

Moscow Food Co-op Monthly Board of Directors Meeting
Tuesday, March 21, 2017
Umpqua Bank meeting room, 225 N. Grand Ave., Pullman, WA

Present: Laurene Sorensen (Treasurer); David Nelson (Board); Alex Lloyd (Board); Idgi Potter (Board); Tim Kohler (Board); Melinda Schab (GM); Willow Venzke (Board Administrative Assistant)

Absent: Colette DePhelps (President), Kurt Obermayr (Vice President/Secretary)

Facilitator: Laurene Sorensen

Guests: David Hall, Greg Meyer, Ashley Hamlin, Nathan Hamlin, Emma Liang, Felix Liao, Carol McFarland, Henry Merrill, Kerry Morsek, Joe Gilmore

5 of 7 directors present, a quorum is reached

PUBLIC FORUM

Public Forum is a time for the Board to listen to owner comments; follow-up is considered outside of the forum.

There were no owners present who wished to speak.

STUDY & ENGAGEMENT: P6

Kerry Morsek, Store Manager, presented on Principle 6 (P6) to the Board. P6 was launched in August of 2016. Labelling products as “P6” helps customers understand which products are made by small, local and cooperative producers. To be considered P6, a producer must meet 2 out of 3 of those criteria. Local is defined as “produced within 250 miles of the Co-op or within the states of Idaho or Washington.”

In August of 2016, there was a parking lot launch party for P6. About 600 people came to that event.

Marketing P6 takes a lot of work, but it is important. It draws on our cooperative identity, and it’s tied to the things we care about: small, local and cooperative.

Kerry showed the total numbers of P6 sales: August 2015-Feb 2016: \$2,421,000, 37.7% of total sales. August 2016-Feb 2017: \$2,503,000, 39.5% of total sales. The Co-op is working on raising visibility of P6.

Kerry answered questions from the Board, and clarified that the Co-op screens P6 producers. Although overall sales are slow, sales of P6 products are increasing.

CONSENT AGENDA

Minutes:

Motion to accept the February 2017 Board of Directors meeting minutes with minor changes, seconded, passed 5-0-0

GM Monitoring Reports:

Policy B1: Financial Condition and Activities

Melinda provided a written report about the Co-op’s financial activities. The Board appreciated Melinda’s good, thorough job putting the report together.

Melinda explained that the Co-op was caught off guard with the flat sales in quarter 4. The downturn could be influenced by many things such as weather, politics, and the Huckleberry's remodel. Operations departments are already making changes and preparing for a better second quarter.

Motion to accept Policy B1: Financial Condition and Activities, and find it in compliance, seconded, **passed 5-0-0**

Policy B2: Planning and Financial Budgeting

Melinda provided a written report about planning and financial budgeting. The Board and Melinda discussed livable wage, and the fact that the Co-op exceeds the livable wage target.

Motion to accept Policy B2: Planning and Financial Budgeting, and find it in compliance, seconded, **passed 5-0-0**

Policy B7: Communication to the Board

Melinda provided a written report about events and trends affecting store performance and stability. The Board appreciated the thorough report.

Motion to accept Policy B7: Communication to the Board, and find it in compliance, seconded, **passed 5-0-0**

Board Monitoring Report:

Policy C4: Board Meetings

The Board discussed the fact that work sessions have not had a written agenda. The Board would like to see a written agenda outlining the items that will be discussed, and also allow time within each meeting to have a free-form discussion.

Motion to accept Policy C4: Board Meetings, and find in compliance, seconded, **passed 5-0-0**

Motion to add to the Business Agenda a vote that Melinda take the Survey Monkey surveys, seconded, **passed 4-1-0**

GENERAL MANAGER FYI REPORT

March 2017 FYI Report –
No action needed

1. Co-op on Campus

- We received one bid for our portion of this project plus The Center's portion.
- The Center's Board has decided to solicit additional bids for their portion of the work. All the bids come with a proposed timeline for the work.
- In the meantime, The Center has asked the Co-op if we would be interested in putting a coffee cart in the entryway to the building in order to serve customers and have a campus presence while all the remodel work is being completed.

2. Expansion Work & Timeline

- Q4 2016 sales were flat, Q1 2017 sales are down below Q1 2016. Increased competition, cross-shopping, and the deflation of the Consumer Price Index are all contributing factors.

It is impossible to predict how the political climate and the cold weather may also be impacting traffic and sales.

- 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.
3. 2017 Employee Opinion Survey
 - Carolee Colter will be in town in September 2017 to conduct our survey
 4. Catapult's Loyalty Bot
 - We will be utilizing the loyalty feature that we purchased with the last Catapult (POS) upgrade. Many of our customers have opted in and we'd like to evaluate its usefulness for 90 days.
 5. Auto-attendant
 - We turned on the auto-attendant feature on the Co-op's phone system to help direct calls more quickly.
 6. Melinda's upcoming schedule and other events:
 - WSU Mom's Weekend – April 7-9
 - Co-op Annual Meeting – April 9
 - UI Mom's Weekend – April 21-23
 - Earth Day – April 22
 - NCG Spring Meeting – April 24-28
 - CCMA – June 8-10

Melinda explained that The Center will need to apply to be rezoned, and that will likely delay the Co-op expansion there.

The Board discussed the issue of the Co-op parking lot being overcrowded during busy times. Possibly in the future the Co-op could offer a delivery option or shopper service to ease parking lot use. Also, the Co-op could offer an incentive to bring people in during non-peak hours.

Regarding the upcoming employee survey, the Board inquired about its role in determining what questions are asked. It was explained that the same question set is used year to year to make it easy to analyze data, but that the Board could add questions to the survey.

Action: Add to April's agenda a follow-up discussion of the Board's input on the employee survey given by Carolee Colter.—Done

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

BOARD Action Items– 3.14.2017

Owner Engagement (*internal action items kept separately*)

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

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

1. 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.
5. Regarding the recent immigration ban, Colette will look into the Campaign for Sustainable Agriculture to see if there is a way to support them.
6. Board to discuss children at meetings and the possibility of providing childcare.—*On April's agenda*

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. Board to 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. Board to make a timeline for the capital campaign and consider hiring a capital campaign manager. (This item is on hold.)
4. Board to include in New Director Orientation
 - a. What does it mean to be a fiduciary? What is board's responsibility?
 - b. The difference between business and personal finance.
 - c. Where we are in the expansion process.

DONE

- ✓ Melinda is going to review original White Paper request and email Dave Swanson to ask for a revised report that's not in draft form.
- ✓ Regarding the recent immigration ban, Melinda will look into whether there is any information coming from NCG on what we can do.

Action: Willow will begin announcing committee meeting times in the e-newsletter.

Policy & Bylaw committee has been looking into ways to get good, honest staff input. They proposed the idea of having offsite monthly office hours, where staff could go talk to Board members if they wished.

Motion to move this discussion to the business agenda, seconded, passed **5-0-0**

CONFIRM AGENDA

Additions to the business agenda:

- Option for Melinda to begin taking Board monitoring surveys
- Board offsite office hours

BUSINESS AGENDA

Board office hours (D)

The Board discussed the possibility of holding offsite office hours for staff to be able to talk directly to a Board member. The Policy & Bylaw committee thought this would be a good way for staff to be able chat with Board members in a relaxed setting. The potential for this to interfere with the Co-op's grievance policy was brought up and recognized by the committee. Policy & Bylaw will continue to brainstorm options.

Policy D5 (P)

Motion to approve the clarifying sentence change in Policy D5 to read, "The annual compensation requested by the General Manager shall not exceed five times the lowest annualized compensation then being paid to a Co-op employee", seconded, passed 5-0-0

Review committee charters (R)

The Board reviewed all committee charters, and made the following changes:

- In all charters, MFC should be spelled out: "Moscow Food Co-op".
- In all charters, add a "Budget" section.
- In the Professional Development charter, change NCGA to NCG.
- Amend Policy & Bylaw committee's charter to strike these sentences: "Participating Owners also may sit on the committee. Committee members will be considered for approval by the Board."
- In the Strategic Initiatives charter, change "petals" to "strategic plan".
- In the updated Owner Engagement charter, add to budget section, "but does require paid Admin Assistant time."

Motion to approve the amended Owner Engagement charter, seconded, passed 5-0-0

Motion to approve the amended Policy & Bylaw charter, seconded, passed 5-0-0

Option for Melinda to begin taking monthly Board monitoring surveys (D)

The Board would like to know which answers are Melinda's, so they would like her to take the surveys separately from the Board.

Motion for Melinda to take separate Board monitoring surveys, seconded, passed 5-0-0

Bylaw revision and voting process (P)

Motion to approve use of electronic voting for bylaw approval, seconded, passed 5-0-0

Voting will take place electronically from April 8th to April 16th.

Board calendar (D)

The Board set all Board meeting and work session dates through the end of August. There will be no work session in June, and no Board meeting or work session in July.

Action: At March's work session, determine location and agenda of the Spring Retreat. DONE.

Officer candidate statements (D)

All Board members and newly elected Board members who wish to apply for an officer position should send Willow a candidate statement to be included in April's Board packet.

Are Board meetings open to non-owners? (D)

Action: Melinda to reach out to other co-ops regarding keeping Board meetings open to owners only.

Elections results and reflection on election process (D)

There were 460 total votes in this election. This year, the Co-op had twice as many valid email addresses as last year. Ways to increase the amount of email addresses the Co-op has were discussed, including having a drive around Earth Day where owners could opt for e-receipts.

Review and update Board member bios and photos (D)

All Board members should review and update their bios, and if they haven't had a head shot by Erica, that will be scheduled. All bios should be written in the 1st person.

Action: Willow to email current bios to all Board members to be edited and returned.—Done

Action: Willow to include all 9 bios in the e-newsletter.

Beer with the Board and Breakfast with the Board/GM (D)

The possibility of switching Beer with the Board to Breakfast with the Board (in the deli) was brought up.

Action: Owner Engagement committee to discuss and then make a recommendation to the Board the best way for owners to connect with the Board.

Committees: Reports/Work Plans progress (R)

Nominations & Elections –

Policy & Bylaw –

Owner Engagement – The Annual Meeting will be a pie party. There will be no savory pies, just a selection of sweet pies.

Action: Laurene to write an article for Community News regarding the Annual Meeting. Willow to edit Laurene's article.—Done

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

Action: Melinda to send David last year's election results announcement. David to write article with this year's results.—Done

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

Willow

- Board meetings
- Board events

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

Upcoming dates to remember:

March work session: March 28, 2017

April Board meeting: April 11, 2017

April work session: April 18, 2017

Meeting review

The Board thanked Laurene for facilitating.

Notes taken by Willow Venzke

Meeting adjourned at 8:15pm.

The next meeting will be April 11, 2017 in the Fiske Room at the 1912 Center.

EXECUTIVE SESSION

The Board approved appointment of Finn Gale to the Owner Engagement committee, 5-0-0

Action: Willow to contact Finn.—Done

The Board discussed expansion.

Signature of the Board President

Date