addition in March was published. Kenton found the announcement in the GM column, but felt there should have been mention in the title or the subheading rather than "burying the lead" deeper in the article. He felt this announcement did not provide a good understanding about what the Co-op intended to do.
2. No longer providing a newsletter may alienate a specific demographic of owners.
 - a. When Kenton inquired about why the newsletter was cancelled, he was told most of the newsletters were being recycled without being read. Kenton felt that the value, impact, and effectiveness cannot be judged by the number of copies read alone. Although the methods of communication like social media and *Rooted* reach a large number of people, Kenton felt that owners over the age of 40 like to receive monthly news in printed form.
3. The absence of the newsletter is contrary to the strategic goals of the Co-op.
 - a. Kenton felt that *Rooted* cannot fill the same role as the *Community News* did. Kenton noted that if the Co-op's goal is to reach all age groups and strengthen ties to the community, the monthly *Community News* should be continued.

In addition to outlining his concerns over cancelling the *Community News*, Kenton made suggestions to help create a plan of action to consider reinstating this publication. He suggested creating an advisory committee of members and communication professionals to review all possible strategies to decide on the most cost effective methods of reinstating the newsletter. Kenton highlighted that Bill London, former Co-op Board member, represented the spirit of the community on which this Co-op was founded. Based on his friendship with Bill, Kenton felt he would be disappointed in the Co-op's decisions to cancel the *Community News*.

Ellen Thiem addressed the Board and thanked them for the opportunity to address her concerns. Ellen voiced her support for Kenton's detailed outline of his concerns and suggestions regarding the *Community News*.

Logan explained that he recently moved to the area in January and that he chose to live in Moscow rather than Pullman because of the Co-op. Logan feels the Co-op is an indicative business that represents the culture of Moscow. Logan told the Board that even as a 29 year-old, he loves reading the newsletter and concurred with Kenton's opinion that it is an authentic, homespun, valuable addition to the Moscow community. Logan explained that he is a big advocate for the Co-op and often uses the newsletter to share information with people he meets. He highlighted the benefit of having a tangible newspaper as it is a great way to share about the Co-op.

Colette addressed the guest's concerns, clarifying that although the Board was informed of the decision to cancel the *Community News* publication, under policy governance, by which the Board operates, this was an operational decision made by the GM and Co-op staff. It was not a Board decision.

STUDY & ENGAGEMENT: ICA Cooperate Identity, Values, and Principles

As part of new Board member orientation, and study and engagement for continuing Board members, Bill led a discussion based on the International Co-operative Alliance (ICA) Values and Principles which underpin the work of the MFC which include the values of **self-help, self-responsibility, democracy, equality, equity** and **solidarity**. In addition, in the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others. The seven co-operative principles are guidelines by which co-operatives put their values into practice: (i) voluntary and open membership without arbitrary discrimination; (ii) democratic governance; (iii) economic participation by members; (iv) autonomy and independence of the Co-op; (v) providing education and training; (vi) cooperation with other cooperatives; and (vii) concern for community.

Bill noted that what prompted this discussion was a topic that came up at the candidate forum regarding the importance of fair trade. When asked at the forum to outline important Co-op values, the candidates did not focus on fair trade, but Bill felt that this was an imperative topic related to social justice and equality. This prompted his concerns for how far other Board members felt the Co-op values reach (only in the community, state-wide, nationally, globally, etc.).

Bill explained that he has been around the Co-op for a long time, and in all this time he has found this store has always acted as a values and principles-based organization. This is the one way the MFC has differentiated itself from other businesses. Bill noted that because of this differentiation, he has noticed the Board can often forget that although they are different from many businesses in this community, the Co-op is still part of a huge movement and Cooperative organization that is based on a widespread business model. Bill suggested that each Board member discuss what the values and principles from the ICA means to them, specifically related to cultural needs and how far the umbrella of equality and social justice reaches.

Bill highlighted the importance of solidarity within the Board. Although each Board member comes from a different background and has different personal values, the Board must speak with one voice that reflects the values held by the MFC and that these values also ought to be the basis for Board decisions.

Kurt addressed the Board, stating that his primary motivation for Co-op involvement is the Co-op's value of a triple bottom line of people, place and profit (rather than profit as a single bottom line). Kurt expressed concern that not all Board members agree (specifically those holding conservative Christian beliefs) with who equality extends to under the Co-op's value of "people." Kurt expressed that the MFC treats same-sex couples as equals, and asked if any Board members oppose this Co-op held belief.

Glenn responded, saying that as a theology, Christianity does not necessarily support certain life styles but does not get involved in other's personal lives. Therefore, under this Cooperative's values, equality does extend to same-sex couples.

Colette noted that as leaders on the forefront of environmental rights, human rights, and social justice movements, Co-ops often take a stance on issues and engage in activism. Colette noted that historically, the MFC Board has discussed taking a supportive stance on political issues like same-sex marriage and GMO labeling. Bill noted that these are very important topics the Board needs to have solidarity about.

Alex said that based on his personal beliefs and the Bible he studies, he does not believe equality extends to same-sex marriage and it is not something he would personally endorse.

Charlene said her beliefs are more along the lines of Glenn's statement that Christianity does not support certain life styles but does not get involved in the personal lives of others. On a personal level, Charlene stated she does not agree with the lifestyle, but still believes in loving all people. Charlene noted that she felt personally attacked by Kurt's question, as she is still getting to know the Board and these are very personal beliefs.

Kurt responded by saying he wasn't intending to judge anyone personally and felt this was an important question in order to get to know new Board members.

Colette addressed the Board as a whole, saying that as a body our Co-op and its owners believe in supporting gender equality no matter what, and this conversation raises the important question of whether or not all Directors can represent the MFC's values, rather than their own, when representing the Co-op and the owners.

Idgi said she would like to see the Co-op support both conservative and liberal organizations without taking a stance, as long as the goal of the relationship is related to the MFC's strategic plan. Idgi noted that it is important for the Co-op as an organization to provide self-help to people so they can improve their lives. Idgi felt the Board has been very strong in aligning with certain ICA values and principles, while lacking in others. She would like the Board to take a deeper look into these values and principles and think about where they are falling short. For example, she would like to see more of a focus on the value of cooperation among cooperatives (like primarily using a credit union rather than a bank).

Bill concluded the Study & Engagement discussion by stating how important it is for the Board to understand what equality means to each Director to create a shared understanding.

CONSENT AGENDA

Minutes:

The Board made the following amendments to the March 2015's minutes:

- Page 2 Bullet 3: Change “Co-op’s” to “Co-ops”
- Page 3 B3 Bullet 2: Change “Colette said she would like to have an idea of active members” to “Colette said she would like to have an idea of the number of active members”
- Page 3 B8 Bullet 2: Change “pf” to “of”
- Page 6: Change “Proposal to Resend” to “Proposal to Rescind”
- Page 10: Change meeting end time to 9:30 and next meeting’s date to April 14, 2015

Motion to accept March 2015 minutes (as amended). Motion seconded, passed 5-0

GM Compliance Reports:

Policy B3: Communication & Council to the Board

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

- Colette noted that Policy B3 seems to reflect monthly financial reports, but the Board has changed (per Policy B9) financial reporting to quarterly. Bill thanked Melinda for including a brief update on finances so the Board can be up to date on any changes.
- Bill asked Melinda if the Co-op is making headway towards improving sales per labor hour. Melinda confirmed that it is.

Motion to accept B3 and find it in compliance. Motion seconded, passed 5-0

Policy B4: Emergency Management Succession

The General Manager (GM) provided a written report about what the Co-op does to plan for emergency situations. Melinda noted that normally this Policy is reported on in May, unless there are major changes to staff.

- Colette pointed out that the section in Melinda’s reporting stating Joe Gilmore would act as GM is left over from when the MFC had a store manager. Melinda will edit the report to reflect the emergency plan now that there is no longer a store manager.
- Sean Knox, the kitchen manager, is resigning from his position. Melinda informed the Board that she has posted his position, but has not yet decided on the best course of action to re-structure the bakery/deli to run as efficiently as possible. Melinda will give the Board another update at the May Board meeting after these decisions are made.

Action: Melinda will give a staff update during her FYI report at May’s Board meeting.

General Manager (GM) FYI Report

The 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.

Melinda gave an overview on the current state of the Co-op’s Tuesday Grower’s Market.

- There is a forum on April 15th for owners to discuss the future of the market.
- Some growers stated in their proposal to keep the market active that it provides producers with an opportunity to meet and have conversations with farmers, like a farmer demo. Many of the growers participate in the market because it supports the Co-op. Melinda felt this reasoning was very thoughtful and considerate.

- Melinda has considered moving everything out of the deli once a week to provide a year-round market. Another option is renting the courtyard at the 1912 Center. However, growers do not want to pay the fees that would be associated with renting this space. The Board discussed other options, including partnering with businesses like Maialina, Gritman Medical's empty parking lot, and an empty lot on 6th and Jackson.
- When the Co-op requested to reserve Friendship Square, which is a city park, they were denied by the director of Parks and Recreation due to policy restrictions as to how many times per month one organization can reserve a park (though the policy states an exemption can be granted by the director of Parks and Recreation). Misty Amarena, from the MFC's Marketing and Outreach department, developed a proposal to be brought to Moscow City Council, but Mayor and chair of the City Council denied the Co-op's request for the proposal to be heard by City Council.
- Kurt asked Melinda what the financial implications might be of the Co-op's new FLOWER program (Fresh, Local, Organic Within Everyone's Reach). Since the program is in its early phases, Melinda won't have an idea until further into its implementation. Bill commended Melinda for creating a program that allows the Co-op to making their store more accessible to everyone in the community.

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

Action items as of April 14, 2015:

- Joan and Melinda will work to develop problems/scenarios that may come up based on current Owner Policy relating to death/divorce.
- Sara will create a reserved sign that includes the event name for future Beer with the Board gatherings.
- Nominations & Elections will review and update next year's application process to make sure application is clear, specifically outlining that incomplete applications will deem applicant ineligible.
- Policy & Bylaw Committee will continue to look at B policies (other than B13, B6 and B7) for congruence with the new Ends and the purpose of B policies.
- Policy & Bylaw Committee will review the budget language and budget policy.
- Policy & Bylaw Committee will make changes to Policy B9 language.
- Policy & Bylaw Committee will group all positive requirements together (move number 12 to 7).
- As chair of Professional Development, Bill will add Owner Equity as a Study and Engagement topic.
- The Professional Development Committee will discuss suggestions for Policy C3 and report to Policy & Bylaw Committee.
- Laurene will 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.
- Idgi & Melinda will come up with written documentation outlining Board/GM relationship structure.
- Kurt will create guidelines for Board email use.
- Melinda will look into Campus Christian on Greek Row (point of contact: Matt Meyers) at the University of Idaho as a location for Co-op's growth option.
- Melinda will share what policy she comes up with based on the charitable giving criteria.

- Melinda will gather more information on customer satisfaction surveys and share her findings with Colette.
- Melinda will look into whether or not ADP services and the center store reset was in the budget presented at today's meeting and relay that information to Colette.
- Melinda will look into the number of part-time vs. full-time employees in the deli and report her findings to Colette.
- Committee chairs will discuss methods to improve owner involvement in their Committees.
- Melinda will make changes to B9, number 1 to reflect important financial indicators/NCG targets.
- Committee chairs will discuss methods to improve owner involvement in their Committees.
- Laurene will complete some pro bono research as a participating owner on member loan options.

Strategic Plan Timeline (some items duplicate action items above, but here are organized together)

- Develop talking points to make owners feel heard, specifically related to expansion and growth. Melinda suggested creating these with the management team so everyone can be on the same page; she will touch base with Todd in the future about bringing him out to facilitate discussion around management team/Board talking points.

DONE

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- ✓ The Owner Engagement Committee will finalize the agenda at their meeting on Thursday, March 12, develop a marketing plan for Annual Meetings, finalize food options, and develop quarter sheets with Annual Meeting information.
 - ✓ Establish a process to break a tie in future elections.
 - ✓ Develop Agenda for New Director Orientation.
 - ✓ Glenn will include fingerprinting in the orientation Agenda.
 - ✓ Glenn will contact new Directors to confirm orientation attendance.
 - ✓ Glenn will contact Todd for assistance/suggestions for New Director Orientation.
 - ✓ Colette will add a Board FYI to work session Agendas.
 - ✓ Idgi, Melinda, and Colette will discuss what is going into the annual report and when the deadline is.
 - ✓ April 2015: Annual Meeting will focus on Strategic Plan celebration (?) and will include telling the story of the Co-op's evolution and where the new Strategic Plan will take us.

CONFIRM AGENDA

Colette added a *Community News* Discussion to the agenda before Committee Reports. (Proposal)

BUSINESS AGENDA

Director Seating & Code of Conduct

Colette seated and welcomed Charlene Rathbun and Alex Lloyd to the Board. All Board members signed Policy D11: Board Member's Code of Conduct.

Let the record show there are now 7 Board members in attendance.

Action: Sara will make sure new Directors have Co-op email addresses.

Officer Election

The Board voted to seat Directors in the officer positions of President, Vice President, and Treasurer. Colette and Idgi provided statements of intent to continue to serve in their current roles (Colette as President and Idgi as treasurer). Colette nominated Bill Beck for the role of Vice President/Secretary. Colette felt Bill has a long history with the Board and would like to see him use his background knowledge to chair the Professional Development Committee to develop a comprehensive professional development plan for the Co-op Board based on the Board's annual self-evaluations and retreat discussion. Bill accepted the nomination, saying he was happy and willing to take on the role. The officer positions were uncontested, and the Board voted using anonymous ballots.

Officer Election Results:

President – Colette DePhelps with 7 votes
Vice President/Secretary – Bill Beck with 7 votes
Treasurer – Idgi Potter with 7 votes

Officers will serve a 1 year renewable term.

Committee Assignments(P)

The Board discussed and made the following changes to Committee rosters:

Nominations & Elections *Meets 1st Thursday of every month at 4 p.m. in the Co-op Mezzanine*
Kurt (chair), Glenn, Joan (Staff) Toni (P.O.), Melinda

Policy and Bylaw *Meets 2nd Wednesday of every month after BOD meeting, 4 p.m. at Kurt Obermayr's*
Idgi (chair), Bill, Kurt, Charlene, Alex, Mandy (P.O.)

Professional Development *Meets 3rd Thursday of every month at 4 p.m. in the Co-op Mezzanine*
Bill (chair), Colette, Alex

Owner Engagement *Meets 2nd Thursday of every month at 4 p.m. in the Co-op Mezzanine*
Glenn (chair), Colette, Charlene, Joan R. (Staff), Laurene (P.O.) Mary (P.O.), Steve B. (P.O.)

Strategic Initiatives – *Standing Committee – Meeting as needed.*
Colette (chair), Bill, Idgi, Melinda

Officers/Executive Committee:

Colette - President
Bill - Vice President/Secretary
Idgi - Treasurer
(Melinda - GM)

Action: Committee chairs will contact Committee members to organize any scheduling changes.

Annual Member Meeting Follow-up (D)

The Board shared their thoughts, suggestions, and what they heard from owners at the Annual Member Meeting on April 12th.

- Overall, the Board felt the meeting went very well and had a good turnout.

- Kurt heard that some owners feel the Co-op is in a good place and should not be concerned with other businesses or susceptibility to competition. He noted that many owners may not understand the vigorous research Melinda and the Board have done to gauge the impact competition may have.
- Joan, the Owner Engagement Coordinator, reported that the three evaluations completed at the meeting were all good or excellent. One person noted that there was too much information provided at certain times during the meeting, and another said they would like more time for questions and brain storming. Colette would also like to have more time for discussion with owners. The Board discussed adding an hour to future Annual Meetings.
- Idgi suggested table numbers to help with the flow of moving groups for discussion.
- The owners expressed confusion over the Co-op's history – they did not understand if the Co-op originated as a worker's Co-op and changed to a consumer Co-op.
- One owner was concerned with whether or not the MFC, as a consumer Co-op, is alienating certain customers by pricing them out. Idgi noted this helped her clarify that the Co-op is doing a lot more than providing food, it provides Organic and local which benefits the consumers by keeping money in the local economy.
- Idgi heard a lot of questions about what the Co-op is doing now to be a workplace of choice.
- Charlene noted that many owners were interested in a delivery service at the Co-op.
- Alex suggested providing an education component outlining what the Co-op does for their employees and the community at future Annual Meetings.
- The Board discussed the possibility of providing an annual report before the Annual Meeting.
- Deb Reynolds, Co-op financial manager, told the Board she could have the financial portion of the annual report completed by the first of March in 2016. Owner Engagement will take this on for next year.

Action: Joan and/or Melinda will send the Strategic Priorities notes from owner discussions after Joan has compiled them.

Spring Retreat

The Board discussed scheduling for upcoming retreats. Overall, the Board felt it fits their schedules better to do a fall retreat sometime in September/October and a Spring retreat in April. Planning for a fall retreat to focus on growth will give the Board enough time to schedule Art Sherwood to provide his expertise. With two new Directors, the Board decided to schedule a short retreat for April 25th. The agenda will be finalized by the Professional Development Committee and will include reviewing different leadership styles and/or learning styles.

Action: Sara will order food for the retreat on April 25th.

Action: Colette will email learning and leadership styles to board members before the retreat.

Community News Discussion

The Board discussed the public's earlier request to reinstate the *Community News*. Idgi said she misses the old *Community News* that addressed community updates rather than focusing on the Co-op and would be in support of a *Community News* forum. Melinda thought that it would be a good idea to create a forum to discuss possible alternatives to the *Community News* in which the MFC helps it exist but isn't independently supporting it. As long as this alternative to the *Community News* is no longer promoting the Co-op, there is no reason it can't be entirely run by volunteers. Alex suggested collaborating with other organizations to create a community-based newsletter. Bill noted that in the

future there should be a greater effort to ensure the owners have no surprises. Colette clarified that moving forward with any alternative to the *Community News* would be an operational decision.

Committees: Reports/Work Plans Progress (R)

Nomination & Election: Bill said all things are going well within the Committee.

Policy & Bylaw: No update.

Professional Development: Glenn told the Board they have completed two Director orientations with Alex and Charlene.

Owner & Engagement: Glenn will check with previous chair to get updated info.

BOARD ASSIGNMENTS AND MEETING REVIEW

Newsletter assignments

All assignments are due on the 15th of the month before the magazine is issued.

Joan told the Board that the Owner Engagement Committee has discussed creating a spot on the website that included more informative pieces from the Board, and would include any Board written articles.

Action: Idgi will write a paragraph about new Board members and the upcoming retreat.

Action: Alex will send Sara his Biography to go up in the Co-op and on the website.

Upcoming dates to remember:

Colette informed the Board that in the past they have moved the Board meeting in July to the third Tuesday of the month due to Board members, including herself, being out of town. Melinda noted that since she will be gone the third week in July. If the Board decides to move the July meeting to the third week, she can report on reports for both June and July at the June Board meeting.

Action: Sara will add "Discuss date of July Board meeting" to May's meeting agenda.

April 25th – Board retreat

June 10-13 – CCMA

Meeting evaluation – The Board felt Bill's discussion on equality brought up some good points that need to be further discussed so Directors can have a better understanding of each other's values and the values held by the Co-op.

Meeting adjourned at 8:29

EXECUTIVE SESSION

No executive session

Notes taken by Sara Miller

Meeting adjourned at 8:29 p.m.

The next meeting will be May 12, 2015 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