


Board Meeting Minutes
Tuesday, January 24, 2017; 5:30-8:30p

Attended by:

Board Members: Dave, Jacob, Isaac, Lisa, Kathy, Heidi, Teresa

CM: Sonrisa, Sofie, Gabi, Shawn, Miles (for non-voting stock item)

Member-Owners: Tammy, Pablo, Norm

Guests:

Facilitation: Andrea **Minutes:** Sonrisa **Vibes:** Lisa **Clean-up:** Teresa, Norm, Dave **Scribe:** Lisa

COMMITMENTS:

| | COMMIT MADE | DIRECTOR(S) | DUE DATE | COMMITMENT |
|----|-------------|---------------------|----------|---|
| 1 | 11/24/15 | Jacob, Isaac | 2/17 | 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 | 5/24/16 | Heidi, Jacob, Isaac | 3/17 | Revise the 4.5 policy and bring back to board. |
| 4 | 9/27/16 | Isaac, Teresa | 2/17 | Isaac and Mallory Teresa will draft bylaws change on how to handle filling board seats vacated mid-term. |
| 5 | 9/27/16 | Dave | 4/17 | Dave will bring study & engagement on ethics of development. |
| 6 | 10/25/16 | Jacob | 2/17 | Jacob will scan parts of Co-op Cafe packet to distribute before next board meeting. |
| 7 | 10/25/16 | Lisa | 6/17 | Lisa will spearhead thinking about a Board/CM pie walk event for next year by June. |
| 8 | 11/15/16 | Dave, Isaac | 3/17 | Dave and Isaac 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.) |
| 9 | 11/15/16 | Amy | 12/16 | Amy will work with Sofie to create a plan for elections committee. |
| 10 | 11/15/16 | Heidi | 2/17 | Heidi will review Policy 2.1 in light of recent learnings and bring back findings or proposal by February. |

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|----|---------|-----------------------|---------|---|
| 11 | 1/24/17 | Shawn | 2/17 | Shawn will give vetted bylaw language to Isaac and Teresa to distribute to board. |
| 12 | 1/24/17 | Jacob | 2/17 | Jacob will follow up with Tammy and Pablo about the ideas they shared. |
| 13 | 1/24/17 | Shawn | 1/25/17 | Shawn will reserve the retreat location. |
| 14 | 1/24/17 | Kathy, Teresa | 2/17 | Kathy and Teresa will work with Jacob and Mark Goering to develop the retreat agenda. |
| 15 | 1/24/17 | Lisa, Heidi, Kathy | 2/17 | Lisa, Heidi, and Kathy will take info from Shawn and come back with info on a possible bylaw change regarding non-voting stock. |
| 16 | 1/24/17 | All | 2/17 | All board members will contact potential candidates they have in mind to fill the current board vacancy. |
| 17 | 1/24/17 | Heidi | 2/17 | Heidi will email the most recent board candidate materials to the board to pass on to potential candidates. |

DECISIONS:

December 2016 meeting minutes approved.

NEW COMMITMENTS:

Jacob will follow up with Tammy and Pablo about the ideas they shared.

Shawn will reserve the retreat location.

Kathy and Teresa will work with Jacob and Mark Goering to develop the retreat agenda.

Lisa, Heidi, and Kathy will take info from Shawn and come back with info on a possible bylaw change regarding non-voting stock.

All board members will contact potential candidates they have in mind to fill the current board vacancy.

Heidi will email the most recent board candidate materials to the board to pass on to potential candidates.

OPEN FORUM:

- Tammy: Could we start carrying some of Mirador's product selection now that it's closing?

Jacob will follow up with Tammy.

- Pablo: Can we take over Papa G's? The owner is moving away and I think he would be open to the co-op taking over his business.

Jacob will follow up with Pablo.

AGENDA REVISIONS:

- Teresa is going to talk about the clean-up process.
 - Since the kitchen is fairly small and it can get chaotic, maybe we should have two people who are designated to clean up the kitchen (at least one who knows where things go, and maybe one

who wants to learn). And then other folks clean in the community room.

MINUTES APPROVAL:

Decision: December 2016 meeting minutes approved.

ANNOUNCEMENTS:

- We're starting a monthly meeting group to talk about oppression, how it manifests at People's, and how we might want to address that. The first meeting is this Saturday, January 28, from 3-5 pm, and then the third Saturday of every month from 3-5 pm going forward. It would be cool to have some board members there.
- February 2, 6:30-8:30, there will be a meeting between the board and CM to debrief how the Black Lives Matter endorsement went down.
- The gift of massages that the board gave to the CM has been rescheduled to February 14 due to inclement weather. There will be two other days as well, so all staff can attend.

AGENDA ITEMS:

1. Retreat Update

Sponsor: Kathy/Teresa

Purpose: discuss

- Date: May 6.
- Location: "The one with the little mini donkey."

Shawn will reserve the retreat location.

Kathy and Teresa will work with Jacob and Mark Goering to develop the retreat agenda.

2. Non-Voting Stock

Sponsor: Shawn

Purpose: discuss

- The issue came up recently for the LTPC.
- No one on the LTPC or the Finance Team is really convinced either way. It's a good way to raise a lot of money, but there are questions about democracy. Basically we're here like "what do you guys think?" If the board wants to move forward, Shawn will raise the issue with the CM.
- Are we in a strong financial position without resorting to issuing this sort of stock?
 - We're in a strong position to borrow a certain amount of money. If we needed to borrow \$12 million, then not necessarily. We'd have to do more research, talk to some co-ops that have done this. This method would have more flexibility than member loans.
- The last time we did member loans, there was good participation, right?
 - Pretty good. It was a smaller project with smaller loans.
- Is there a set return on these investments, a performance-based return, or no return? Or is that up to us?
 - It's up to us. A co-op in Sacramento offered a guaranteed return, like CDs, so they had a much bigger buy-in than they would have with just member loans. From the packet: "Dividends can be structured to be discretionary... Dividends can be structured to be declared but not paid until a later date."
- Would we mostly be hoping that other *businesses* would invest? Who are we hoping this would attract, who wouldn't give us a member loan?

- Unsure.
- Potentially community organizations.
- What are the most compelling arguments for offering non-voting stock?
 - It looks good to banks. And getting our money from a variety of sources (maybe member loans, a grant, a bank loan...) helps protect the co-op.
 - Maybe we won't need it, but what if we decide that we do? Maybe we want to allow for it in the bylaws so it could be an option.
- Desire to hear from co-ops that have used this, and how it went.
- Some personal, fundamental opposition to this tool. After the people who actually own you, the people who hold your debt are the strongest voice in your operations. However, we're dealing with a highly dynamic economy here in Portland. Giving this option a look so that we at least know what we're saying no to, and potentially have it in our pocket down the road, could be good.
- This should only be done after a lot of research, with the utmost caution and care. We have a lot of Member-Owners who would have a very bad reaction to this idea if we didn't frame it carefully. A lot of M-O's would see it as taking power away from the community, a corporate move, capitalization. It seems unrealistic that we could accomplish this in a year with the care it deserves. We'd also need to vet investors very carefully.
- Suspicion. Not excited to do this without really compelling arguments, but trying to stay open. The higher administrative burden is a notable drawback – the administrative burden for long term planning is already higher than we predicted. This could be a sinkhole of labor hours. We should only invest our precious energy into something we're super excited about.
- We're in a good position as it stands. We have a lot of support from our community. There's value in our community doing this ourselves.
- This could be a great vehicle for socially responsible investing, for the right people/organizations.
- We could limit this to only letting current M-Os purchase this stock. If we offered fixed returns, there wouldn't be pressure on us to perform in a certain way to appease these stockholders. One way to pitch this to M-Os is that we could raise a lot of money very quickly.
- We could sell this stock to people in the neighborhood where we'd be opening the new store. Inviting them to buy in sends a clear signal that we're not just moving in on them.
- Might we want to have this option in the future? There could be some blowback just from changing the bylaws to allow it, but probably not enough to make it not worth doing. This year's bylaw ballot is already going to be weird, so maybe it's a good time to address this as well. We don't want to be in a situation next February where we want to do this but we can't.
- We could make some room in the bylaws to allow us to do this, but not without coming back together and deciding how we're going to do it.
- Even though we could decide to only sell non-voting stock to M-Os, anyone can become a M-O – across the country. I want to challenge the idea that we should only be getting money from our community. Montavilla has been doing that and it hasn't worked very well.
- Investors want this option. It's way better to invest in co-ops than investing in the stock market.
- Maybe 15 or 20 years ago, we could fund things just from our community, but the city is in a different place now.
- Maybe this would feel more real if there were actual numbers for how much money we need to raise, and we don't have that now.
- Concerned about how valuable Portland real estate is now. If we were to go this route, we would need to make sure we could really trust these investors.
- What is the ask from us right now?
 - The ask is: do you want to pursue a bylaw change, and if so, could you draft some language for that?
- What part of the bylaws would need to be changed? What would be the minimum that we'd need to change to just leave the door open?

Lisa, Heidi, and Kathy will take info from Shawn and come back with info on a possible bylaw change regarding non-voting stock.

3. Anti-Oppression Study & Engagement

Sponsor: Jacob

Purpose: discuss

- We are discussing how we can manifest our ends and our commitment to anti-oppression as a retail store.
- Look for connections between this article (about being a servant-leader in the community) and the collective's statement of anti-oppression.
- The small-group discussions were interesting and challenging, but very worthwhile.
- Servant leadership is challenging. Reconciling those friction aspects and the leadership role.
- Frictions become opportunities for integration. We talked about homelessness – we could have outdoor toilet facilities and an outdoor faucet where people could fill up water bottles year-round.
- Differences in values and taste. It's a bit of a leap to see social and environmental connections. There's still a big need for education around a lot of these things.
- We sell some products we love and some we don't love to meet neighbors' needs. Stepping out of our comfort zone. Serving your community will inform and improve your leadership.
- We have viewed the co-op *as* the community. We are transitioning to viewing the co-op as *servicing* the community. Listening is a key value. We need to be open to other interpretations of our ends besides our personal interpretations.
- The built environment in our neighborhood/city is an expression of values. We can reinforce good habits/values through the way our building/space is set up.
- We have a responsibility to understand the harm that's been done. We can use listening, study and engagement to understand how we can counteract harm, and help others understand this as well.

4. Board Seat Vacancy

Sponsor: Jacob

Purpose: discuss

- With Mallory's resignation, we have a vacancy on the board. This agenda item is to see if we're interested in appointing someone to serve from now until the election, or if we want to leave the seat vacant until the election. And if we want to appoint someone, do we know of interested candidates?
- If we appoint someone quickly, they could come to the board retreat. There are a lot of things in motion between now and the election – it would be a good opportunity to learn. Having as much experience as possible as we enter into long term planning is in our best interest.
- It's a lot of work getting someone up to speed on work that's already in motion, but it's often worth it. This is how I started on the board. And I can think of two candidates. But we don't need to push it – if there aren't interested people, we'll be okay.
- We're working on clarifying the process for appointing people to fill vacancies between elections.
- Are there any concerns with appointing someone at this point?
 - Mid-term orientations are a significant headache. If we're going to do this, let's do it ASAP so we can get the orientation done before things get busier.
 - Are there people on the board currently who still need orientation?
 - No.
 - Is the next election in June? If we appoint someone now, could that person run in the election to stay on the board?
 - Yes to both.

- Maybe we should figure out if we have the capacity to offer an orientation before we move forward with trying to appoint someone.
 - Yes, if we do it quickly. If you feel strongly that we should appoint someone, you should be willing to help with orientation.
- An appointed person will become the incumbent – we’re giving them an advantage in the election. That could be good if they’re awesome, but it’s stacking the deck.
- There are no blocking concerns.
- Board members have ~four potential candidates in mind.
- Do the CM know of potential candidates? Especially people who live in communities where we might open a second store?
 - Not on the spot.
- Potential candidates need to be able to attend every board meeting between now and the election*, as well as some other commitments. We should be clear that they’re under consideration, make a decision at the next board meeting, and communicate the results right away.
 - *Temperature check, would we be okay with appointing someone who needs to miss one meeting between now and the election?
 - Yes.
- To be eligible to run in the election, you need to have attended a board meeting. I don’t know if that requirement applies to appointments. But bear in mind that potential appointees may not have had that experience.

All board members will contact potential candidates they have in mind to fill the current board vacancy. Heidi will email the most recent board candidate materials to the board to pass on to potential candidates.

MEETING EVALUATION

Celebrate!

- Speedy meeting
- Liked the openness of the discussion on non-voting stock
- Efficient board retreat planning
- Many guests
- Willingness to clean up after the meeting, and to make changes to the clean-up process

Opportunity for change:

- Feeling conflicted about how many board members had to come in spite of being sick

NEXT MEETING: Tuesday, February 28, 2017, 5:30-8:30

Next meeting agenda brainstorm:

- Ends Report
- CM Link vs. CM-elected rep discussion
- Policy 2.1 revision

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)