



## Board Meeting Minutes

11.20.2014

### Attendance:

John Regan, Isabella Rogol, Erin Genia, Micheal Snow, Josh Simpson, Teresa Young, Niki Bilodeau, Fern Moore (*Board Observer*), Alejandro Rugarcia (*Staff Representative*), Grace Cox (*Facilitator*)

**Absent:** Dani Madrone, Mohammed El-Sokkary

### Agenda

**Agenda Review**  
**Announcements**  
**Mission Statement**  
**Commitments Review**  
**Member Comment**  
**Election Results**  
**Approving the operating budget for 2015**  
**Expansion committee**  
**Discount Task Force**  
**Staff Report**  
**Committee Reports**  
**Annual Board Retreat logistics**  
**Executive Session**  
**Commitments**  
**Meeting Eval**

### Announcements

- Newly elected Board members, Max DeJarnatt, Habib Serhan and Matthew Schmelzer attended the meeting.
- Mohammed and Erin will be late.
- Alejandro announced that Erin has resigned from the Member Relations Committee. If any Board members have interest in serving for the remainder of the year him know.
- The Board retreat will be held next month to have incoming and outgoing members participate.

**Member Comment**

- Greg Black thanked the Board for the \$1500 donation to the Sustaining Fund. They were able to fund 4 projects due to that donation. The Village Builders, a habitat pollination garden at the new park on the Westside, seasonal protection of the Westside heronry, and the ninth circuit court of appeals about the port action. Isabella attended the interviews and contributed in a big way to making decisions. She appreciated the opportunity.

**Commitments Review**

- *Grace will submit the final Board Budget* *complete*
- *Fern will email the candidates to the possible retreat dates* *complete*

**Elections Results**

A total of 121 verified ballots were counted in the 2014 Board Election.

Teresa Young	106
Habib Serhan	97
Matthew Schmelzer	95
Mary Blake	80
Max DeJarnatt	51

Teresa Young, Habib Serhan and Matther Schmelzer will serve the Three-year terms. Mary Blake and Max DeJarnatt will serve the Two-year terms

With voter turnout so low, Fern recommended that we should investigate forming an election task force in this upcoming year to address participation. Previous Boards have discussed the idea of an Election Task force to address declining participation in elections. We also could look into online voting with the new website. Max added that he would like to see more of an opportunity to engage with the membership as a candidate.

**Approving the overall 2015 budget**

Grace presented the 2015 budget to the Board. We budgeted for a profit this year for the Eastside expansion. The Finance committee picked a 2% profit goal; we did not meet this goal. The budget does have a net profit of \$50,000. Many years we exceed the budgeted profit, and other years something happens and we do not. The budgeted labor as a percentage of sales is 21.8%. With expenses we have little control of about 40% of the line items. We do have complete discretion on some (conferences and training, board etc) about 75% of our expenses are staff cost. We are expecting revenue at \$4,864,000. The cash flow includes \$40,000 for Expansion and \$29,000 in capital improvements. The budget does show a positive cash flow.

The Finance committee has recommended that the Board accept this budget.

**Proposal**

**The Olympia Food Co-op Board of Directors approves the 2015 operating budget.**

**Consent**

**Expansion Committee*****See Attached Document #1***

The Expansion committee recently passed this proposal with the Collective and is seeking the Boards approval on conducting the Eastside expansion feasibility study.

**Proposal-**

**The Olympia Food Co-op Board of Directors approves the hiring of the Development Co-op for a Feasibility study.**

**Consent****Discount Task Force*****See Attached Document #2***

Our stores give out nearly one million dollars in discounts at the register. Our senior and disability discounts are open-ended discounts and we do not ask any questions regarding status. The low-income discount is a one-year membership, that we ask people to assess their need yearly. The low income is the largest discount. We want to know if the discounts do what they are supposed to do, that they get to those who need them, and if we made the right assumptions with dignity. Are there ways we could do more and still maintain an open and dignified process? We want to bring stakeholders together in a variety of ways. We want to manage the task force, and establish an advisory council that will work with the task force thorough out the process. The Staff has passed this proposal. Discounts in particular are identified in the bylaws to be the prevue of the Board.

Many co-ops have done away with the senior discount.

The membership will be engaged within this process. The hope is to be as inclusive as possible.

*Do we have any idea about the number of non-renewal for the low income discounts?*

We might be able to glean this information from our database.

Erin asks to keep in mind balancing fiscal responsibilities and social responsibilities within this process.

**Staff Report**

Now that the budget is done Staff is working on garden center emergency coverage. Because it is a stand-alone unit, logistically it is hard to cover. It was discussed at the most recent collective meetings. The Collective also consented to discount task force. Staff are also working on internal understandings of processes (i.e. Accommodations, Product Selection Guidelines). They also consented to the feasibility study on the eastside expansion and approved a hiring for 4 new staff members. The Merchandising team has been working with the South of the Sound Community Farmland Trust and is moving the partnership proposal forward to staff. A small group of people met to discuss making a plan to sell beer and wine.

## Committee Reports

**Expansion-** has been working on the preliminary steps to prepare for the feasibility study. The committee has involved more staff in this work. They are drafting an overall decision-making process for the Eastside expansion to begin working on an overall strategic plan.

**Co-Sound-** met on November 6<sup>th</sup> and discussed creating two separate committees, One committee that worked with other co-operatives within our community. The other group more focused on the exchange with CECOCESOLA. Last Saturday they had a skype meeting with CECOCESOLA. They met the four people that have been selected for the exchange. They solidified the date of October 2015 for CECOCESOLA to Olympia for four weeks and Olympia at CECOCESOLA in February 2016. On both ends we would fundraise. They want to participate with other organizations and co-operatives within our community

**Finance** – completed and recommended the budget. And reviewed 3<sup>rd</sup> quarter statements

**Personnel-** have not met

**Local-** did not meet

**Standing Hiring-** has not met. But they continue to investigate more options for recruitment.

### Proposal:

**The Olympia Food Co-op Board approves to hire 4 new workers in 2015**

**2 for Deli**

**1 for F/ems**

**1 for Grocery or Bulk**

**Consent**

**Member Relations** – The MRC conducted the Annual meeting, and followed-up with a debrief. Overall a big success, though we have confusion over our role as a committee. MRC members plan to have some time on the Board agenda for the December meeting to discuss our charter as it relates to elections and the Annual meeting (take note, Alejandro). Lois, our long-time member-at-large has resigned from the committee. She has done such excellent work, and will be missed! The committee consented to bring Desdra Dawning on board in her place. The Round Up proposal was clarified based on the request of the Board. Emergency relief causes will be limited to 3 months using a card system at the register, unless requested and approved otherwise. The proposal has gone to staff. MRC would also like to collaborate with the Expansion Committee for any support they need with membership outreach for Eastside expansion!

**Staff and Board Relations task force-** constructed a survey to submit to other co-operatives. The task force is also working on recommendations based on collective feedback. The hope is that these recommendations will be presented to staff in January or February of 2015.

- ***Fern will send out Staff Board relations working recommendations to all***

### **Annual Board Retreat logistics**

Jayne attended to talk about the upcoming Board retreat (December 7<sup>th</sup> 12-5)

Niki will not be able to attend. The one thing she would ask, designate what are our goals for the next year and prioritize working together more than we have in this past year.

Erin recommends that we check back in with strategic planning as well as recommendations from the Co-op conversation and continuing that work.

Isabella and Teresa will work with Jayne to build the agenda.

- *Jayne will send out a draft agenda to all, please send requests and feedback to her.*

### **Executive Session**

#### **Proposal:**

**The Olympia Food Co-op Board approves releasing the joint press release in regards to the lawsuit.**

**Consent**

### **Commitments**

- *Fern will send out Staff Board relations working recommendations to all*
- *Jayne will send out a draft agenda to all, please send requests and feedback to her.*

### **Decisions out of Meeting**

**October Board Minutes – Consent**

**Stand Aside-** Teresa Young, Dani Madrone, Niki Bilodeau

**September Board Minutes- Consent**

## Attached Documents

### 1. Expansion Committee

To: Board of Directors  
From: Expansion Committee

10.10.14

## Eastside Expansion Feasibility Phase

The Expansion Committee has stated its interest in hiring professional assistance in orchestrating a project of this immense size. We have been in communication with the Development Co-op for over a year, inquiring about their basic services and how they might be applicable to this project. In September, we took that relationship further. Members of the Expansion team, along with our Direct Representative of the NCGA Grace, met with Dave Blackburn of the Development Co-op of the NCGA to specifically discuss the Eastside expansion. We showed Dave the basic site plans of our existing lots and explained the overall concept. We asked lots of questions; based on our organizational needs and structure and investigated the process of how the project might unfold and learned we have many options and opportunities to inform and shape this massive expansion. The first of these opportunities is to officially hire the Development Co-op to conduct a complete feasibility study on the Eastside project.

The DC was clear with what the next steps were in the process.

1. Achieve consensus within the organization on a basic concept for the Eastside expansion and approval to hire the Development Co-op for a Feasibility study.
2. Conduct a new market study to be used by the DC during the Feasibility study.
3. Hire an Architect to work with the DC during the Feasibility.

The Development Co-op is a subsidiary of the NCGA. They assist Food Co-ops in large expansion and remodel projects. They provide various services that include feasibility and project implementation.

We are proposing that we hire the Development Co-op to conduct a feasibility study on the project. They will start with reviewing the market study that will show our possible growth opportunities. They will work with an architect who will draft up site plan options. The architect will ensure that code and zoning requirements are being adhered to.

There will be ample feedback phases for the Staff, Board and the Membership throughout the process. Some process items will be presented at the Collective level other specific inquiries will be done at the Department level. At the close of the study the organization will be presented with various

options of the final project. We will then have to decide to move ahead with one or none of the options. We will also have to decide if we want to further contract with the Development Co-op for the project implementation phase or implement the plan internally.

**Proposal-**

**The Olympia Food Co-op Board of Directors approves the hiring of the Development Co-op for a Feasibility study.**

**Attached document #2. Discount Task Force**

Discount Task Force Proposal

Updated Oct. 8, 2014

Submitted by Grace

**Process note:**

*I originally brought this proposal in October of 2013. It was discussed in Collective meetings and had significant support. One person requested the addition of a vision for the task force before putting the proposal out for final consent through the proposal journal. I set the work aside and am just now coming back to it. I apologize for this taking so long, and I hope that the language added satisfies the earlier request. Thanks.*

**Issue:** From January 1-September 30 of 2014 the Co-op has given out \$711,138.13 (nearly three-quarters of a million dollars) in purchase discounts representing 5.7% of total sales. This includes the low income discount (\$255,285.52, 2.06% of sales), senior/disability (\$204,303.97, 1.9% of sales), Volunteer/working member discount (\$128,938.98, 1.04% of sales) and staff (\$92,157.52, .7.5% of sales.) Discount usage is growing slightly faster than sales, and has for several years. With our aging shopper base (hey, I'm eligible for a senior discount!) and the ongoing economic problems, it is highly likely that this trend will continue. Responsible financial management mandates that we at least look at and possibly reformat the discount structures.

There is no doubt in my mind that the discount structure is loved and appreciated by many members. Any changes to the discount structure should include member voices. Ultimately the discount structure is in the Board's jurisdiction. The Board will have final consent should we propose making changes to the system.

**History:** When Harry and I were first hired in 1984 the Co-op had three types of discounts: Staff, Volunteer and Senior. At the suggestion of a volunteer cashier we added the discount for people with disabilities. Knowing that many disabilities are hidden, and that it is already a struggle for many people who live with disabilities to also live with dignity in our ability-focused society, we wanted the discount to be low-barrier. We did not want to force members to disclose to us what disabilities they live with in order to get a 10% discount. A few years later when we instituted the low-income discount we were driven by the same desire – a low-barrier system designed to respect the privacy and dignity of folks who have scant financial resources. We developed some low-key criteria with questions to guide members as they self-selected the low-income membership option. Originally we lumped all three 10% discounts together using the blue 10% discount card. Sometime later, when we realized the financial impact of the low-income discount, we separated it from the other 10% discounts.

Conceptually, the three 10% discount categories are *entitlement* discounts. Although the word entitlement can carry a negative connotation, in this case it just means that one is entitled to a discount due to specific conditions. These discounts differ from the staff and volunteer discounts in that those discounts are in exchange for activity rather than condition. That is why we've always allowed the double-dip for volunteers. All of our discounts were established years ago. Our pre-computer archiving systems lacked a lot; our post-computer archiving systems are better but not perfect. In recent years we've developed the practice of creating vision or purpose statements. I think we should codify the values that underlie our current systems if such purpose statements don't exist or can't be located.

In 2012 the staff consented to the idea of a task force to examine discount usage. For various reasons that task force was never formed. We don't need consensus to do the same thing we already agreed to do. I am phrasing this in proposal language anyway, because I am proposing more detail.

**Vision:** A discount system that values the work of staff and working members and fulfills the mission-driven mandates of making good food accessible to more people, supporting efforts to foster a socially and economically egalitarian society and seeing to the long term health of the business.

**Desired Outcomes:** When this work is completed we will have confirmed the intent of each discount offered, insured that the details of the programs support the stated intent, and assessed the long-term sustainability of each discount program. The work will focus on the discounts for low-income people, seniors & folks with disabilities, and discussions concerning combining discounts. Any proposed changes will be discussed by the full collective, Finance Committee and the Board of Directors; final decisions regarding discounts is in the jurisdiction of the Board.



**Proposal:**

1. Establish a small task force comprised of no more than 3 staff people (at least one of whom should be someone who has been a discount member in the past) and one or two board members to lead an organization-wide process to evaluate the current low-income, senior and disability discount systems and propose modifications to the staff and board.
2. Establish an advisory council comprised of discount members and community service providers. The staff task force members would create a system for selecting organizations and individuals to serve on this council.
3. Develop a work plan that includes various ways to solicit member and community input.
4. Produce a report including options for modifying the discount structure for the Board and staff to review. Board will have final consent.

**Task Force Selection:**

Staff members interested in serving on this task force should submit their names for consideration. The selection will be made using the Co-op's normal selection process. Some criteria to be considered in selecting the task force members include: able to commit to a long-term (up to a year) process; able to work with creative scheduling while maintaining one's regular workload; demonstrated ability to follow-through in a timely manner; empathy for discount users; personal commitment to the values behind the discount programs.

**Project Hours:** Work on this task force will be a special project. I would suggest setting aside 100 SP hours for this task force. While the task force may form in calendar year 2014, it is likely that the majority of the work will happen in 2015, with the goal of completing the work before beginning the 2016 operating budget cycle.