

Moscow Food Co-op Monthly Board of Directors' Meeting-Approved
Tuesday, February 10, 2015, 6 p.m.

Present: Kurt Obermayr, Idgi Potter, Bill Beck, Glenn Holloway, Colette DePhelps, Laurene Sorensen (by phone), Mary Simonsen (Board); Melinda Schab (GM); Sara Miller (Board Administrative Assistant)

Facilitator: Kay Keskinen

Guests: Hunt Paddison, Joe Gilmore, William Dougherty, Alex Lloyd, Joan Rutkowski

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.

William Dougherty requested clarification from the Board regarding the Board's determination he was ineligible to run for a seat in the 2015 Board election.

ACTION: Board President will follow-up with Mr. Dougherty by email.

STUDY & ENGAGEMENT: Making a Difference by Providing Strategic Leadership, Who's Minding the Members

With recent discussions surrounding Board and GM roles, the Board discussed two recent articles from *The Leader*, titled [Making a Difference by Providing Strategic Leadership](#) and [Who's Minding the Members](#). Colette explained that the article gave specific examples of the roles the GM and Board play in relation to Co-op leadership and owner engagement. The Board and GM discuss how they see their roles in terms of norms that exists within Policy Governance and important topics the articles highlight in relationship to building the top leadership team and engaging owners.

Glenn thought the piece about Co-op's suffering from too many good intentions was interesting. He highlighted that defining effort levels and productive topics is a difficult endeavor, and lines often get blurred. The articles made him evaluate what the Co-op is doing, and how to assess moving forward. Glenn would like to see the top leadership team addressing immediate issues while tailoring to long-term goals.

Idgi compared the articles to Paula's readiness report. Idgi outlined that often the Board is told all the ways they are doing things wrong, even when the Board feels it is useful and good. She made the point that just because outside forces can be critical, the Board should always act in what they believe is the best interest of the Co-op. Kurt added that the Board is still getting a feel for their dynamic after the shift from a GM team (when the Board did a lot more work), to one GM. Kurt said that the Board is moving in the right direction of backing away from operational roles and reevaluating the GM/Board relationship structure.

Bill felt that the GM/Board relationship structure is a two-way street in regards to owner engagement. The GM is responsible for dealing with owners as shoppers, and the Board is responsible for dealing with them as owners, and often these roles overlap. This overlap can make defining the line between GM and Board roles difficult.

Colette gave an example of the difference in roles: holding the annual member meeting is the Board's role, while the staff is responsible for the logistics of the meeting. The Board's core responsibilities include defining the role the Co-op plays in the larger community and what the Co-op stands for. Although outreach programs directly relate to these values, the Board has not clearly outlined what their role is within outreach.

Glenn brought up that he has met multiple community members who feel uncomfortable shopping at the Co-op because of religious or business affiliation (for example, one person felt uncomfortable because their business uses harsh chemicals). Engaging the community and owners to break these cultural misconceptions is a difficult role the Board should focus on, creating a culture of acceptance.

Bill felt that the Co-op has always been an accepting place, valuing a respect for the earth, eating wholesome food, and loving each other. Based on the history of the Co-op, Bill felt the current culture already supports acceptance. Kurt added that in the case of the business using chemicals, they were confronted by a Co-op owner, not the Co-op. The Co-op as a whole does not discriminate against business or religious practices, but Co-op shoppers and owner opinions are not under the control of the Board.

Glenn added that perceptions are very real for many people, and the top leadership team should be aware of, and support, different backgrounds so the community knows what the Board stands for.

CONSENT AGENDA

Minutes:

The Board made the following amendments to the 2014 Winter Retreat minutes:

- Page 9 – Change 'Capital' to 'Capitol'

Motion to accept the 2014 Winter Retreat minutes as amended. Motion seconded, **passed 6-0-1**

The Board made the following amendments to January 2014's Board Meeting minutes:

- Page 7 – under Proposed BOD Candidates for 2015, change sentence two to read 'To the best of the Board's knowledge, two of the six applicants have incomplete application packets.'

Motion to accept the January 2014 BOD meeting minutes as amended. Motion seconded, **passed 7-0**

GM Compliance Reports:

Policy A1: Ends Policy

The General Manager (GM) provided a written report on Ends Policy.

- Bill commended the GM's work on A1, saying it was clear and concise despite its large content.
- Glenn brought up the different criteria for defining certified organic meat. The GM defines local, sustainable, and organic (based on USDA standards) within the report. Glenn noted that other organizations define organic/local/sustainable differently. Colette added that within the Co-op, the baseline is set by USDA standards.

Let the record show that Laurene's call was lost, dropping the number of present Board members to 6.

Motion to accept A1 and find it in compliance. Motion seconded, passed 6-0-1

Policy B13: Local Economy

The General Manager (GM) provided a written report on the local economy.

- Colette clarified that although Melinda outlines the data is not in compliance, the Board will vote in compliance, as the report is still working towards Ends Policy (therefore the GM is in compliance as progress).

Motion to accept B13 and find it in compliance. Motion seconded, passed 6-0-1

Let the record show that Laurene is present via phone; 7 Board members present.

Policy B3: Communication and Counsel to the Board

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

- Bill noted that he appreciates the links Melinda included in her report, and thought it was great that the Central Co-op in Seattle is raising its standard and providing a minimum \$15/hr. to its employees.

Motion to accept B3 and find it in compliance. Motion seconded, passed 7-0

Policy B9: Current Financial Conditions/GM Update

The General Manager (GM) provided a written report, per Policy B9, about the Co-op's financial activities.

- Glenn mentioned that although sales have been up and down, the Co-op seems to be hitting its targets. Melinda confirmed that their budget (which was just an estimated guess), indicates that the Co-op is right on track financially.

Motion to accept B3 and find it in compliance. Motion seconded, passed 7-0

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 informed the Board that the Marketing and Outreach Department would like to meet with the Board to discuss the Board's communication needs. The Board decided to dedicate the first 15 minutes of next week's work session (Monday, February 16th), for this discussion.

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

Laurene announced Beer With the Board will take place next Thursday, February 19th, from 5:00-7:00pm.

Action items as of February 10, 2015:

- Review and update next year's Board elections application process to make sure application is clear, specifically outlining that incomplete applications will deem applicant ineligible.

- Policy & Bylaw 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 will review the budget language and budget policy.
- 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 will add Board training opportunities to next year's Board budget.
- 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.
- Add Owner Equity as a Study and Engagement topic.
- Melinda will add day of cash calculation to B9 reports.
- Develop set of written questions for the candidate forum to share with the Board before the forum.
- Melinda will share what policy she comes up with based on the charitable giving criteria.
- Laurene will complete some pro bono research on member loan options.
- 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.
- 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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- ✓ February 2015: Melinda will present the Board with Operational details for working on the Strategic Plan. She may provide updates via monthly B3 reports prior to this check-in.
 - ✓ Bill will give photo credit on Laurene's headshot.
 - ✓ Colette will develop a Calendar for the Board.
 - ✓ Obtain detailed financial auditing proposals with outlined costs and explore more financially viable options.
 - ✓ Colette will ask Todd how to do external Board assessment.
 - ✓ Bill will contact ineligible candidates.
 - ✓ Establish a date, time, and location for a candidate orientation and notify candidates ASAP.

CONFIRM AGENDA

Colette added an update to the agenda to discuss the executive call with Todd.
Sam added two minutes for a Bylaw questions.

BUSINESS AGENDA

Board Calendar (D)

Colette presented the Board with a calendar outlining deadlines and important dates. Colette made the following notes regarding the calendar:

- The Board Administrative Assistant will be present at the Co-op on Monday and Thursday; these are good days to contact her with important information.
- The Board will begin receiving reminders for agenda items two weeks and one week in

- advance in order to get packets out in time for the monthly Board meeting.
- If anyone would like to add dates to the calendar, let Sara know and she will update the calendar and send out a notification the Board members that a change has been made.
 - Committee notes will go out the following Monday after meetings.
 - Work sessions are the third Thursday of every month, except in March during spring break.
 - The Board needs to decide on a date for the spring retreat in order to ensure Art and Todd's presence. May is a difficult time with Memorial Day and graduation, but if it is moved to June, many Directors are already committing a weekend to CCMA.

ACTION: Sara to add all trainings and events to the Calendar

BOD Policy Compliance: D2 & D3 (P)

The Board discussed the survey results of Policy D2: Role of the Board, and Policy D3: Board President's Role. Five of seven Board members completed the surveys. Colette noted that the Board needs to hold themselves accountable to complete these surveys on time. Board members asked if there is a way to tell if they have completed them; Sara said there may be a way to set up survey monkey to email the Board Administrative Assistant notifying her when they have completed the survey.

D2: Role of the Board

The Board discussed question 2 regarding the Board's link to owners. Bill suggested making action items to examine ways to provide a link between the Board and Owners, like the Owner Engagement Committee is doing at Beer with the Board. The Board agreed that they could do more with Owners, but time and availability is often an issue.

Motion to accept D2 and find it in compliance. Motion seconded, **passed 7-0**

D3: Board President's Role:

Colette noted that if any one person feels she is not fulfilling her role as the President to please come to her with any suggestions and advice that may help her do better.

The Board discussed that the President is often seen as the face of the Board, and that people often go directly to Colette with verbal questions or concerns, and the Board may not hear about it. Although the Board trusts that Colette does a good job in her responses, some felt that this may interfere with the Board's overall interactions with community members and owners. Colette clarified that any time owners bring concerns to her, she suggests they put it in writing so she can bring it to the Board; if this is not enough, Colette offered to provide the Board with a verbal FYI explaining these interactions. The Board discussed incorporating an informal 'what do you hear in the street' conversation, which would include significant Board member/owner encounters and general comments and feedback Board members receive. This may help the Board get a good grasp of the general feeling the community has about the Co-op.

Let the record show that Laurene's call was lost, dropping the number of present Board members to 6.

ACTION: Colette will add a Board FYI to work session agendas.

Motion to accept D3 and find it in compliance. Motion seconded, **passed 6-0-1**

Annual Member Meeting (D)

The Board discussed the following logistics for the upcoming Annual Member Meeting:

- The Board will present their priorities (and hope management and staff plan on addressing these priorities), and give owners six minutes to discuss how they feel the Co-op should address these priorities.
- The Board discussed possibly introducing Bylaw changes at the meeting. Overall, the Board felt that changing its Bylaws is very important and should not be rushed, therefore will not be ready in time for the Annual Meeting. The Board discussed the protocol for changing Bylaws, outlining that although changes require a public meeting with a mailed notice in advance, the Board has the ability to make temporary changes that can be adopted at the next annual meeting. The Board felt they should get an outside perspective to help with a comprehensive review of the MFC Bylaws to be adopted at the 2016 Annual Member Meeting.

Strategic Plan – Operations

The GM provided a Strategic Plan Operational Report, extending over through year 3. Melinda explained that the report is very dense, with a lot of information in a variety of categories, noting that if Board members would like to see it in printed form, it is posted on the door of her office. The categories within the report are broken down and measured from year to year. Melinda outlined that she found a good deal of work needs to be put into educating Co-op staff. For reasonable outcomes and time management, this staff education process was spread into three years: Year one – developing curriculum, year two – implement curriculum, and year three – adapt curriculum for the public base.

Owner Account/Bylaw Clarity (D)

Joan Rutkowski, the Owner Engagement Coordinator and Owner Engagement Committee members brought Bylaw questions and concerns regarding how the Co-op responds to divorce and/or death of owners. Joan relayed that staff and owners are unhappy with the Co-op's current practices (and the lack of Bylaw/Policy) surrounding divorce and the splitting of ownership. After discussing with Karen at NCG, there is a clear problem with our Bylaws, as cooperative shares are not allowed to be shared, therefore there are no options of splitting ownership in the case of divorce. Joan would like to see a legal option that can be explained to people when they become Co-op owners. Colette noted that ownership is not tied to legal marital status, and that any Bylaws should reflect that rules are the same for a household as they are for a marriage. The Board decided to wait on answering these questions until they seek legal counsel. In the meantime, Co-op staff can tell owners they are currently working on creating a legal process for assignments of owner assets in the event of divorce or death.

ACTION: Joan can work with Melinda to develop scenarios, Idgi and Colette will look at them, and Colette will take them to the Co-op's attorney since it is a Bylaw question.

Bylaw Addition:

Colette moved Bylaw discussion to executive session.

Executive Committee Call with Todd:

Colette relayed topics covered in the Executive Call with the Board's CDS consultant Todd Wallace. Todd suggested looking at financial indicators and how the Board evaluates them. The Board may also want to review what they see every month in Board packets, possibly narrowing it down to more productive, need-to-know information, moving other information to quarterly financial reports. Todd also felt the Co-op's Policies need an overhaul and to be streamlined.

ACTION: Melinda will contact Todd to see if he can do a call in at the next Policy and Bylaw meeting.

Committees: Reports/Work Plans Progress (R)

Nominations & Elections: Bill reported that the candidate orientation is complete and the Co-op has a candidate forum coming up, for which the Nominations and Elections Committee will develop questions to run by the Board.

Policy & Bylaw: Kurt announced the Policy and Bylaw committee will be adding a number of Policy proposals to the March agenda.

Professional Development: The Professional Development Committee had no announcements.

Strategic Initiatives: Colette presented the draft for Strategic Plan handout to be completed by the Annual Member Meeting. Colette is in the process of creating additional information to clarify Co-op Ends, briefly explain Policy Governance, and show how the Strategic Plan will be operationalized.

BOARD ASSIGNMENTS AND MEETING REVIEW

Newsletter assignments

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

ACTION: Idgi will complete an Annual Member Meeting article.

Upcoming dates to remember:

Local Investment Workshop – February 18 (4 board members going)

Beer with the Board – February 19

Candidate Forum – March 2

CBL 101 – March 28

Annual Members Meeting – April 12

Meeting evaluation: The Board felt the material was informative, and commended Melinda's thorough work and articulate writing in her reports. The general feel was that that the top leadership team did a good job getting through a lot of material, and applauded Kay's excellent facilitation.

Meeting adjourned at 8:18

EXECUTIVE SESSION

Executive session ended at 8:35 p.m.

Notes taken by Sara Miller

Meeting adjourned at 8:35 p.m.

The next meeting will be Tuesday, March 10, 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