

**Moscow Food Co-op Monthly Board of Directors Meeting
Monday, February 13, 2017
Fiske Room, 1912 Center, 412 East Third St., Moscow, ID**

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

Absent: -

Facilitator: Colette DePhelps

Guests: Emma Liang, Felix Liao, David Hall, Carol McFarland, Tom Bitterwolf

7 of 7 directors present, a quorum is reached

PUBLIC FORUM

Public Forum is a time for the Board to listen to comments from owners – and the general public; follow-up is considered outside of the forum.

Colette asked guests to introduce themselves, including whether they are Co-op members. There were no guests that wished to speak.

STUDY & ENGAGEMENT: Upholding Co-op values in a time of political upheaval

The Board had an open discussion regarding upholding Co-op values in a time of political upheaval. The topic was selected because an owner recently asked the Board to make sure to be aware of the importance of upholding our values.

Alex shared that his colleague's daughter works at the Co-op. In order to get an outside opinion on the work environment, Alex asked her about her experience. He was told that it is a fantastic place to work.

Colette recently toured various farms and agricultural centers during a conference in California. It was discussed there how hard it is currently to get adequate labor in agriculture, and that there is a crisis regarding labor shortages and we will likely see an increase in produce prices. She feels that the Co-op will be called upon to support farm workers and immigrants, and that as a Board, it is important to be prepared and ready to reach out. The Co-op could be proactive or reactive: should the Board make it known that as an organization, they don't support the ban on immigration?

Idgi: One of the things that has held back sales of our local produce is that it's perceived as expensive. If all produce gets more expensive, maybe local produce will sell better.

The Board discussed the idea of being proactive but focusing on food. Rather than putting emphasis on immigration and migrant workers, focus on supporting our producers' ability to hire the workers they need. Colette would rather be more direct, and let our politicians know how certain bills have the potential to hurt us and our farmers.

It was noted that there are not as many migrant farm workers locally as there are in other areas like the Tri Cities, Bonners Ferry, and Southern Idaho. Often, migrant workers are the only ones trained to do specific jobs, so they are irreplaceable. Owner Felix Liao brought up the special temporary visa H2B.

Action: Willow will add to the business agenda a discussion regarding assigning an individual or group to write a statement from the Co-op regarding immigration and the effect it has on our store.—Done

CONSENT AGENDA

Minutes:

Motion to accept the January 2017 Board of Director meeting minutes, seconded, passed 6-0-1

GM Monitoring Reports:

Policy A: Global Ends

The Board asked clarifying questions about employee time off, days the Co-op is closed, and the Dime in Time program. It was also suggested that the Co-op could start a farmer loan program and solicit owner investment via rounding up at the cash register like we do for Seed Sowers.

The Board discussed Owners Week, sharing that owners felt appreciated. About 100 new owners signed up during that time.

Motion to accept Policy A: Global Ends, and find it in compliance, seconded, passed 7-0-0

Policy B: Global Executive Constraint

Motion to accept Policy B: Global Executive Constraint, and find it in compliance, seconded, passed 7-0-0

Board Monitoring Reports:

Policy C7: Board Committee Principles

Action: Policy & Bylaw committee to research whether it is written in our policies that we review committee charters.

Action: Policy & Bylaw committee to determine when to review committee charters.

Action: Willow to create new Annual Board Monitoring Calendar.

Motion to accept Policy C7: Board Committee Principles, and find it in compliance, seconded, passed 7-0-0

Policy D5: GM Compensation Review

The Board requested Melinda's opinion on the Board Monitoring reports, so Melinda will begin taking the anonymous surveys along with the Board.

Action: Policy and Bylaw to change language of D5 to explain what the 5:1 equity ratio is.

Motion to accept Policy D5: GM Compensation Review, and find it in compliance, seconded, passed 7-0-0

GENERAL MANAGER FYI REPORT

February 2017 FYI Report –
No action needed.

1. OWNERS WEEK runs from February 4 through February 12!
2. Per an action item from the January meeting, attached is an update on all the work we completed as a result of the 2013 HR Audit.
3. The new meat cooler we ordered in November arrived on the 31st of January and was installed on the 1st of February.
4. The Co-op didn't experience any losses due to the recent downtown power outage on January 20th.
5. Expansion Work & Timeline
 - Nationally, October-November-December (4th quarter for the co-op) sales were slow. They were slower than projected for us, as well. We did not perform as we anticipated. This slowdown combined with the 12-month drop in the consumer price index means that grocery sales were hard fought for. I'm attaching a brief Supermarket News article about the CPI for your reference.
 - Slow sales push any expansion projects further out. The Moscow store must have strong sales in order to meet our financial feasibility targets. Strong sales are a must.
6. I'm excited to inform you that I'm working with two groups of students from WSU. We were invited as an industry partner to develop two group projects for AFS 401, a senior capstone class. The students are addressing negative price perception and local producer capacity. Let me know if you have any questions.
7. Wine, Chocolate & Cheese tasting event – we had a huge turnout for this event last week. There were lines around the store and out the door.
8. Melinda's upcoming schedule and other events:
 - Feb 27-March 1 – Back to Basics Cooperative Summit
 - March 11-19 – Vacation

HR Audit Implementation Timeline & Progress

Audit Recommendations for Personnel Files:

Completed	Institute a system of 4 separate files - personnel, payroll, restricted, and medical.
Completed	Remove the space fo Social Security Number on Employee Data Sheet.
2014	Remove the space for an employee signature on the Employee Status Change form.*
Completed	Move all documents listed under "payroll" in audit report to separate payroll files.
Completed	move management's printed emails requesting PTO to payroll files.
Completed	Modify Welcome Sheet to become a true checklist, add signature line.
Completed	Include Orientation with the GM & Advancement as a section on the Welcome Sheet.
Completed	Ensure all training checklists have employee's name and date at top and signature at end.
	*Kept Employee Signature line for 401k verification.

Audit Recommendations for Hiring:

Completed /Ongoing Training	Add <i>after reviewing the job discription for the job for which you are applying, are you able to carry out the essential functions of the job, with or without reasonable accomodation?</i> to every interview question set.
Completed	Eliminate the requirement for applicants to provide two letters of recommendation.
Completed	Require up-to-date contact information for previous employers so they can be contacted.
Completed	Make resumes optional for entry-level positions.
Completed	Require applications to be filled out completely in all cases.
Completed	Provide an internal application form with a standard question set.

Audit Recommendations for Job Descriptions:

2016	Revise and update all job descriptions to bring them into alignment.
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Audit Recommendations for Performance Evaluations:	
Completed	Require managers and supervisors to use the same instrument.
Completed	Instruments should list job-specific criteria against which the employee's performance can be measured. There must be some degree of customization to the actual job.**
Completed	Evaluation instruments should compare supervisor and employee ratings side by side.
Completed	Evaluation forms need a space for the supervisor's name, as well as signature, and the complete date.
Completed	Evaluation form should include a section to prompt references to any previous corrective actions stating either the problem was fixed or it's still being worked on.***
Completed	Document goals set in the performance review meeting (either remedial or developmental).
Completed / On-going Training	Low ratings by the supervisor in any area must result in a stated goal for improvement.
Completed	Evaluation forms should prompt follow-up with the goals set in the previous evaluation.***
Completed	When there are multiple evaluations in a department, their conclusions must be harmonized so that the supervisors speak with one voice to the employee.
	**Evaluations and Job Descriptions have the same criteria listed.
	***Being added to new HR management system to streamline process.

Audit Recommendations for Corrective Action:	
Completed	Integrate all documented corrective actions into one form with checkboxes for the category of action taken.
Completed	Clarify for all supervisors the real meaning of the word <i>misconduct</i> .
Completed	Get rid of <i>probation</i> as a disciplinary tool.
Completed	Ensure that all Corrective Action Reports are dated and signed by the supervisor issuing the document.
Completed	Include a section on the Corrective Action Report to document follow-up after a warning is given.
Completed	Evaluations must refer to recent previous corrective actions and note improvement or lack of it.

Audit Recommendations for Personnel Policies:	
Completed	Place the at-will disclaimer prominently at the start of the handbook. Don't bury or sugarcoat.
Completed	Write the policies in the second person to the audience for the handbook
Completed	Reference related policies that appear elsewhere in the handbook
Completed	Replace the grievance committee with the <i>jury duty</i> model of committee members randomly selected from a pool of management and non-management staff.
Completed	Adopt a policy for paid and unpaid breaks that is observed uniformly by all departments.****
	****Working on improving the current system.

Audit Recommendations for Pay Scale:	
Completed	Get rid of level one.
Completed	Review and modify positions like <i>Cook, Cook 1, and Cook 2.</i>
Completed	Ensure that every position on the pay scale has a job description
Completed	Ensure that every existing job is listed on the pay scale
Completed	Expand the ranges on the wage tier, raising the tops where affordable.
Completed	Set the expectation that the tops of the tiers will be enforced
Completed	Review raise protocols
2017	Focus on gainsharing as an incentive program using Open Book Management
Completed	Make the wage structure available to staff
Ongoing	Ensure that all employees understand why some positions pay more than others

Owners' Week was successful, but not as much so as last year, which is on trend with what we are seeing nationally. Part of the reason for that could be low stock due to trucks being very delayed due to bad weather.

The Board praised the Co-op for doing a great job organizing Owners Week, noting the location of the table, the Co-op Valentine hearts, varied activities, and trivia game.

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

BOARD Action Items– 2.13.2017

Owner Engagement (*internal action items kept separately*)

- I. Owner Engagement committee to discuss the idea of a quarterly print publication.

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

- I. Nominations & Elections committee to verify Board's role after the election.

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

1. Laurene to talk to Thain Joyal regarding bylaws on special meetings.
2. 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.
4. Committee chairs will add meeting times into the e-newsletter.

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. (This item is on hold until further notice.)
3. Make a timeline for the capital campaign and consider hiring a capital campaign manager. (This item is on 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.

DONE

- ✓ Idgi to communicate with Colette regarding writing the Community News article.
- ✓ Melinda and Joe to go through FAQs on website and update as needed.
- ✓ Kurt to send Industry Standard to Willow to share with interested owners.
- ✓ Willow to look in CBLD documents regarding staff input on a Board of Directors. *Also looked in NCG documents. No articles discussing this were found.*
- ✓ Melinda will request that Heather Nelson (HR Manager) provide a written update of changes made since the last HR Audit to the Board before the February meeting.

CONFIRM AGENDA

The Board added an agenda item of assigning an individual or group to write a statement from the Co-op regarding immigration and the effect it has on our store.

BUSINESS AGENDA

Timing of March work session (D)

March's Board work session will be Tuesday, March 28th, 5-7pm.

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The agenda for April's work session will include orientating new Board members of where we are in the growth process.

Term of Board member before applying to be President (D)

The Board discussed setting a required term for a Board member before applying to be President. Many organizations say you have to be on a board for a year before becoming president. It was also suggested that it isn't necessary to add it to a policy, because it is common sense that more experience is better.

Action: Policy & Bylaw committee will determine a policy to put in the required term of a Board member before becoming president.

Banking resolution (P)

Colette read the banking resolution. Motion to accept the resolution, seconded, passed 7-0-0

Annual Meeting Agenda (D)

Action: Owner Engagement to review the agenda from the 2016 Annual Meeting.

- Agenda will be included in Annual Meeting announcements.
- Half hour of social time.
- For the bylaws vote, there will be a paper ballot. Owners will show ID. Co-op will have a master list to look owners up, and staff will write owner number on an envelope. Ballots will then be put into the envelope and then in the ballot box.

Action: Willow to ask Kay Keskinen if she would be willing to assist with bylaw voting at the Annual Meeting.

- Speakers:
 - Melinda will discuss operations.
 - Laurene will give the treasurer's report.
 - Colette will discuss what the Board has been working on, and introduce Steve Peterson.
 - Steve Peterson—keynote speaker

Elections update (D)

One candidate withdrew, so there are six candidates for four open seats.

Bylaws update (D)

Action: Policy & Bylaw will determine final language of bylaws to present to the Board.

Board will complete final wording of the bylaws at the work session. The final draft will be shared with owners, and owners will vote to adopt them at the Annual Meeting, April 9th, 2017.

Written statement regarding immigration and its effect on the store (D)

The Board discussed the possibility of writing a statement regarding immigration. Several possibilities were mentioned, and the Board determined that it will be revisited at March's Board meeting.

Action: Willow will add the topic of a written statement regarding immigration on the agenda for March's Board meeting.—Done

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

Action: Regarding the recent immigration ban, Melinda will look into whether there is any information coming from NCG on what we can do.

Committees: Reports/Work Plans progress (R)

Nominations & Elections –

Policy & Bylaw –

Owner Engagement –

Owner Engagement's draft charter was discussed, and the Board shared recommended edits.

The role of owners who attend committee meetings was addressed, and it was clarified that they are observers only. If owners wish to have the committee discuss a topic, they should email the committee chair before the meeting. There is also the possibility for owners to serve on one of two committees as a Participating Owner.

Action: Board to discuss children at meetings and the possibility of providing childcare.

The Board clarified that based on the bylaws, Board meetings are open to owners, but not the public, and they discussed the possible ways to assure that guests are owners.

Action: Willow will change language in the agenda from Public Forum to Owner Forum. Take out final sentence. –Done

Action: Willow to create a sign to post on door of meetings: *Meetings are for Board members and owners only. Owners are welcome to enter at 5:55 and the meeting will begin at 6:00. Please sign in. Guest packet will be sent out to owners only.*

The Board also discussed that there appears to be confusion amongst owners regarding the Board-only dinner that precedes the Board meeting (from 5:30-6:00). This is likely due to our having Beer with the Board immediately preceding some Board meetings.

The Board wished to discuss further whether to allow non-owners to meetings. The discussion will take place at March's Board meeting.

Action: Willow to add agenda item to March meeting: *Are Board meetings open to the public?—Done*

Motion that only Board members, General Manager, and Board Admin sit at the table during Board meetings, and that the Board facilitator read a statement at the beginning of the meeting clarifying that the meeting is for owners only, seconded, passed 6-0-1

Action: Willow will write a statement about the structure of meetings to be added to the agenda and read by the facilitator before each meeting. Colette will review the statement before finalizing.

Strategic Initiatives – Has not met.

Executive Committee –

BOARD ASSIGNMENTS AND MEETING REVIEW

E-newsletter brief-200 words or less

Due the 10th and 20th of each month

- (10th) Owner Engagement—Willow
- (20th) Elections— David

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

Due the 15th of each month

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

February 2017—Willow

- Board meetings
- Beer with the Board
- Elections events

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

February 2017— Colette

- Bylaw revision
- Annual Meeting
- Elections

Upcoming dates to remember:

February work session: February 21st, 2017

March Board meeting: Tuesday, March 21st, 2017

Board Candidate Forum: March 5th, 2017

Meeting review

Notes taken by Willow Venzke

Meeting adjourned at 9:05pm

The next meeting will be Tuesday, March 21st at 6pm in the meeting room at Umpqua Bank, 225 N. Grand Avenue, Pullman, WA.

EXECUTIVE SESSION

The Board approved appointment of Priscilla Wegars to the Owner Engagement committee. 7-0-0

Action: Willow to contact Priscilla Wegars.—done

Signature of the Board President

Date