Discussions on "Owner" versus "Member"
5.4.2020

Columinate articles:

"Membership is Ownership" - https://columinate.coop/membership-is-ownership/

Cooperative ownership is an economic model that can create great benefits for our communities and member-owners. The cooperative model is powerful if we focus proper attention on the owner side of that compound word, "member-owners."

…

Best words, best practices: Careless language can interfere with member-owners understanding the distinct advantages of cooperative ownership. Whatever words you use for owners and owner investment, choose and use your terms carefully and consistently. Communicate the true meaning of ownership with terms such as invest, investment, your share, refundable, and equity. Avoid inaccurate and potentially misleading terms such as cost, fee, pay, lifetime, one-time payment, and total. Member equity is not a fee, and it will likely change over time as the capital needs of the co-op change.

We carefully tell the story of ownership and cooperation so our members will understand and will be more likely to become active participants in that story.

"Everyone Welcome? Examining Race and Food Co-ops" -
https://columinate.coop/everyone-welcome-examining-race-and-food-co-ops/

In most food co-ops across the country, nearly everyone involved, from board members, staff, management, and the customer base, is white—and represents a subset of Americans supported in their attainment of high-quality natural foods by higher education and professional occupations. According to our interviews, many of our participants of color have long felt excluded or ignored by the white food co-op movement, despite its professed values of equity and cooperation.

Most progressive people agree that racism is a societal problem. Yet it is a challenge to recognize how long-held beliefs and biases, unconscious and not, could be informing our individual and organizational behaviors. Is it possible that the opinions, needs and demands of people of color have been ignored, not just in our society, but also within the food co-op sector?

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Our participants, regardless of race, agreed that, by and large, food co-ops have paid little attention to addressing racial inequality. And, while many participants would likely agree that racism has played a role in the racial makeup of today's food co-ops, racism wasn't often mentioned (perhaps because of the vagueness of the term). More commonly, a lack of interest, awareness, or knowledge of how people of color experience the food co-op world was mentioned as a reason for the current, almost ubiquitous, whiteness of food co-ops.

Video Resources:
"Principles of 'Openness" by Ladonna Sanders Redmond
https://columinate.coop/principles-of-openness/

"The Wisdom of 'Everyone Welcome" by Jade Barker

https://columinate.coop/the-wisdom-of-everyone-welcome/

Past Board Discussions on "Owner" versus "Member"

2012:

- "Member" January – September
- "Owner" first appears October
- "Member/Owner" and "Member-Owner" also used in October
- *No discussion about the use of terms found in the minutes.*
- *Note: "Membership Engagement Committee" and "Participating Members"*

2013:

- "Member/Owner" and "Member-Owner" continued
- "Participating Owner" and "Participating Owner Program" term used in February
- "Owner" used much more often, with a few instances of "member-owner" in March

2014:

- "Owner Engagement Committee" first used in January
- Study & Engagement: CBLD Café Report on owner engagement in March (included on page 3)
- "Member" is nearly only used when discussing "board members" or "committee members" in August
- "Member Forum" is changed to "Public Forum" in August
- Significant discussion on the proper/legal use of "owner" versus "member" detailed in September (included on page 4), *although I believe they may have been referencing 1.2 instead*

Article I: Organization

1.1 **Name.** The name of the organization shall be Moscow Food Co-op (henceforth the "Cooperative").

1.2 **Ownership and Purpose.** As more fully provided in the Articles of Restatement, the Cooperative shall be owned by its members and shall operate solely on a cooperative basis for the mutual benefit of its members.

of 2.1

- Language changed from "member" to "owner" in Policy B7 in October
- Language changed from "member" to "owner" within the Charter as assigned in December

2015:

- "Member" made a bit of a comeback in February's meeting
- Study & Engagement Session: Making a Difference by Providing Strategic Leadership, Who's Minding the Members

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.

Moscow Food Co-op Monthly Board of Directors' Meeting
Tuesday, March 11, 2014, 6:15 p.m.

Present: Bill Beck, Colette DePhelps, Kurt Obermayr, Julia Parker, Tammy Parker, Idgi Potter (Board); Melinda Schab (General Manager); Joan Rutkowski (Administrative Assistant)
Facilitator: Kay Keskinen
Guests: Hunt Paddison, Sarah MacDonald

The meeting began at 6:15 p.m. with four directors in attendance, which is the requirement for quorum. Colette joined at 6:20 p.m. and Kurt joined at 7:21 p.m., bringing attendance to six directors.

MEMBER FORUM

No guests with an interest in speaking during Member Forum were present.

STUDY & ENGAGEMENT: CBLD Café Report

A group of directors and staff attended a Cooperative Board Leadership Development (CBLD) "café" about owner engagement on March 1st in Portland. Tammy, Bill, Idgi, and staff member Sarah MacDonald each shared what they found most interesting and useful from the café.

- Co-ops can be more open and broad in how they view and encourage participation – it isn't just about democracy through voting, buying food at the co-op, and serving on its Board. Café facilitators presented a framework for all of the ways in which people participate in their co-ops: people own, use, serve, and belong.
- Owning is about being involved in governance or strategic direction through activities such as voting or attending annual meetings. Using characterizes things like working for the co-op, shopping at the co-op, and being a vendor. Serving involves helping people see that when they participate and use the co-op to meet their needs they also are being of service to the co-op. It can involve a broad range of frequency and depth, such as talking to a neighbor about the co-op or serving on the Board. Belonging is about the identity and feeling that grows when people's needs are met by the co-op.
- Using the framework of own, use, serve, and belong, co-ops also don't need to focus on convincing people to participate and can instead emphasize inclusive and inviting ways to encourage participation and not make it seem so much like a political statement.
- Psychologist Abraham Maslow's "Hierarchy of Needs" concept was used to describe the various ways people connect to their co-ops.
- Participation in all of its forms is the key difference between co-ops and their competitors, especially as traditional businesses start selling more local and organic products. This is our strength.
- Our marketing endeavors need to convey the cooperative model, values, and principles and invite owners to participate in the Co-op's story.
- The café included time to discuss the challenges that can arise as ownerships grow and diversify. There can be a difference between being an economically successful cooperative and a natural foods store, which can lead to some tension among owners. The recommendation is to turn back to the cooperative model and ask owners what they want, rather than saying that we (the leaders) know what's best for you and we just need to teach you to like it.

Bylaws edit (proposal)

The bylaws (2.1) state that Co-op members are owners and that the bylaws should refer to them as owners. However, after that statement there are several references to "members".

Colette proposed that this is an editing issue, and member references should be replaced with the word "owner" for congruence with 2.1. Laurene suggested that the paragraph that defines ownership also could be rewritten with more commonly accepted legal phrasing. There was discussion about the merits of using more technical language.

Deb Reynolds, the Co-op's Finance Manager, said it's important to use "owner" consistently because the word "member" implies membership in the way that it works for traditional corporations, and membership revenue is not exempt from taxes in traditional corporations. However, profit from cooperative ownership can be protected from becoming taxable income. She recommended erring on the side of caution and changing the wording to further substantiate that owners are different from members. She added that a regulatory issue would likely trigger the Secretary of State to look at our bylaws, and so making them as formal as possible with recognizable legal phrasing would be helpful.

Some directors thought that any edit would constitute an amendment to the bylaws, which requires approval via a meeting of owners and a specific window for notification. If the Board opens itself up to this process, it may want to consider whether other changes should be proposed.

Motion to temporarily amend the Co-op's bylaws to change references to "members" to "owners" where appropriate as described in section 2.1 for consistency, seconded, passed 6-0-0

Action: Joan will prepare a draft bylaw revision to change "members" to "owners" and this draft will be held as an amendment for owners to consider at the April Annual Meeting.
Action: Laurene will review the Co-op's bylaws, 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.

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