

**Moscow Food Co-op Monthly Board of Directors Meeting
Tuesday, June 14, 2016
Gladish Community and Cultural Center Gold Room – Pullman, Washington**

Present: Colette Dephelps (Board President), Kurt Obermayr (Vice President/Secretary) Alex Lloyd, Idgi Potter, David Nelson (Board); Melinda Schab (GM); Dena Van Hofwegen (Board Administrative Assistant)

Absent: Laurene Sorensen (Treasurer)

Facilitator: Colette DePhelps

Guests: Joe Gilmore, Kerry Morsek (staff); Greg Meyer, Tim Kohler, Marilyn Von Seggern, John Elzey, Amy Wo, Michael Lounsbury, Brooke Lounsbury, Josh Babcock, Emma Liang,

5 of 6 members present, a quorum is present.

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.

Tim Kohler – Is very pleased that the Moscow Food Co-op is considering a Pullman location and strongly supports the expansion.

Guest 1 – Appreciates that the Board of Directors are following a business model to update the Bylaws and make sure the Moscow Food Co-op is in compliance for expansion.

Ben – Asked what percentage of Co-op shoppers are not Idaho residents. Melinda Schab, the General Manager, replied that 25% of sales to Co-op owners are from owners who are Washington residents.

Colette addressed the speakers of the forum, clarifying that the Board will consider the owners concerns and the Board President will contact them with responses if they have requested follow-up.

STUDY & ENGAGEMENT:

The Board did not have a Study and Engagement topic for the month of June due to “Beer with the Board” being held prior to the meeting.

CONSENT AGENDA

Minutes:

Motion to accept the May 2016 BOD meeting minutes, seconded, passed 4-0-1

GM Compliance Reports:

Policy B3: Communication & Counsel to the Board

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

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

Policy B9: Q1 Financials

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

David asked for the specific dollar amount shown in the EBITDAP chart (Earnings Before Interest, Taxes, Depreciation/Amortization and Patronage). Melinda said she would not know the EBITDAP dollar amount off the top of her head, but profitability in the store is increasing.

Colette learned at a recent conference that during a store expansion, funders like to see that a business has at least 30 days' worth of cash on hand for expansion, the Co-op has over 30 days of cash on hand.

Motion to accept Policy B9 and find it in compliance, seconded, **passed 5-0**

General Manager (GM) FYI Report

1. Coming this fall – the Co-op is working with Latah Federal Credit Union to replace the existing ATM at the store with an ATM affiliated with LFCU.
2. "With Gratitude" sculpture – Dale installed his sculpture on May 31st! We will have a formal art opening celebration in August as part of our P6 Launch Party.
3. **P6** This August, we plan to launch P6, a program focusing on the sixth cooperative principle: cooperation among cooperatives. P6 offers us a way for us to communicate the value of small, local, and co-op producers while reinforcing our own cooperative identity. Here's how it works (as described on the P6 website): *"Shelf-level consumer-recognized branding directs customers to purchase products meeting two of the three P6 criteria: cooperative, small, local. P6 products create a point of conversation, engaging staff and customers in the impact of their purchases. And the more P6 products that are sourced and purchased, the more P6 farmers/producers benefit through increased market share rooted in shared values."* The effort will entail signage, educational events, refinements to our purchasing policies, special merchandising considerations, and targeted promotions. We've established a P6 committee with representatives from many different departments to coordinate this work. The executive director of P6 will travel to Moscow to address our all-staff meeting in July and we plan to roll out P6 signage on August 1. We'll have a P6 launch event highlighting local vendors on Sunday, August 28. For more information, see below.
 - <http://p6.coop/video/>
 - [Erica's article in Rooted](#)
4. Pullman Farmers Market – Again this year the Co-op will have a presence at the Pullman Market. We've recruited some Participating Owners to staff our booth and sell co-op ownerships.

5. Lentil Festival – We are participating in Lentil Festival this coming August. Details to come.
6. Tuesday Growers Market – We are again partnering with Palouse Grown Market to manage the Tuesday Growers Market. This market runs June through September. We are still finalizing our location.
7. Melinda's upcoming schedule:
 - July (dates TBA) – family reunion and vacation
 - July 27th – all staff meeting/pool party, store closing early
 - August 19-20 – Lentil Festival
 - August 28th – P6 event in the Co-op's parking lot
 - September 21-22 – Fall GM Meeting in St. Paul, MN
 - October 5-7 – Provender Conference in Hood River, OR

Updates on the FYI report

- Every Tuesday from 4-6:30 pm the Tuesday Growers Market will take place at the 1912 Center Plaza.
- The ATM provided by Latah Federal Credit Union will be installed at the Co-op in 90 days. The Co-op will not benefit from hosting the ATM, but will provide a convenient service. Those who bank with Latah Federal Credit Union will not be charged a fee for using the ATM.

Action: Dena to add the Lentil Festival dates to the Board Calendar.

Action: Dena to add the Co-op all staff meeting and pool party to the Board calendar.

BRIEF ANNOUNCEMENTS AND ACTION ITEM FOLLOW-UP

The Palouse-Clearwater Food Coalition meets every third Thursday of the month – rotating locations between Moscow and Pullman. June's meeting will be in Pullman from 11:30 am – 1 pm in the Hecht Room at Neill Public Library in downtown Pullman, WA. Coalition Meetings are FREE and open to all.

The Moscow Food Co-op is currently accepting appointment applications to fill a vacant Board of Director position. The Board appointment will take place during the August Board meeting and will run from mid-August 2016 – April 2017. Appointees may run for a Board seat in the 2017 Board election. An appointment application packet can be picked up at the Co-op Customer Service Desk or printed from the website at www.moscowfood.coop/elections. Applications are due July 31st, 2016. Any questions can be sent to boardelections@moscowfood.coop.

BOARD Action Items– 6.14.2016

Owner Engagement (*internal action items kept separately*)

1. *Standing Action Item:*
 - a. Owner Engagement Committee will regularly submit a statement, 80 words or less, for the *Rooted "Looking Forward"* publication.
2. Organize an Owner Forum to discuss the Bylaw proposal in Moscow for the Month of June. If there is interest an Owner Forum will be held in Pullman as well. – *In Progress*

3. Owner Engagement Committee to schedule and complete two focus groups regarding bylaw revision, results will be discussed during the June Work Session. – *In Progress*

Election/Recruitment (*internal action items kept separately*)

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

4. Laurene to review the Bylaws for words including: may, shall, will and make sure they are pertinent and correct for the sentence. – *In Progress*

Executive Committee (*internal action items kept separately*)

5. Executive Committee will decide if the topic of whether or not the Board is always acting under the influence of members' commonly held interests is a topic for discussion at a later time. – *In Progress*

Strategic Initiatives (*internal action items kept separately*)

6. Create an Advocacy Committee that will keep the Board informed of topics related to Food policy and democracy in action. – *On Hold, Board efforts are focused on expansion.*

General

7. Update the Bylaw timeline to provide a month as a due date instead of a day. - *Done*
8. Change the legal review of the Bylaws to happen during the month of July. – *In Progress*
9. Dena and Melinda to look through minutes when the “Growth Roadway” article was initially discussed and pass on relative information to Board members. A Work Session should then be scheduled to discuss the suggested FAQ's from the article. – *In Progress*
10. Kurt and Idgi will meet to discuss Board document archiving and decide how they would like to move forward before discussing the topic with Melinda, then Joe. – *In Progress*
11. Colette to send Laurene information on the Job's Act. – *Done*
12. Laurene will contact Craig Lochner at the Boise Co-op to find out what paperwork they had to file in order to get the owner loan approved. – *In Progress*
13. Laurene will contact the State Securities Commissioner to find out where they feel this provision fits under our current statute. – *In Progress*
14. Laurene to ask David Thompson about a state that has flexibility to do what we want to do for our Capital Campaign. – *In Progress*
15. Laurene to pursue clarification on “intrastate exemption” and “Co-op subsidiaries”. – *In Progress*
16. Make a timeline for the capital campaign and consider hiring a capital campaign manager. – *In Progress*
17. Laurene to investigate legal structure of member loans offered in Idaho and Washington. – *In Progress*

Future Action Items (These items are in process and ongoing)

Revisit the topic of “staff serving on the Board of Directors” January 2017

CONFIRM AGENDA

BUSINESS AGENDA

July/August calendar revisions (D)

Directors' schedules are very busy for the summer months of July and August so the Work Session and Board meeting are scheduled for the same day. The Work Session will start at 5 pm with the Board meeting starting at 6:00 pm.

July Board Work Session and Board Meeting – July 19th
August Board Work Session and Board Meeting – August 23rd

Action: Dena to update the Board calendar and event reservations at the 1912 Center with the July and August meeting changes.

Adopt Policies (P)

Idgi gave a brief explanation as to why the policies are being rewritten for the Moscow Food Co-op. Between the April and May Board meetings, the Board of Directors met for an intensive retreat, where they created a rough draft of a new set of bylaws for the Moscow Food Co-op. The proposed bylaws were drafted using a template provided by CBLD, a leadership cooperative which the Co-op subscribes to. The policies were also rewritten using a template provided by CBLD to stay in compliance with the bylaws.

The main reason for updating the Moscow Food Co-op's source documents is for the purposes of statutory compliance and expansion. The Board is ready to adopt the updated policies today and then evaluate each policy throughout the year as compliance reports are given by Melinda. The appendices part of the policies are still being finalized and will be adopted during a future meeting.

The bylaw revision and legal review is still in progress and needs to be presented to the members for input before being put to a vote during a special meeting. The policies that are being adopted today can be changed by a majority plus one vote by the Board of Directors.

Action: Dena to update Policy D2 under #2 to read "The Board will not instruct or evaluate any employee other than the GM"

Motion to adopt the new set of policies as written, seconded, passed 5-0

Action: Dena to upload the new adopted set of Policies onto the Co-op website, Google site, and distribute to Board members for their binders.

Action: Dena to add to the July Board Agenda that the updated "Code of Conduct" form will be signed by all Board members.

Committee Code of Conduct (P)

There are five standing Board Committees and temporary committees that form on an as needed basis. All Committees are advisory to the Board. When committee members sign the “Code of Conduct” they are expected to conduct themselves as an extension of the Board.

Included in the “Committee Member Code of Conduct” there is a paragraph that is confusing and comes across as preventing members from talking about anything, but was meant to specifically speak to keeping financial information confidential.

*maintain **confidentiality** as needed to protect the Co-op’s interest and financial viability. This means I will not discuss disputed or confidential information that I may learn about as part of my committee work. This protected information includes topics such as corporate actions, policies, or issues with Co-op members, employees, or the general public, unless the MFC’s Board of Directors agree that such information is no longer confidential. All issues related to personnel, real estate, market strategy/goals, and pending litigation will be subject to confidentiality unless or until full disclosure is approved by the Board as a whole.*

Motion to send the “Committee Code of Conduct” document to the Owner Engagement Committee for suggested revisions regarding confidentiality. Once revisions are made, Owner Engagement will send the document to the Policy and Bylaw Committee for Bylaw and policy compliance review/revisions with a goal of putting the document before the Board during the August meeting for a vote, seconded, **passed 5-0**

Action: Owner Engagement Committee to suggest revisions to the “Committee Code of Conduct” document and send to Policy and Bylaw for compliance revisions.

Action: Policy and Bylaw to review proposed “Committee Code of Conduct” document from Owner Engagement Committee and review for compliance.

Action: Policy and Bylaw to present the revised “Committee Code of Conduct” document to the Board Agenda for a vote during the August Board Meeting.

Board Appointment (D)

The Moscow Food Co-op is currently accepting appointment applications to fill a vacant Board of Director position. The Board appointment will take place during the August Board meeting and will run from mid-August 2016 – April 2017. Appointees may run for a Board seat in the 2017 Board election. An appointment application packet can be picked up at the Co-op Customer Service Desk or printed from the website at www.moscowfood.coop/elections. Applications are due July 31st, 2016. Any questions can be sent to boardelections@moscowfood.coop.

Bylaw Revision Process (R)

- Moscow Bylaw Forum is scheduled for Monday, June 27th from 6:30-8:30 pm in the Fiske Room at the 1912 Center.
- Pullman Bylaw Forum is scheduled for Monday, July 18th from 6:30-8:30 pm with location TBA.
- Legal review of the bylaws is still in progress.
- Bylaws will be adopted as a working document during the July Board Meeting and will be put to a member vote during a special meeting in the future.

Action: Owner Engagement to schedule a Pullman Bylaw Forum for Monday, July 18th from 6:30-8:30

Action: Policy and Bylaw Committee will determine when the bylaw draft can be released to the members for review.

Action: Policy and Bylaw meeting needs to be rescheduled for the month of June, make sure to invite Colette to the meeting.

Committees: Reports/Work Plans progress (report)

Nominations & Elections – active recruitment for the Director Appointment position.

Policy & Bylaw – is working hard on the Bylaw revision process.

Owner Engagement – possibly changing the monthly meeting time, planning Pullman Bylaw Forum, and working on the Committee Code of Conduct revisions.

Strategic Initiatives – on hold with all efforts going towards expansion into Pullman.

Executive Session – no meeting for the month of June.

BOARD ASSIGNMENTS AND MEETING REVIEW

Communication Schedule: send to ewagner@moscowfood.coop

E-newsletter brief-200 words or less

Due the 10th and 20th of each month.

Action: Owner Engagement Committee to submit an article for the E-newsletter regarding the upcoming Bylaw Forums in Moscow and Pullman.

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

Due the 25th of each month.

Joe – a concise summary on the expansion process.

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

August 12th for fall publication – to be determined

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

August 12th for fall publication – to be determined, regarding expansion or bylaws

Upcoming dates to remember:

Work Session: June 21st

Owner Forum: June 27th in the Fiske room at the 1912 Center

Pullman Owner Forum: July 18th location to be determined

Board Meeting and work session: July 19th

All Staff Meeting and Pool Party: July 27th

Pullman Lentil Festival: August 19th – 20th

Board meeting and work session: August 23rd

P6 Launch Party in Co-op Parking Lot: August 28th

Meeting review –

Action: Dena to invite Joe Gilmore to attend the Board Work session on June 21st.

Meeting motioned to adjourn at 7:08 p.m.

EXECUTIVE SESSION

Notes taken by Dena Van Hofwegen

Meeting adjourned at 7:08 p.m.

The next meeting will be Tuesday, July 19th at 6:00 p.m. (with dinner beginning at 5:00 p.m.) in the Fiske Room of the 1912 Center.

Signature of the Board President

Date

MFC Board of Directors June 14th, 2016