


Board Meeting Minutes
Tuesday, July 25, 2017; 5:30-8:30 pm

Attended by:

Board Members: Lisa, Isaac, Naoki, Jenny, Dave, Amy, Jacob, Heidi, Teresa,

CM: Tyler, Rachel, Kahadish, Shawn

Member-Owners: Peter Siracusa, Steven Mahalo

Elections Committee: Christopher, Ellen

Guests:

Facilitation: Andrea **Minutes:** Tyler **Vibes:** Christopher, Teresa, Lisa
Clean-up: Naoki, Teresa, Heidi **Scribe:** Amy

COMMITMENTS

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	11/24/15	Jacob, Isaac	9/17	Jacob will create a process for board members to keep track of the engagement commitments they have made.
2	3/22/16	Amy, Isaac, Jacob	Ongoing	Amy, Isaac, Mallory, Josh , and Jacob committed to attending MAC engagements at the farmers market.
3	9/27/16	Dave	9/17	Dave will bring study & engagement on ethics of development.
4	11/15/16	Dave, Lisa	7/17	Dave and Isaac -Lisa will discuss and present something about possible trainings for Board and CM on how to triage/de-escalate difficult interactions by March 2017. (Include what is most critical and what is more aspirational.)
5	2/28/17	Teresa, Lisa, Kathy	8/17	Bring back further reflections on 2.1 (action response plan and restorative justice model) by June. Lisa and Kathy will bring Urgent Response Policy agenda item in August.
6	3/28/17	Jacob, Shawn, Rachel	9/17	Jacob, Shawn, and Rachel will create an agenda item regarding global policy 2.8.
7	4/25/17	Teresa	TBD	Teresa will attend next patriarchy & oppression followup meeting and will include any input from board. (If anyone has any input on accessibility to board, please let her know.)
8	4/25/17	Teresa	9/17	Teresa will read through policy & bylaws to find out if process of board only talking to CM through CM Link is specified and if any changes need to be made there.

9	5/23/17	Isaac	8/17	Isaac will submit agenda request for June August to review 2.5.10 in a safe space session.
10	5/23/17	Jacob, Kathy	8/17	Jacob and Kathy will get the work plan uploaded to bodacio.us.
11	6/27/17	Kathy	ongoing	Kathy will be Shawn's point of contact for consultations with lawyer on drafting change to articles of incorporation.
12	6/27/17	Jacob, Rachel	8/17	Jacob and Rachel will take orientation pluses/deltas and sketch out how next board orientation will work, ask people to take sections on.
13	6/27/17	Gayle	ongoing	Gayle will send out agenda request reminders a week after meeting and a day before planning meeting.
14	7/25/17	Isaac, Teresa	8/17	Isaac will bring a discussion of Global Policy to the August Board meeting with Teresa's assistance.
14	7/25/17	Heidi, Teresa	8/17	Heidi will draft a revision of the Election Committee policy to incorporate provisions for when a seat on the committee is vacated mid-term. Teresa will bring the revision to the board.
15	7/25/17	Lisa, Dave	8/8/17	Lisa will draft a Grass/Roots article on non-voting shares by 8/8, with the help of Dave. Lisa will also reach out to Kathy for help around this.

DECISIONS:

- **June 2017 meeting minutes approved with one abstention.**
- **Board accepts 2.0 Report on Global Executive Limitations.**

NEW COMMITMENTS:

Isaac will bring a discussion of Global Policy to the August Board meeting with Teresa's assistance.

Heidi will draft a revision of the Election Committee policy to incorporate provisions for when a seat on the committee is vacated mid-term. Teresa will bring the revision to the board for discussion by next month (8/17).

Lisa will draft a Grass/Roots article on non-voting shares by 8/8, with the help of Dave. Lisa will also reach out to Kathy for help around this.

OPEN FORUM:

- No members requested to address the board.

AGENDA REVISIONS:

- Combine item 9 and item 3, adding ten minutes to it.

MINUTES APPROVAL:

Decision: June 2017 meeting minutes approved (one abstention).

ANNOUNCEMENTS:

- Please email Lisa with any thoughts on a cooking competition
- The second date for our uprooting patriarchy training has been set: Saturday, August 26th from 1-5:30pm. No location set yet. Contact Rachel if you need childcare, have access needs, or would like to help set up/clean up.

AGENDA ITEMS:

1. Introducing New Board Members

Sponsor: Jacob

Purpose: discuss

- New Board members Jenny and Naoki are present, Jenna Whitaker is not able to be here tonight but will begin attending next month and moving forward. Thanks to everyone who ran and showed proactive interest in being involved as a board member.
 - Jenny Owen, she/her pronouns. I have been a member owner since 2000, I was a HOO, then became a substitute staff person around 2004. Curious about evolving relationship to the co-op as it relates to the long-term plan.
 - Naoki Yoneyama, grew up in France and moved to Portland 2 years ago. Amazed by the co-op's work and community, excited to help the co-op be successful as a board member.
- For new board members' first meeting they are here in an observer role, and do not participate in decision making processes.

2. Introducing Elections Committee

Sponsor: Amy

Purpose: discuss

- Elections Committee is the steward of the elections process, strengthening the democratic involvement of board members. This committee will work with the Board throughout the year. Amy, Sofie, Rachel, and the secretary of the Elections Committee will be mentors to EC members.
- Introducing the Committee: Christopher and Ellen
- We have not used an elections committee in some time, so there will be hiccups in the EC process over time. Please put any thoughts you have on how the committee is being used out in the open.

3. Board Onboarding Discussion & Board Orientation Logistics

Sponsor: Jacob

Purpose: discuss

- New board members will get orientated to the board by current board members in a training on Sunday, September 10th! The time for this training has not been set yet. We will train on the cooperative principles, the collective management, and much more! The Elections Committee is encouraged to attend at least part of it, but for board members it is mandatory, and crucial to forming this new board.
- Kathy & Jacob will form the agenda for this training, gauge interest in each agenda item and see what board members will take point on presenting for each item.
- Board leadership positions
 - In September, post-orientation we will be electing new board officers. President, vice president,

secretary and treasurer, which we will talk about at next meeting. If you have questions around that please reach out to Jacob or Heidi.

- By the end of this month new board members will receive an email about setting up a People's email address. If you don't receive this email reach out to Amy to let them know.
- We may schedule an anti-oppression training outside of this orientation as well.

4. Review of Meeting Procedure & Consensus

Sponsor: Jacob

Purpose: discuss

- Discussion of consensus process that the Board uses to make decisions.
 - Standing aside in a decision making process means that you are in agreement that this course of action is not detrimental to the co-op, but for *deeply held* personal reasons you cannot agree to it. You are agreeing that it is in the best interest in the co-op, but you want no part in its implementation, implication. In the course of our work and living our responsibility as board members, abstentions are few and far between.
 - Blocking a proposal means you believe this decision is potentially detrimental to the co-op, harming it in some significant way, it is fundamentally opposed to our Ends. You will be asked to justify your block.
 - IF the rest of the Board consents to the decision and there is one block, the decision is approved.
 - The point of consensus is to create the best possible decision by this group of people at this time.
- Hand signals to streamline process: sparkling for agreement, triangle for a point of process concern.
- Discussion, proposal put forward, clarifying questions and concerns, launching into the decision.
- Closed meetings
 - These happen around legal issues and personnel issues.
 - Another reason that these happens is for a relationship issue, if trust is broken and that relationship needs to be worked on a meeting setting.
 - The board agrees in a meeting to do that. The board is the board alone, no support staff, and the topic and the fact of the closed meeting are included in the notes, but no minutes are taken.

5. 2.0 Report: Global Executive Limitations

Sponsor: Rachel

Purpose: DECIDE

Time: 15min

- Did the Board come prepared to act? YES!
- Clarifying questions:
 - Unclear about the issue of being out of compliance with assets protection and Board image.
 - Report stated we were in compliance, but when the report came to the Board it was found that a plan for getting in compliance was made and followed, but compliance was not achieved. Specifically it was around approving controversial sponsorships by People's.
- Concerns with the report as submitted to the Board:
 - Heidi raised concern around under seventh principle, does the Board want any more recent data (more recent than the Ends Report)
 - This is a point of improvement in future reports but not a cause to reject this one
 - The Board has the right to audit the Collective Management for any reason it sees fit, for example doing direct observation.

- Recent example of an external audit (or inspection, as in policy governance lingo) is NCG's capacity assessment
- The Board writes policy in conversation with the CM. The CM then interprets that policy according to their operational authority, then provide you information on that.
- Important things to remember in considering this report:
 - Is the CM interpretation of our policy reasonable? If so, does that data tell us we are doing well or what we need to improve?
 - Reasonable data to support assertion of compliance
- **The Board accepts the report as submitted.**
- Policy reflections: did you get the data you expected? If not, is it because our policy is crummy or no longer relevant?
 - A third of the section on Global Policy doesn't translate to interpretation or operational definition. The language is vague. It would make sense to review this, everything from 'unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices or the Seven Cooperative Principles.' I think we should either strike this or make it more specific.
 - The data there is important even if it is small, and I feel against striking it for that reason.
 - Recommend we bring this back for further discussion before recommending CM review interpretation or rewriting policy as a Board.
 - Isaac will take point on bringing this discussion to the August Board meeting. Teresa will assist.
 - Concern around under seventh principle and the need for more recent data than just our Ends report.

6. Annual Meeting Review

Sponsor: Jacob

Purpose: discuss

- If you have specific feedback regarding the Annual Meeting, please send it to Sofie. Please also send notes on facilitated conversations to Sofie.
- On the record, Jacob extends the thanks of the Board to the CM for doing such a fabulous event. Lots of logistical hurdles around the venue, last minute surprises, but we adapted.
- Blown away by Sofie's presentation, felt it served such a great purpose and set a great backdrop for our table discussions.
- This year more so than most it was clear how many members of the CM were involved in making this go smoothly. Lisa will draw the CM's attention to the minutes of this meeting so they can see the Board's gratitude for all the CM work the Annual meeting involved!

7. Elections Committee Policy Review

Sponsor: Heidi

Purpose: discuss

- We don't have a piece in this current policy for nominating someone mid-election or holding a special election or if we will leave a seat empty if an EC member leaves mid-term.
 - Heidi will draft a revision for this proposal to address this piece, Teresa will take on bringing the policy revision back to the board for future discussion by next month (8/17).
 - I recognize the deep democracy that is being reached for with this impulse, but this could potentially be challenging to hold a special election.
- Quorum is defined as 2 members.
- Part 5 there is room for changes.
- "Member owners at large" could be added in point 5.

- We cannot expand membership of the committee beyond how it's framed in the policy. We can recruit additional volunteers to assist the committee, but they can't be a voting member.
- Questions and concerns
 - Caveat under 5.1: if both seats are vacated, a member owner could be appointed by the Board mid-term until the next election cycle.
 - The point around "at least one member of the Board" is open to interpretation; if there is more than one, would they both have to be elected?
- This will come back to a future meeting to discuss the policy revision undertaken by Heidi.

8. Nonvoting Shares

Sponsor: Shawn (and Miles)

Purpose: discuss

- Securities lawyer told us we needed to have all the details about share offerings in our articles of incorporation. This was a surprise!
- Gauging if we can do what coops in California do, a short line in their articles of incorporation that states 'we have a million nonvoting shares available.' The board makes a resolution to work out the teeny details of that fact. In case we can't do that, we wanted to run this proposal by the Board.
- I would love to identify a Board member who can write this article that will go in Grass/roots and ultimately on the ballot.
- Questions:
 - If I wanted to buy a ton of nonvoting shares, could I do that?
 - Yes, you have to be a MO who lives in Oregon though.
 - When will this article come out?
 - October Grass/roots. We are setting ourselves up so we can start a capital campaign in January.
 - We will need a lot of MO engagement from the Board for October.
 - Will it be first come first serve for these?
 - We can
 - Bank loans tend to be over 5% interest, so NV shares are a good deal for us.
 - Interest is annual. These options presented: is it a proposal to do exactly this or is this just an example?
 - We propose exactly what is in the documentation for shares allowable, share prices, value, interest, and terms.
 - Is the total combined stock enough? \$17 million?
 - How did we come up with the \$17 million? Where did that come from? If there's a scientific to this guess, I would like to know.
 - Was a wild guess and I would love input on that. There was no scientific to it.
 - Doubling down on that and going for \$40 million gives you space to work with down the road.
 - It feels a bit like we're putting the cart before the horse, putting this together before we have the proforma. Say we get all the stock, then we don't end up making a move with a store, and owe a bunch of interest to member owners.
 - The idea that maybe our expansion won't work is up to the Board to ensure it won't happen. It's our responsibility as a CM to ensure that the process will work at the end of the day.
 - Haven't seen a lot of real estate numbers, but I know Portland is expensive. I don't feel like I can put a figure around it without knowing more details.
 - One downside of going really large: our messaging regarding this. It might alter our approach a bit. Knowing our membership, they'll want reassurance.

- If this is exactly what is in our articles, this is what we're confined to.
- LTPC has been looking at real estate costs, these estimates are partly informed by that.
- Is the Grass/roots article when the membership first hears about this?
 - Not sure. It might be. We are setting up engagement events after that.
 - Might be a good idea to review how we brought the patronage system to the membership as a guide for introducing the MO to a new idea.
- The Board is approving this structure to get finalized by the lawyer, but the Board reserves the final yes/no on the operational offering of a set stock of NV shares. When the CM reveals NV share they can get approval from the Board on the cap for total combined stock.
- Did we have a similar process with our most recent expansion for raising money?
 - No, it was less official, we just got more investments and loans from member owners.
- I want to make sure the MOs know what they'd be investing in—the plan for expansion.
- I feel like we need to know a minimum as well as a maximum.
- We won't be asking anyone to invest money until at least January. At that point we will have already looked at specific sites and settled on a plan.
- We can't roll out the exact project proposal, but the member owners know there is a big project involving real estate on the horizon, we can emphasize that it is financially responsible to revise our articles of incorporation. It's socially responsible investing, a great return for member owners. We're gonna borrow it anyways. As a board we've already okayed these projects so the ball is kind of already rolling.
- Do directors have concerns about this draft of NV share details information?
 - No concerns as long as this information is presented really well in a way that allays the fears of member ownership.
- Lisa will draft the Grass/Roots article and include the wisdom of the group shared here tonight by August 8th. Dave will assist, and Lisa will ask Kathy for input as well.

MEETING EVALUATION

Celebrate!

- New Board members and Election Committee members!
- Rachel & Shawn made it happen!
- Member owner participation & CM presence
- Shawn & Miles doing a great job pressing forward
- Excellent facilitation
- Teresa being here on her birthday

Opportunity for change:

- More admin support in the meeting leading up to welcoming new Board members
- Dinner less in line with most healthful food and least environmental impact ends
- Make sure to ask all Board for dietary restrictions
- We should bring name tags back
- Non-confidential packet for non-board members

NEXT MEETING: Tuesday, August 22, 2017, 5:30-8:30 pm

Next meeting agenda brainstorm:

- Global Policy 2.0 monitoring report
- Nonvoting share letter for Grass/Roots
- Safe Space discussion on 2.5.10
- Discussion of officer roles

- Election committee policy change
- Board training allocation

BIKE RACK/FUTURE MEETING TOPICS:

- Revisit policy 2.7.1 Compensation and Benefits
- Accountability loop between CM and BOD– how is it actualized? – Refer to policy 3.4 Monitoring CM Performance
- Revisit whether or not to change Patronage Refund to Patronage Dividend in the bylaws
- Creating a policy for when new directors can vote
- 5-10 year planning on patronage trends and opportunities
- Discussion of how to communicate the Meeting Guidelines other than just having them
- The “staggering” clause of Article 4.3
- Further developing the “CM nominates/Ownership elects” proposal
- Look into 80% insurance issue within 3 months (2.5.1.1)
- Submit a more developed Share Cost policy to the agenda committee (4/23/13)