

Moscow Food Co-op Monthly Board of Directors Meeting

Tuesday, April 11, 2017

Fiske Room, 1912 Center, 412 East Third St., Moscow, ID

Present: Colette DePhelps (President); Laurene Sorensen (Treasurer); David Nelson (Board); Idgi Potter (Board); Tim Kohler (Board); Carol McFarland (Board); Ashley Hamlin (Board); Tom Bitterwolf (Board); Melinda Schab (GM); Willow Venzke (Board Administrative Assistant)

Absent: Kurt Obermayr (Vice President/Secretary); Alex Lloyd (Board)

Facilitator: Colette DePhelps

Guests: Greg Meyer, Joe Gilmore, Kerry Morsek, Heather Nelson

5 of 7 directors present, a quorum is reached

PUBLIC FORUM

Public Forum is a time for the Board to listen to owner comments. The Board will, if requested, follow-up by e-mail after the meeting.

Greg Meyer read the following statement:

April 11, 2017
Moscow Food Co-op
Board of Directors

Board Members,

At Sunday's Annual Meeting, the topic of a Co-op presence on the UI campus came up. Melinda mentioned that this small set-up would be located at the Campus Christian Center, later adding that the center will be changing their name to the more generic name – The Center.

When I first learned about the UI initiative and where the new coffee and snack shop would be located, I wondered about the name of the location and how that would be consistent with the Co-op's secular nature. Since it is a Christian-based center, funded by local Christian churches, it may appear to some to be exclusive with respect to other religions and beliefs.

There are references on their website about how all are welcome, including those with other faiths and no faith. But there are also statements such as, and I quote: "We are Christians, make no mistake." And quote – "God loves us as we are and you are welcome to come here and worship the Holy One. This house belongs to God..."

I believe there is some merit in encouraging them to change their name as soon as possible and perhaps some of the verbiage on their website, only because the Co-op is going to be entering a partnership of sorts with them and we are clearly a secular organization. At least that is what I have always believed.

The Campus Christian Center has had an interesting history, including during tumultuous times decades ago. And I have known some wonderful people associated with it over the years.

This is not about them. It is about our Co-op.

Sincerely,
Greg Meyer

Lifetime Owner
OEC Member

Colette asked all guests to introduce themselves.

STUDY & ENGAGEMENT: Policy Governance

Colette asked each Board member to discuss one or more of the principles from the article “The Basic Principles of Policy Governance”, and what those mean to a Board that uses Policy Governance.

Principle 1: Trust in Trusteeship

Owners elect Board members, and the Board members serve as the link between the owners and store management. This role is not operational, but rather focuses on the Co-op’s larger needs. The Board serves as fiduciary trustees.

The Board is charged with representing all owners, and it’s important to engage them in order to understand what it is they want from the Co-op as a whole.

Principle 2: The Board Speaks with One Voice or Not at All

The Board members act as a whole, not individually. This is in regards to dealing with the General Manager (GM) as well as owners. If a Board member is asked a question by an owner, that Board member will refer to the Board president. The Board president will either respond, or bring up the issue at a meeting to get the opinion of other Board members before responding.

Principle 3: Board Decisions Should Predominately Be Policy Decisions

Policy decisions are guidance for how the Board evaluates itself and how the GM evaluates herself. High level decisions go before the Board, not operational decisions.

Policies are written as what not to do, which allows the GM creativity for what *can* be done. If policies were written in the affirmative, they would require the Board to give orders to the GM.

Principle 4: Board Should Formulate Policy By Determining the Broadest Values Before Progressing to More Narrow Ones

One example of this principle is the 5-1 ratio (the annual compensation requested by the GM shall not exceed five times the lowest annualized compensation then being paid to a Co-op employee), which is a metric that the Board felt embodied that larger value. Most owners are more comfortable when there are clearly defined boundaries.

Principle 5: A Board Should Define and Delegate Rather Than React and Ratify

This specific principle is why the Board doesn’t approve operational plans. The Board is informed of such plans, but doesn’t need to approve them, because management’s flexibility and agility would be lost.

Principle 6: Ends Determination is the Pivotal Duty of Governance

Ends are an organization’s formal goals, and are determined by the Board. Achieving those goals is the responsibility of the GM and the staff.

Principle 7: The Board’s Best Control over Staff Means Is To Limit, Not Prescribe

The Board had previously discussed this principle in depth.

Principle 8: A Board Must Explicitly Design its Own Products and Process

Committees meet and do work, but that is shared with the Board as a whole. The Board then determines if more work is needed. At times, the Board uses ad hoc committees for projects. When staff is involved, it's important to remember that the Board doesn't direct staff, the GM does. This keeps lines of command clear and avoids confusing the staff.

Principle 9: A Board Must Forge a Linkage with Management That Is Both Empowering and Safe

Everyone wants managers to feel empowered to do their work. Also under this principle is the "no surprises" rule: a Board member should not come to a Board meeting and put the GM on the spot. Instead, they should ask the GM questions beforehand.

Principle 10: Performance of the CEO Must Be Monitored Rigorously, but Only against Policy Criteria

The Board had previously discussed this principle in depth.

CONSENT AGENDA

Minutes:

Motion to accept the March 2017 Board of Directors meeting minutes, seconded, passed 4-0-1

GM Monitoring Report:

Policy B3: Asset Protection

Melinda provided a written report outlining the protection of the Co-op's assets.

The Board discussed the possibility of investing some money in a money market account to earn more interest.

Action: Melinda to get current rates of CDs from Deb and email that information to the Board.

It was noted that vendors may need their own liability insurance to be fully protected.

Action: Melinda to find out whether the 2009 industry standard referred to on page 3 of Melinda's Policy B3 report has been updated.

Motion to accept Policy B3: Asset Protection, and find it in compliance, seconded, passed 5-0-0

Board Monitoring Report:

Policy C5: Directors' Code of Conduct

There was no survey done for this policy. Since this policy will be signed during the business agenda, it is not the right time to discuss it.

GENERAL MANAGER FYI REPORT

April 2017 FYI Report –

No action needed

1. E-receipt focus for Earth Month
 - a. We're focusing on getting as many owners as possible signed up for e-receipts this month. Look for signs on the doors and at the registers, plus information on the Co-op's social media sites.
 - b. You can now sign up for e-receipts through the Co-op's website.
2. Co-op on Campus
 - a. We are working with the Center and the City to get the property re-zoned.
 - b. If all goes according to plan, the request for rezoning will go before Planning & Zoning on May 24th and before the City Council on June 19th
3. Wegner CPAs
 - a. We retained Wegner CPAs to perform a full financial audit of our 2016 financials. The auditors will be on site May 2-4 to complete the in-person work.
4. 2017 Employee Opinion Survey
 - a. Carolee Colter will be in town in September 2017 to conduct our survey
5. As you know, I've been working with two groups of students in AFS 401 at WSU. They'll present their final projects to their classmates on April 20th.
6. Auto-attendant
 - a. We turned on the auto-attendant feature on the Co-op's phone system to help direct calls more quickly.
7. Melinda's upcoming schedule and other events:
 - a. WSU Mom's Weekend – April 7-9
 - b. Co-op Annual Meeting – April 9
 - c. UI Mom's Weekend – April 21-23
 - d. WSU Earth Day Festivities – April 21
 - e. Earth Day – April 22

The Co-op is tracking how many owners' email addresses they capture this month.

Melinda added another FYI: A grocery worker has presented a plan to increase the Co-op's parking lot by 4 spaces. The plan drawing was shared with Board members.

Melinda is almost done working with the WSU students, so she's going to hear their preliminary presentations soon. She is also going to WSU to table for Earth Day.

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

BOARD Action Items– 4.11.2017

Owner Engagement (*internal action items kept separately*)

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

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

1. Policy & Bylaw committee to look at how to get good, honest staff input, including reviewing Policy B6. Discuss the option of a Board liaison to staff.

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.
2. Laurene to research statutory obligations and boundaries regarding disclosing a Pro Forma to owners.
3. Colette to put together Farm Bill information for Study and Engagement.

Action: Willow to move action item #3 regarding the Farm Bill to a future action item for the fall when it is more relevant.

4. Regarding the recent immigration ban, Colette will look into the Campaign for Sustainable Agriculture to see if there is a way to support them.

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. Create an Advocacy Committee that will keep the Board informed of topics related to food policy and democracy in action. (Hold)
3. Make a timeline for the capital campaign and consider hiring a capital campaign manager. (Hold)
4. Go over in New Director Orientation:
 - a. What does it mean to be a fiduciary? What is our responsibility?
 - b. The difference between business and personal finance.
 - c. Where we are in the expansion process.
 - d. Discuss what kind of conflicts of interests may arise for Board members.

DONE

- ✓ Nominations & Elections committee to verify Board's role after the election.
- ✓ Owner Engagement committee to discuss the idea of a quarterly print publication.—*Removed*
- ✓ Laurene to talk to Thain Joyal regarding bylaws on special meetings.—*Removed*
- ✓ Committee chairs will add meeting times into the e-newsletter.—*Willow to complete*
- ✓ Board to discuss children at meetings and the possibility of providing childcare.—*On April's agenda*

CONFIRM AGENDA

BUSINESS AGENDA

Seating of Board members (D)

The Board of Directors would like to officially welcome Tim Kohler, Carol McFarland and Ashley Hamlin to the Board for three-year terms. The Board of Directors would also like to welcome Tom Bitterwolf to the Board for a two-year term.

Kurt Obermayr has served his term and is no longer on the Board of Directors.

Potential conflict of interests of Board members (D)

Colette read the Conflict of Interest form and asked each Board member to state any possible conflicts of interest.

Tim: My wife might look for a volunteer position at the Co-op after she retires.

Idgi: Nothing at this time.

Laurene: I'm still receiving payments from the purchaser of Hyperspod Sports. They sell some items that the Co-op also sells.

Colette: Professionally, I work in food systems as well as with many community organizations. Melinda and I are very clear about when we are working as colleagues.

Carol: I just agreed to help start a local food newsletter for eastern Washington called "Foodwise", which will focus on organic, sustainable food systems development. I anticipate that for now I will be contributing to that, unless something else comes up. It's still developing.

It was noted that Carol will not represent the Co-op when writing for the newsletter.

Tom: My sister-in-law works at the Co-op. When I first applied to serve on the Board, I looked very carefully at the conflict of interest. After learning more, I feel more comfortable. If any personnel issues ever came up, I would recuse myself.

David: Nothing at this time.

Ashley: Nothing at this time.

Code of Conduct signing (D)

The Code of Conduct was read aloud and signed by all Board members.

Electing Board officers (P)

The Board elected the following officers:

Laurene Sorensen, President

Colette DePhelps, Vice President/Secretary

Alex Lloyd, Treasurer

Childcare during Board meetings (D)

The idea of providing childcare during Board meetings was discussed. It was determined that childcare will not be provided at this time.

Annual Meeting recap (D)

The Board felt that the Annual Meeting went really well.

- Plenty of volunteers
- More than enough food
- Flowers were beautiful
- Owners were engaged
- No Co-op merchandise was sold. Maybe it should be offered at a discount in the future.
- The Board would like to see more people attend.
- Keynote speaker gave a very technical presentation. The information was very important.

Timing of Board monitoring reports (Policy C3) (D)

Motion to change the Board monitoring calendar to the following:

January: Policies C2 and C5; February: Policies C7 and D5; March: Policies C4 and C6; April: No Board monitoring reports, **seconded, passed 8-0-0**

Board member input on Employee Opinion Survey (D)

The Board discussed whether it is an option for the Board to have input on what will be included on the Employee Opinion Survey, which happens every two years as part of monitoring Policy B6. The Co-op has hired Carolee Colter of CDS Consulting, and she uses the same survey each time in order to build a multi-year data set. She also uses the same survey at other Co-ops, and we have access to that data.

It is important for staff to feel assured that the survey is anonymous. Management gives a big presentation about what to expect on the survey at all-staff meeting. The Board will revisit this topic next month.

Action: Melinda to email to the Board the letter that staff receives before taking part in the Employee Opinion survey.

Action: Willow to add further discussion of the Employee Opinion Survey to May's agenda.

Assign individual or committee to prepare a statement regarding immigration (D)

Action: Ashley and Carol to prepare a statement regarding immigration and bring back to Board.

Action: Colette to forward the McClure Report to Ashley and Carol.

Action: Willow to add reviewing the written statement regarding immigration to May's agenda.

Spring Board Retreat (D)

Plans for the Spring Board Retreat were clarified. The Retreat will take place Friday evening from 4-9 at Laurene's house, and Saturday from 9-3 at The Center.

Committees: Reports/Work Plans progress (R)

Nominations & Elections – Did not meet. The next meeting will focus on reviewing the Board election.

Policy & Bylaw – Focusing on how the Board can best interact with staff. The committee would like to ask staff how they would like to interact with the Board. One possibility is to survey them internally.

Owner Engagement – Several points highlighted:

- Annual Meeting recap
- Brainstormed
 - Options for owners to connect with Board
 - Ways to get more owner email addresses
- Discussed publicity in store for Annual Meeting and bylaws

Strategic Initiatives – Has not met. Committee charter needs to be updated by new committee members.

Executive Committee – Spoke with Todd regarding the upcoming retreat. Will be scheduling Fall Retreat very soon in order to make sure we are on the consultant's calendar early.

Assign committees and committee chairs (D)

Owner Engagement: Tim (chair), Ashley, Carol, (plus owners Greg, Emma, Finn, Priscilla)

Policy & Bylaw: Idgi (chair), Alex, Tom, Ashley

Executive: Laurene, Colette, Alex

Strategic Initiatives: Tom (chair), Colette, David, Melinda

Nominations & Elections: David (chair), Carol, Toni, Sofia

Action: Willow to send Strategic Initiatives committee charter to Tom to revise.

BOARD ASSIGNMENTS AND MEETING REVIEW

E-newsletter brief-200 words or less

Due the 10th and 20th of each month

- (10th) Owner Engagement—5/10
- (20th) Tim: Annual Meeting recap.

Action: Melinda to send her Annual Meeting slides to Tim and Colette.

Community News online/printed: “Board News” – 800 words or less

Due the 15th of each month

- Laurene

Rooted “Looking Forward” event submission – 80 words or less

- Willow
 - Board meetings
 - Board events

Rooted article – 600 words for single page

Due April 30th

- Colette
 - Annual Meeting recap
 - Steve Peterson’s presentation

Upcoming dates to remember:

May Board meeting: May 9, 2017

May work session: May 16, 2017

The Board cancelled April’s work session and Policy & Bylaw committee meeting.

Meeting review

Notes taken by Willow Venzke

Meeting adjourned at 9:20 pm

The next meeting will be May 9, 2017 in the Fiske Room at the 1912 Center.

Signature of the Board President

Date