



Board Meeting Minutes

8.20.2015

Attendance: Teresa Young, Isabella Rogol, Desdra Dawning, Max DeJarnatt, Eric Mapes, Habib Serhan, Mohammed El-Sokkary, Bradley Narragon (*Staff Rep fill in*), Fern Moore (*Board Observer*), Harry Levine (*Facilitator*)

Absent - Micheal Snow, Matthew Schmezler, Alejandro Rugarcia (*Staff Representative*)

Agenda

- Agenda Review
- Announcements
- Mission Statement
- Commitments review
- Member Comment
- Combined Discount Proposal
- Staff Report
- Committee Reports
 - Break
- Expansion
- Advocacy Committee Charter Draft
- Elections and Annual Meeting
- Organizational Health Proposal
- Executive Session
- Commitments
- Meeting Eval

Announcements

- Micheal and Matthew are unable to attend tonight's meeting.
- Grace is out of town. Harry will be covering facilitation tonight.
- Alejandro is on vacation. Bradley will be acting as the Staff rep tonight.
- WA-Mend I-735, contacted us as they are launching a business appreciation campaign to highlight why businesses are endorsing the initiative. They would like us to participate. Desdra is interested in participating on behalf of the Co-op. If anyone else is interested, contact Desdra or Heather.
- Max DeJarnatt resigned from the Board. As per the by-laws he will serve for the next 30 days, and submit his written resignation.

Commitments Review

- *Grace will investigate the by-laws in regards to changing the 'dues' terminology pending*
- *Any additional feedback on the Advocacy charter draft will be emailed to Max complete*
- *Isa will check in with Keziah and Janie about Member Relations and the Annual Meeting and cc Fern and Desdra complete*
- *Fern will add an agenda item about brainstorm for Elections Task Force to next Board meeting complete*
- *Teresa will send Fern the info for the Organizational Health complete*
- *Fern will send the final draft of Strategic Priorities to the Board pending*
- *Fern will send an email to all staff inquiring about what staff members would be interested in serving on the Organizational Health Task force complete*
- *Fern will email Staff member Mo about a member at large for the Organizational Health task force complete*

Member Comment

- *Nancy Koppelman-*
I want to take a brief moment to thank you all for being open to my statement to you a month ago. Since then, two members of the Board, Isabella and Desdra, have contacted me to begin conversations and so that we can learn more from each other. As a result of their warm welcome, my statement went out to all staff. In my view, this is the kind of place that the Co-op should be, where Members, Staff, and the Board can discuss topics of mutual concern, especially when there are differences of opinion. I would like nothing more than to see this practice continue. As I said to you and month ago the lawsuit threatens that practice. For the first couple of years after the 2010 Board decided to adopt the boycott, some effort was made to pursue discussion and education, but in context of an active boycott, those efforts rang hollow to the hundreds of members who were, and still are, alienated by it. For the last three years, there has been virtually no effort at all to reach out to those members, nor to the membership at large. I applaud the current Board for taking courageous and responsible step of opening the door again. Thank You.

Combined Discount Proposal

SEE ATTACHED DOCUMENT #1

This is a story of history and a story of technological necessity. Many years ago for the combined discount (senior and disabled) would be entered at the register via discount buttons. When we got new registers it was combined into one queue. To combine the discounts that way will be nearly impossible to do with the upcoming Membership upgrade. It would slow down the registers and lanes. This proposal comes to the Board as via the by-laws provision that the Board is in charge of discounts. This change is imperative to the membership upgrade. The proposal was sent to the Staff about a week ago, instructing to submit feedback to Harry. He has not received any.

Harry supports it as it is necessary for operations. He does acknowledge that there will be some repercussions and possible impact. He advises the Board to make that acknowledgement.

This process will create more accuracy for Members and their discounts. It will also require Members to be active members.

Desdra has concerns about the 'gold card' system. While unrelated to this proposal, it could be investigated by the Discount Task Force.

This proposal is essentially asking for a return to the way the system was originally intended.

Proposal:

We carry out the practice of combining 10% membership discounts with Staff or WM discounts by applying each discount separately, so that one is applied followed by the other. For example, the 10% membership discount will be applied, followed by the 20% or 25% discount (or vice-versa – either sequence results in the same total).

Consent

- *The Membership upgrade team will write a statement of acknowledgment in changing the combined discount and send it to the Board for its approval.*

Staff Report

The August Collective meetings reviewed the accountability tracking system. There is a proposal to change the process of the Collective's proposal journal process. That work yielded good discussion revealing the issues and learning what to change. The Collective also looked at a proposal to change the starting wage, and how this fits into the overall budget. This work came up because of the national movement to raise the minimum wage and locally the Seattle and Sea-Tac \$15 minimum wage. There is work continuing to prepare for the Membership database for the upgrade. The Staff party was last Sunday with one Board member and family in attendance. Other proposals in process are the Staff rep to the Board, New members for the Merchandising Coordination Action Team, the Organizational Health proposal, 2016 budget process, staff member proposals to join Member Relations and Big Picture Coordination Action Team, and the Membership fee conversion proposal.

Committee Reports

Co-Sound- had a fundraiser last week and raised some funds for the upcoming CECOCESOLA exchange. The committee is working on creating a new charter and a creating a structured network for co-ops in the area.

Finance- Discussed the new technology that we used for inventory at the Westside, that worked well. They are waiting for the final report from the Audit on 2014. Once received they will review the report with the Board. They reviewed year to date statements. In summary sales are 2% below projection, margin was above projection but not enough to offset performance. Gross revenue was about 2% below projections. Expenses were 2% overspent. Year to date June 30th the statement shows \$61,241 profit, we budgeted for \$170,000 profit for expansion. Cash on hand is doing okay. Sales have been picking up lately, and sales are low for Co-ops nationally. The good news is we are showing growth, just lower than projected.

- ***Finance committee will bring quarterly statements to present at the September board meeting***

Personnel- There was discussion about the Collective discussion process planned for October. They talked about personnel challenges with the accountability system and conflict resolution. The committee also reviewed budget stuff and projected hours and expenses for next year.

Local- The committee has been contacting vendors about the 10th annual Harvest party which will be on September 20th 1-5 at the Westside store. The Local Farm produce buying program development team met with the South of the Sound Community Farmland Trust.

Standing Hiring- has not met.

Member Relations- The Annual Meeting is scheduled for the 17th of October from 11-2 at the Olympia Senior center.

Expansion- see agenda item below.

Eco Planning- Eric has a plan to revive the committee.

Board/Staff Relations- have a meeting scheduled with the Board facilitator to review the draft.

Discount Task force- they had a brainstorming session and assigned various research commitments.

Elections Task Force- see agenda item below.

Elections and Annual Meeting

Please sign up for tabling, Eric created a sign up online or sign up in the stores. There are new materials that were created for recruitment this year. The best way method for recruitment is to talk to your neighbors, friends etc, share the experience of being a director. This is an exciting year for the Co-op and its future with the Eastside expansion.

Brainstorm-

- Bylaws change for mailing- the actual WA state law - Eric
- Accessing Mailchimp for the membership
- Facebook advertising
- KAOS spot

Annual meeting will hopefully include a panel of delegates from the CECOCESOLA exchange. The exchange committee are scripting questions and sending them to ahead of time. The Board would like Expansion to have a report at the Annual Meeting on the feasibility study and the vision for the Eastside expansion.

Next month, the Board will review the proposed agenda for the Annual Meeting and assign responsibilities.

- *Fern will email staff to recruit for the Board.*
- *Fern will contact Outreach with request for recruitment advertising*
- *Eric will look into bylaw requirements for the annual meeting*
- *Fern will email BPC to request assignment of the Staff Report for the Annual Meeting*

Expansion

The Expansion Committee hosted the Development Co-op last month. They toured both stores and met with members of Finance, Expansion and Board to go over our initial project vision. They recommended that we do not remodel the existing store. Instead they would like us to consider building a new store with double the square footage on the adjacent lot, demoing the existing store and doubling our parking lot. The Expansion committee met and decided to support their recommendation with one stand aside. The Committee would like Board feedback and consent on changing the overall project scope. The feasibility study will be conducted on the new project vision of rebuilding on the lot.

They were not encouraged by the idea of using our current building for the following reasons:

- the buildings shape, including ceiling height, make it uncomfortable for the shopper and operationally inefficient. These limitations would be more pronounced with an expansion
- the building is old and would need significant upgrading in the expansion. They don't think the building is right enough for to warrant the investment
- the space on the site is likely better configured with a building on either end of the site. Expansion of the current building leaves your store in the middle of the site.

Proposal-

The Development Co-op recommends that the co-op not explore expanding and renovating the current Eastside store. Instead, we suggest looking at new construction on your current site. This scenario would see new construction almost entirely on the parcel you've just purchased, leaving most of your existing building intact and the store open until the new store is open.

Consent

Advocacy Committee Draft Charter

SEE ATTACHED DOCUMENT # 2

Max redrafted the charter based on Board feedback.

- Add to decision making (that all decisions will be brought to the Board for approval)
- Second to last 'apprise' instead of 'appraise'

Proposal

The Board approves the creation of the Advocacy Committee and charter.

- Harry will post a job description to staff
- Harry will include in 2016 budget
- Fern will make the final charter and send on to staff pages

Teresa and Desdra gathered and incorporated Collective and Board feedback. They are seeking consent on the proposal so that it can be included in the 2016 budget.

Proposal:

A temporary committee of Staff and Board will be created to gather feedback and develop a process to support Collective Health for the end of 2015 and during 2016, through focus groups, activities, trainings, and other methods as determined by the committee. The makeup of the committee will be consented to by Staff. The committee will propose labor hours and expense needs as part of the 2016 budget process. For 2015, the committee will use no more than 1.5 hours/week, with hours coming either training or Big Picture CAT budgets, which were created with carrying out a collective retreat in mind.

Consent

Commitments

- *Grace will investigate the by-laws in regards to changing the 'dues' terminology*
- *Fern will send the final draft of Strategic Priorities to the Board pending*
- *Fern will send an email to all staff inquiring about what staff members would be interested in serving on the Organizational Health Task force pending*
- *Fern will email Staff member Mo about a member at large for the Organizational Health task force pending*
- *Fern will contact the Membership upgrade team will write a statement of acknowledgment in changing the combined discount and send it to the Board for its approval.*
- *Finance committee will bring quarterly statements to present at the September board meeting*
- *Fern will email staff to recruit for the board elections.*
- *Harry will post a job description to staff for the Advocacy Committee*
- *Harry will include the Advocacy Committee in 2016 budget*
- *Fern will make the final Advocacy Committee charter and send on to staff pages*
- *Fern will contact Outreach with request for recruitment advertising*
- *Eric will look into bylaw requirements for the mailing for the annual meeting*
- *Fern will email BPC to request assignment of the Staff Report for the Annual Meeting*

Executive session

Meeting Eval

Long, and productive.

Decisions Out of Meeting

1. Approval of July Board Minutes - decision made via email

Consent
Stand Aside- Eric Mapes

**2. Endorsement of petition calling for Olympia to recognize Indigenous People's Day -
decision made via email**

Consent

Next Meeting

- Agenda Review**
- Announcements**
- Mission Statement**
- Commitments review**
- Member Comment**
- 1st quarter statements**
- Staff Report**
- Committee Reports**
- Break**
- Elections and Annual Meeting (agenda and assignments)**
- Commitments**
- Meeting Eval**

Attached Documents

1. Combined Discount Proposal

8/11/15 Proposal to Correct Combined Discount Calculation
From Mo, Kitty and Bradley

Background:

We need to formalize how we process combined discounts- that is, for Working members & Staff using a low income, senior, or disability discount at the same time as their 25% or 20%. The practice of combining discounts evolved organically in our organization, we've been doing it for years, with very little process around its use and calculation.

In the work we've been doing with Catapult and the membership transition this year, discounts have been thoroughly analyzed and we discovered a mistake. The correct way to apply discounts would be to apply one, and then the other discount.

In the new system, when combined discounts are applied separately in the sale (i.e. 10% and then 25%) the member does not get 35% off the sale, rather they will receive 32.5% off. Similarly, Staff who have a 20% and 10% applied separately, will not actually receive 30% off the sale, but 28% off the sale. Here is some fun math as an example. \$10.00 purchase — 10% off brings us to \$9.00 Now, we are taking 25% of \$9.00, instead of \$10. So the WM using a Senior or Low-income membership will pay \$6.75.

We believe this change will lead to better business management "see to the long term health of the business" - we know we are selling a lot of product at below our cost! This would slightly reduce that. Also, this is more in line with how other stores apply discounts and coupons. This is how UNFI calculates our pallet deals, for example. Based on 2014 discount usage, the combined WM discount would reduce our total discounts by about \$11,200. For the average basket, the difference is less than one dollar. See the chart below for more detail.

According to the bylaws, the Board of Directors is responsible for determining how and what our discounts will be:

11. MARKUPS Members shall pay markups on goods purchased from the Cooperative which shall be less than those paid by non-members. Volunteer Working Members are eligible to pay markups on goods purchased from the Cooperative which shall be less than those paid by non-volunteers. The Board shall determine the procedure and amount of special membership category discounts and non-member mark-ups.

Proposal to the Board:

That we carry out the practice of combining 10% membership discounts with Staff or WM discounts by applying each discount separately, so that one is applied followed by the other. For example, the 10% membership discount will be applied, followed by the 20% or 25% discount (or vice-versa – either sequence results in the same total).

2014 Total		Actual 35% Discount	Sales Before Disc	at 32.5% discount	Difference
East	Combined LI	\$ 47,342.00	\$ 135,262.86	\$ 43,960.43	\$ 3,381.57
	Combined Other	\$ 49,573.00	\$ 141,637.14	\$ 46,032.07	\$ 3,540.93
West	Combined LI	\$ 38,325.00	\$ 109,500.00	\$ 35,587.50	\$ 2,737.50
	Combined Other	\$ 21,606.00	\$ 61,731.43	\$ 20,062.71	\$ 1,543.29
		Difference between 35% and 32.5% for 2014			\$ 11,203.29
Average Basket 2014		After 35% Discount	After 32.5% Discount	Difference per average basket	
East	\$ 36.00	\$ 23.40	\$ 24.30		\$ 0.90
West	\$ 24.00	\$ 15.60	\$ 16.20		\$ 0.60

2. Advocacy Charter Draft

Charter of the Board Advocacy Committee

The Board Advocacy Committee is authorized by the Olympia Food Co-op (OFC) Board of Directors (BOD) to carry out any and all activities related to its purposes as described below.

Purposes:

- Present BOD the opportunity to endorse relevant local, regional, national and international political causes relevant to the Co-op’s Mission
- Develop framework to guide consideration of support requests
- Field support requests for official endorsements/further action from local causes
- Make routine assessments of current, on-going advocacy campaigns to evaluate efficacy and ensure relevancy and message consistency.
- Solicit input from the collective and membership regarding political causes and effective tactics.

- Devise action plans to enable increased civic engagement of the coop community
- Appraise membership of local action and opportunity via the website, social media, store bulletin boards, and the newsletter.
- Coordinate political action locally

Structure: The Board Outreach Committee shall consist of a minimum of three individuals: two active BOD members, and one Staff member who will coordinate and support the activities of the committee (and who has a number of paid hours, as determined by the staff, per week, to do so). As many as three additional members may comprise this committee - bringing it to maximum capacity of six members total. Any additional members must be interested and qualified co-op members who have been appointed by the BOD. Committee members shall be appointed by the board on a yearly basis. These appointments shall be made within the 60 days following the BOD elections, except for the committee member who is a member of the staff, as they will instead be appointed by the staff during the same period of time.

Process: The Board Advocacy Committee shall meet at least once per month and all decisions shall be made by consensus.

Guidelines: In seeking direction and making determinations as to whether or not their activities are in accordance with the purposes stated above, committee members shall refer to the Articles of Incorporation and the OFC Bylaws, as well as soliciting advice from long-time staff members. They shall also consider such materials as are available from organizations whose purposes are compatible with those of the OFC as stated in the Articles of Incorporation and the Bylaws.

3. Organizational Health Proposal

August 12, 2015

To: All Staff

From: Mo (big picture cat) and Teresa Young and Desdra D. (B.O.D.)

Olympia Food Cooperative Collective Health Revitalization Process Proposal

Aug 2015

The goal: To see to the health of the cooperative by creating and engaging in an internal whole system process that will be unique to our cooperative. The process will bring the board and the entire staff collective together to engage in dialogue around the mission and values of our cooperative. This process will be improved upon and repeated periodically, most likely every three years. This process is meant to develop and align individual, interpersonal, and organizational capacities and competencies. The process will be strength based and transformational in nature.

Background:

Evaluations: Every system needs to have some type of feedback system which will allow it to reflect and make changes for continuous improvements. In the past, we have hired outside groups (Tim Huet, CDS) to evaluate operations or how the collective organizes itself. This gave us lists and lists of things that needed to be done so we might move towards more

efficiencies and more accountability. We have also conducted various internal/collective-led evaluations of portions of our system (looking at labor and accountability systems, for instance). This type of evaluation can and often does produce improvements. The downside to this type of evaluation is the toll it takes on those working to fix the problems identified in the evaluations.

Stressful Working Conditions: The challenges the collective members face each day are often complex. When people spend a fair amount of their day dealing with challenges, it has an impact. When time and resources are spent on objectives that fail to achieve the desired results, it brings people down and people begin to question the ability of the collective to effectively manage the cooperative.

“Operational challenges” exists in most organizations and is not unique to the cooperative. What makes this more challenging for the OFC are the values we hold around power and individual rights and equality. No one wants to or should have to be the enforcer of agreements or policies in the collective. When there are individuals in the collective who choose not to abide by agreements, it can lead to feelings of resentments, inequality, powerlessness and frustrations for everyone else.

Board /Collective Relationship: The boycott of Israeli goods at the cooperative surfaced several issues around the relationship between the board of directors and the staff collective. In the past five years there have been much discussion about this and now a task force exploring ways to improve, communication, information sharing, decision making and trust. The work the Staff Board Relations Task Force has done is informing this process and will continue to show us what staff and board need to tackle.

One of the traditional jobs of a board of a cooperative is to evaluate the management of the cooperative. This is often achieved by developing a relationship to the manager and having conversations periodically about how things are going. With a collective, how can the board and the management of the cooperative (the collective) have a conversation unless we actually plan for this to happen and be very intentional about what we discuss?

A Positive Way Forward

When we really think about it, what are the forces that govern organizational behavior? At the Co-op we know it is not a boss looking over our shoulder. Is it the agreements or policies that guide our behavior to be accountable? What is it that makes us show up and be the way we are at work?

Often what really drives a person is something bigger than themselves. People want to be a part of an organization that they think is going to make a difference. People want to learn grow and develop. People feel valued for contributions they can make. People have a desire to inspire and be inspired. It is what drives people to action. It is what will keep us in the game when things get difficult.

The Olympia Food Cooperative is a very mission driven organization. “The purpose of the cooperative is to contribute to the well being of people.... We strive to make human effects on the earth and its inhabitants positive and renewing.... We are a collectively managed, not for profit cooperative organization that relies on consensus decision making... Goals to make food accessible to more people, democratic processes, collective decision making and building an egalitarian society.

We have a whole collective of individuals driven by a desire to make a difference in this world. This is what attracted many to seek employment with the collective. It is why there are so many working members and people who want to be part of the community. We just need to remind ourselves of how amazing we really are and what difference we are making for ourselves, our community and the world.

Creating an inspired workforce is based on individual and organizational learning. All real learning and inspiration is individual. It comes from personal insight, self-awareness and reflection. Organizational learning comes from dialogue between individuals.

The Process

Our aim is to see to the long term health of the organization and improved relationships within the cooperative. The process we will use will be created by collaboration between staff and the board.

The process will be dialogue based, it will focus on strengths and what is awesome about us. It should include components of appreciative inquiry (Looking at what makes us special and how can we move more toward those things) it should reflect the unique nature of our organization. We can utilize this process as a feedback system that is generative and builds on those things that allow us to inspire and be inspired. A process to be the stimulus for the kind of learning and personal growth that allows people to put their passion into their work as the source of creative involvement

Proposal:

A temporary committee of Staff and Board will be created to gather feedback and develop a process to support Collective Health for the end of 2015 and during 2016, through focus groups, activities, trainings, and other methods as determined by the committee. The makeup of the committee will be consented to by Staff. The committee will propose labor hours and expense needs as part of the 2016 budget process. For 2015, the committee will use no more than 1.5 hours/week, with hours coming either training or Big Picture CAT budgets, which were created with carrying out a collective retreat in mind.