

Moscow Food Co-op Monthly Board of Directors Meeting
Tuesday, May 10th, 2016 6 p.m.

Present: Kurt Obermayr (Vice President/Secretary), Laurene Sorensen (Treasurer), Alex Lloyd, Idgi Potter, David Nelson (Board); Melinda Schab (GM); Dena Van Hofwegen (Board Administrative Assistant)

Absent: Colette Dephelps (Board President)

Facilitator: Joan Rutkowski

Guests: Greg Meyer, Diana Armstrong

4 of 6 members are present

5 members are needed for a quorum

Motion to contact Idgi Potter by text to see if she is coming to the meeting, seconded, **passed 3-1-0**

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 read a statement to the Moscow Food Co-op Board of Directors

I have one comment and one question this evening.

- During our Owner Engagement Committee Meeting yesterday, we discussed the process for changing the co-op bylaws and how that was a subject of the recent board retreat. It was mentioned that the board had targeted a weekend in June to hold two forums or discussions, allowing member/owners to provide input with regard to the proposed revised by-laws, which I understand are in first draft form at this time.

Because of how busy owners are this time of year, with outdoor activity and travel, I encourage the board to consider holding the forums at 7 pm on weeknights, rather than a weekend. Hopefully this would result in increased participation.

- I also have a question concerning an agenda item this evening, under the consent agenda. Policy B4, Emergency Management Succession. I understand the gist of the policy as stated, but think it would be of benefit to the ownership to know more specifically what the current succession plan is and be updated when that plan is revised. In other words, will management and the board share with owners what the current plan is and what person or persons is/are slated to assume management in a situation that requires succession to take place?

Greg feels it would benefit owners to know what the current succession plan is for the Co-op Management and would like follow up outside of the Board meeting regarding Policy B4.

Diana Armstrong – was not satisfied by the Board’s response regarding her concerns for the voting process during last month’s public forum. Diana did not request any follow up

Idgi arrived at the Board meeting, providing for a quorum of 5 directors at 6:14 pm.

Kurt addressed the speakers of the forum, clarifying that the Board will consider the owners concerns and the Board President will contact them with responses if they have requested follow-up.

STUDY & ENGAGEMENT: CG Growth Roadway by Art Sherwood

Melinda thought the CG Growth Roadway article provided a great perspective on how to keep the Board unified moving closer towards expansion into Pullman. It is important for all Board members to feel confident and informed when they are engaging with owners and answering questions.

The Board discussed this article at the beginning of the expansion process during the June 2014 Board meeting.

Action: Dena and Melinda to look through minutes when the "Growth Roadway" article was initially discussed and pass on relative information to Board members. A Work Session should then be scheduled to discuss the suggested FAQ's from the article.

Idgi shared her concern for the lack of progress with expansion since the last time this article was discussed. Melinda reassured the Board that a lot of market and real estate research has been completed during the last couple years.

CONSENT AGENDA

Minutes:

There were a couple of corrections made to the draft April 2016 minutes.

GM Compliance Reports:

Policy B4: Emergency Management Succession

The General Manager (GM) provided a written report on the store's plan in case of emergencies.

Melinda confirmed the following statement from Policy B4 is being accomplished by managers.

All Moscow Food Co-op Managers are required to submit an Emergency Succession Plan for their positions to the General Manager.

Policy B5: Customer Service as a Value

The General Manager (GM) provided a written report on the store's efforts to reach 100% customer satisfaction.

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 the April 2016 BOD minutes and the GM Compliance Reports and find them in compliance, seconded, **passed 5-0**

BOD Policy Compliance Survey

C1: Delegation to General Manager

Policy C1 comes motioned and seconded, motion to accept Policy C1, Delegation to General Manager, and find it in compliance, **passed 5-0**

General Manager (GM) FYI Report

1. Market & Industry News – As you know, competition is heating up in the organic and natural foods industry. We're working hard to strengthen our operations. Here's what's happening around the world:
 - [General Mills](#)
 - [Thrive Market](#)
 - [Mars](#)
 - [Costco](#)
 - [Kroger](#)
 - [Lucky's Market](#)
 - [Green Zebra](#)
 - [PCC](#)
 - [Trader Joe's](#)
 - [Whole Foods 365](#)
 - [Central Co-op](#)
 - [Target](#)
 - [Supermarket](#) Showdown
 - [Organic](#) Matters Blog
2. "With Gratitude" sculpture – I've mentioned before that Dale of Fish Folks carved a sculpture as a thank you gift to the Co-op. We're hoping to install the piece in the parking lot in the next month. We will have a formal art installation celebration in August as part of our P6 Launch Party.
3. **P6** This August, we plan to launch P6, a program focusing on the sixth cooperative principle: cooperation among cooperatives. P6 offers us a way for us to communicate the value of small, local, and co-op producers while reinforcing our own cooperative identity. Here's how it works (as described on the P6 website): *"Shelf-level consumer-recognized branding directs customers to purchase products meeting two of the three P6 criteria: cooperative, small, local. P6 products create a point of conversation, engaging staff and customers in the impact of their purchases. And the more P6 products that are sourced and purchased, the more P6 farmers/producers*

benefit through increased market share rooted in shared values." The effort will entail signage, educational events, refinements to our purchasing policies, special merchandising considerations, and targeted promotions. We've established a P6 committee with representatives from many different departments to coordinate this work. The executive director of P6 will travel to Moscow to address our all-staff meeting in July and we plan to roll out P6 signage on August 1. We'll have a P6 launch event highlighting local vendors on Sunday, August 28. For more information, see below.

- <http://p6.coop/video/>
 - [Erica's article in Rooted](#)
4. Both **Bicycle Benefits** launches May 1 and the **Co+op Explorers** Program launched May 15. Bicycle Benefits rewards participants for riding a bike rather than driving and differs from the punch card in that other downtown businesses are also participating. Co+op Explorers is a free fruit program for kids 12 and under.
 5. Pullman Farmers Market – Again this year the Co-op will have a presence at the Pullman Market. We've recruited some Participating Owners to staff our booth and sell co-op ownerships.
 6. Lentil Festival – We are participating in Lentil Festival this coming August. Details to come.
 7. Tuesday Growers Market – We are again partnering with Palouse Grown Market to manage the Tuesday Growers Market. This market runs June through September. We are still finalizing our location.
 8. [NCG's 2016 Marketing Matters Conference](#) – Reminder: Erica Wagner and I have been selected to present at this year's Marketing Matters Conference in Chapel Hill, NC. We were selected to speak about making the transition from a monthly newsletter to a quarterly magazine.
 9. [Melinda's upcoming schedule](#):
 - June 6-8 – Marketing Matters in Chapel Hill, NC
 - June 9-11 – CCMA in Amherst, MA
 - July (dates TBA) – family reunion and vacation
 - July 27th – all staff meeting/pool party, store closing early
 - September 21-22 – Fall GM Meeting in St. Paul, MN

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

Action items as of May 10, 2016

Owner Engagement (*internal action items kept separately*)

1. Owner Engagement Committee will regularly submit a statement, 80 words or less, for the *Rooted "Looking Forward"* publication. –Standing Action Item
2. Organize two Owner Forums to discuss the bylaw proposal over the weekend of June 26th. One Forum will be held in Moscow, the other Forum will be held in Pullman. –*In Process*

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

3. Nominations and Elections Committee will begin the process of appointing a Board member to fill the current vacancy by the June Board meeting. – *extend to have vacancy filled by August–In Process*

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

4. Policy and Bylaw Committee to schedule and complete two focus groups regarding bylaw revision, results will be discussed during the May Work Session. – *Assigned to Owner Engagement Committee*
5. Policy Bylaw Committee to go over the Proposed Policy changes during the May Committee meeting. –*In Process*

Executive Committee *(internal action items kept separately)*

6. Professional Development Committee will decide if the topic of whether or not the Board is always acting under the influence of members' commonly held interests is a topic for discussion at a later time. – *Update to reflect Professional Development being absorbed by Executive Committee –In Process*

Strategic Initiatives *(internal action items kept separately)*

7. Create an Advocacy Committee that will keep the Board informed of topics related to Food policy and democracy in action. –*In Process*

General

8. 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. – *Add to PB Internal Action Items*
9. Colette to send Laurene information on the Job's Act. –*In Process*
10. Laurene will contact Craig Lochner at the Boise Co-op to find out what paperwork they had to file in order to get the owner loan approved. –*In Process*
11. Laurene will contact the State Securities Commissioner to find out where they feel this provision fits under our current statute. –*In Process*
12. Laurene to ask David Thompson about a state that has flexibility to do what we want to do for our Capital Campaign. –*In Process*
13. Laurene to pursue clarification on "intrastate exemption" and "Co-op subsidiaries". –*In Process*
14. Make a timeline for the capital campaign and consider hiring a capital campaign manager. –*In Process*
15. Melinda to research food safety in regards to serving food in a self-serve bar. –*Done.*
16. Laurene to investigate legal structure of member loans offered in Idaho and Washington. –*In Process*

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

Revisit the topic of “staff serving on the Board of Directors” January 2017

CONFIRM AGENDA

BUSINESS AGENDA

Bylaw Proposal

The following Bylaw articles and sections were discussed during the meeting with changes being made to the proposed Bylaw draft. The Policy and Bylaw Committee will discuss and finalize all changes during the next Committee meeting.

Action: Update Bylaw 4.5

4.5 **Removal.** A Director may be removed by decision of **A MAJORITY PLUS 1 ~~2~~/~~3~~** of the **seated remaining** Directors for conduct contrary to the Cooperative or failure to follow Board policies.

Action: Update Bylaw 4.4

4.4 **Vacancies.** Any vacancy among Directors elected by the members **SHALL ~~may~~** be filled by appointment by the Board. A Director so appointed shall complete the pertinent term.

Action: Laurene to review the Bylaws for words including: may, shall, will and make sure they are pertinent and correct for the sentence.

Bylaw Article 5 Section 1 was discussed in relation to who decides who gets the uncashed patronage dividends. The Board agreed that the bylaw should not include specific language as to where we use the money but that the duty should be the Boards to act on.

Action: Keep Bylaw 5.1 as is.

5.1 **Allocations to members.** The Cooperative shall allocate and distribute to members the net profit from business done with them in such a manner as to qualify them as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made. The face value of any patronage dividend vouchers remaining uncashed after the expiration date shall be donated to a nonprofit fund designated by the Board.

Action: The Board administrative assistant will remind the Board to decide where uncashed patronage dividends will be designated when issuing patronage dividends.

Time was added to the agenda for the discussion to continue of 5 minutes

According to the Idaho Statutes 303502 a quorum necessary for decision-making shall be 10% of the total number of members.

3.5 **Quorum.** At any meeting of the members, or for any vote of the members, a quorum necessary for decision-making shall be 10% of the total number of members.

3.2 **Special Meetings.** Special meetings of the membership may be called by the Board, either by decision of the Board or in response to a written petition of 10% of the active members. Notice of special meetings shall be issued to members. In the case of a petition, notice of the special meeting will be issued within ten (10) days after a presentation of the petition to the Board. No business shall be conducted at that special meeting except that specified in the notice of meeting. Decisions made at any special meeting are advisory only until ratified by vote of the Board.

Owner Diana Armstrong raised the question of how owners could get the contact information necessary to reach out to 10% of the owners to help vote.

Discuss Bylaw Timeline

Before the Board discussed the proposed Bylaw timeline, Joan shared some concerns that were collected from the last Owner Engagement Committee.

- Will owners have a chance to review the Bylaws before the Forum?
- If an owner can't attend the Bylaw Forum will other opportunities be provided to offer feedback/input?
- Because the summer is a busy travel time for many, can the forum be held on a weeknight?

The Board discussed the proposed Bylaw timeline and would like to make sure that owners have plenty of time to review the proposed Bylaws prior to the Bylaw Forums. Two focus groups will be held in the month of June with the Owner Engagement Committee to plan and organize them. The main goal of having the focus groups will be to get input on specific topics, this is not for approval. The Board would like to see the legal review of the Bylaws happen after the focus groups and forums.

Action: Change the legal review of the Bylaws to happen during the month of July.

Action: Update the Bylaw timeline to provide a month as a due date instead of a day.

Action: Colette to help Owner Engagement Committee plan and lead the Focus Groups.

Motion for the Board to accept and release to the membership the drafted bylaws with information about the intention for owner involvement, timeline and context about bylaws, seconded, passed 4-0-1

Meetings open to “owners” vs. “public”

There was a discussion regarding Co-op special meetings and Board meetings and whether the meetings should be open to the public or only to Co-op owners. The Board agrees that meetings should only be open to owners who are invested in the corporation. It was undecided on how to enforce this idea of meetings being open to owners only.

Action: Policy and Bylaw Committee to discuss the topic of Co-op meetings being open to owners only and how to enforce attendance.

July Work Session – reschedule or cancel

This agenda item will be discussed during the June Board meeting.

June Beer with the Board

On Tuesday, June 14th at 5 pm, the Moscow Food Co-op Board of Directors will be having their first “Beer with the Board” social event in Pullman at Gladish Community and Cultural Center in the Gold Room. Some locally made appetizers and refreshments will be available, the monthly Board meeting will start at 6 pm

Committees: Reports/Work Plans progress (report)

Nominations & Elections – will schedule a meeting for the month of May to discuss the Board appointment.

Policy & Bylaw – have moved the monthly meeting to 7 pm.

Owner Engagement –

Strategic Initiatives –

Executive Session –

BOARD ASSIGNMENTS AND MEETING REVIEW

Rooted "Looking Forward" - Calendar brief, 80 words or less

Summer issue, published ~ June 1st

TOPIC: Beer with the Board & Board meeting in Pullman

AUTHOR: Dena-done

DUE: May 13th

Submit to ewagner@moscowfood.coop

Emailed Newsletter called "Cooperations" - Event/News brief, 200 words or less

May 15th and June 1st issues

TOPIC: Beer with the Board & Board meeting in Pullman. (Could be the same as brief for Rooted, or extended with more on importance of this, quote from Board member, etc.)

AUTHOR: Dena-done

DUE: May 10th (and 20th)

Submit to ewagner@moscowfood.coop

Rooted article from the Board - 600 words for single page; 1200 words for double page

May 13th for June 1 Summer issue

TOPIC: Colette's annual report article about purchasing Co-op produce; extended version

AUTHOR: Colette - done

Community News online/printed- Event/News brief, 800 words or less

Each issue is published the 1st of the month

TOPIC: Idgi's regular column about the recent Board meeting and looking ahead

TOPIC: Colette's annual report article about purchasing Co-op produce; extended version

AUTHOR: Idgi (I'll also reprint Colette's column from Rooted)

DUE: May 25th for June 1 issue

Submit to jrutkowski@moscowfood.coop

Upcoming dates to remember:

Work Session: May 31st @ Laurene's

CCMA: June 9-11 (Massachusetts)

Melinda Gone: June 4-12

Beer with the Board/Board Meeting: June 14th at Gladish

Work Session: June 21st

Board Meeting: July 19th

Meeting review

Meeting motioned to adjourn at 8:06 p.m.

EXECUTIVE SESSION

*Notes taken by Dena Van Hofwegen
Meeting adjourned at 8:10 p.m.*

The next meeting will be in Pullman on Tuesday, June 14th at 6:00 p.m.
Beer with the Board will begin at 5 pm in the Gold Room of the Gladish Community and Cultural Center.

Signature of the Board President

Date