


peOple's
 FOOD CO-OP Board Meeting Minutes
 Tuesday, March 22, 2016; 5:30-8:30p

Attended by:

Board Members: Josh, Lisa, Jacob, Amy, Isaac, Heidi, Mallory, Dave

Member-Owners:

CM: Miles, Shawn, Jenna

Guests:

Facilitation By: Andrea **Minutes:** Gayle **Vibes:** Isaac, Josh **Clean-up:** Amy, Dave **Scribe:** Mallory

COMMITMENTS:

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	3/24/15	Shawn and Jacob	1/2016	Shawn and Jacob will bring the conversation of the board's role in ensuring a happy, safe and well-protected collective management back to the agenda.
2	10/27/15	Lisa	4/2016	Lisa will work on a study and engagement topic on "what could a thriving People's culture look like?"
3	11/ 24/15	Isaac and Dave	4/2016	Isaac and Dave will do additional work on policy 2.1
4	11/24/15	Jacob	5/2016	Jacob will create a process for board members to keep track of the engagement commitments they have made
5	3/22/16	Josh	6/2016	Josh will bring audit report & recommendation for review to BoD
6	3/22/16	Heidi	4/12/16	Heidi will draft patronage letter for a 50 percent return scenario
7	3/22/16	Lisa	4/12/16	Lisa will draft patronage letter for a 100 percent return scenario
8	3/22/16	Heidi and Josh	4/12/16	Heidi and Josh will work together to get the board calendar updated
9	3/22/16	Amy, Isaac, Mallory, Josh, Jacob	Ongoing	Amy, Isaac, Mallory, Josh, and Jacob committed to attending MAC engagements at the farmers market.
10	3/22/16	Isaac	4/17/16	Isaac will attend the Meet the Candidates event on April 17th.
11	3/22/16	BOD Agenda Planners	6/14/16	The BOD Agenda Planning Committee will schedule 45 minutes to 1 hour on the June agenda for Mallory to present her thesis.
12	3/22/16	Mallory	6/28/16	Mallory will present for 45 minutes to 1 hour on her

				thesis at the June 28 th Board meeting.
13	3/22/16	Dave, Amy, Josh, Lisa, and Isaac	4/3/16	Dave, Amy, Josh, Lisa, and Isaac will attend the LTP Engagement event on April 3rd.
14	3/22/16	Amy, Josh, Mallory, Lisa, Heidi, and Isaac	4/20/16	Amy, Josh, Mallory, Lisa, Heidi, and Isaac will attend the LTP Engagement event on April 20 th .
15	3/22/16	Heidi, Dave, Jacob, and Lisa	4/24/16	Heidi, Dave, Jacob, and Lisa will attend the LTP Engagement event on April 24 th .
16	3/22/16	Amy, Dave, Jacob, and Lisa	5/20/16	Amy, Dave, Jacob, and Lisa will attend the LTP Engagement event on May 20th.

DECISIONS:

The Board accepts report 2.3 Financial Conditions as submitted.

The Board accepts report 2.8 Communication and Support to the Board as submitted.

NEW COMMITMENTS:

- Heidi and Josh will work together to get the board calendar updated by 4/12
- Lisa will draft patronage letter for a 100 percent return scenario by 4/12
- Heidi will draft patronage letter for a 50 percent return scenario by 4/12
- Amy, Isaac, Mallory, Josh, and Jacob committed to attending MAC engagements at the farmers market. The Due Date is ongoing.
- Isaac will attend the Meet the Candidates event on April 17th. The Due Date is April 17th.
- The BOD Agenda Planning Committee will schedule 45 minutes to 1 hour on the June agenda for Mallory to present her thesis. The Due Date is June 14th.
- Mallory will present for 45 minutes to 1 hour on her thesis at the June 28th Board meeting. The Due Date is June 28th.
- Dave, Amy, Josh, Lisa, and Isaac will attend the LTP Engagement event on April 3rd. The Due Date is April 3rd.
- Amy, Josh, Mallory, Lisa, Heidi, and Isaac will attend the LTP Engagement event on April 20th. The Due Date is April 20th.
- Heidi, Dave, Jacob, and Lisa will attend the LTP Engagement event on April 24th. The Due Date is April 24th.
- Amy, Dave, Jacob, and Lisa will attend the LTP Engagement event on May 20th. The Due Date is May 20th.

ENGAGEMENT COMMITMENTS:

OPEN FORUM:

MINUTES APPROVAL:

Decision: February 2016 meeting minutes approved.

Announcements:

Lisa: think about what makes a coop a thriving economy--report next time?

AGENDA ITEMS:

1. PATRONAGE

Sponsor: Jacob

Purpose: discuss and decide

Jacob met with auditors. No significant issues. Praised experience of finance team and said they were happy with our checks & balances system.

- Miles reports: Goal is to formally approve plan at April meeting.
- Updates on member numbers: There was an error in the packet numbers; Miles distributed corrected numbers.
- Net income \$51,000.
- Patronage \$35,000. (Taxable income \$16,000.) None of it would be taxable if we pay out at least 20%.
- If paid out in full, each voucher would be 0.9% purchases; 20% payout would be less than 0.2%. Average vouchers would thus be \$7.81 versus about \$1.50.
- If we don't allocate any, we would not pay taxes on it but would have to pay \$10,000 in tax credits that we could not deduct.
- It would cost about \$1000 plus labor to create and mail the patronage voucher.

Discussion:

- Consider cash benefit vs member benefit/morale.
- People were both bummed out there was no payout last year, but also understanding.
- It seems likely we won't have a payout next year, so that may be another reason to do one this year. We do say it's a benefit of membership.
- We should explain why it is the amount that it is.
- The message we send via paying out patronage seems more important than the actual amount.
- We are embarking on a journey of the collective communities that make up this coop, and giving max payout supports the message.
- Might be good to have a question about patronage on the survey (or see it broken out).
- Include narrative that this is the only time we've done 100% payout, but still only just made enough to pay close to the 1% we've done in the past.
- Some present felt it's not really worth doing payout if not 100%.
- Argument for 50%: We shouldn't give it all away if we're going to need it for long-term planning, especially if we think we will be asking for member loans.
- General sense from MO at cash register redeeming vouchers: \$5 kinda disgruntled, \$10 pretty good, \$15 pleased, \$20 jazzed about being members.
- Last year, we could've done better with telling the story: MOs got the money in their discount, which we actually couldn't afford. This could be a good story point this year. I think we should pay out all of it. The narrative is the story of where the co-op's going with long term planning. Lots of M/Os say they want to donate to SNAP, want us to do things with the money - we should focus our story on that. The people who only get \$1 voucher don't spend money here. We want to get them more engaged, but we can't do much if they don't spend money here. We don't want to get caught in the Me vs. Them narrative. People have differing financial need. How do we help people for whom getting a \$20 voucher is really a big deal? It's a cool time we're in.
- Would be a shame if we didn't have a big lump sum to leverage for a larger amount or use. This is a fiscally conservative view of it. We want to keep giving patronage, and also be sure we're here in the future. I'm not on the front lines, so it's easier for me to look out for the long term

- It would only cost \$24K if we paid out all of it, taking into account redemption rates, taxes
- We don't want to make CM experience more difficult. People aren't very excited until they get to \$20 anyway, so those who're going to grumble, we're not going to be able to do much about. Until they shop more. It's confusing to go from zero to 100% and then maybe back to zero, so I like somewhere in 40-60%. Want to send message that we're trying to safeguard the health of the co-op, the work the CM did this year. That's what I'm feeling.
- Is there an option for them to give the money back to People's? No.
- We can make there be an option on the form, but if they gave it to us, it would be taxable. If people don't cash their voucher, then it's taxable.
- We're not a non-profit; it's taxable as income if someone donates something to us.
- Want to propose the idea of paying out 100%, tell them all these ideas of why we want to pay out this amount, then give an option to put the decision back into the hands of the MOs, so it's their choice of whether to reinvest in the co-op. With Long Term Planning (LTP) in mind--could be a loan in a way? Like crowd-funding micro-loans. Kinda seems like the best of both worlds. I don't have the method.
- I like those suggestions. This is a cost-benefit analysis situation. The lower it is, the more underwhelmed people are about it; it's best to pay out 100% this year, consistent with what our core shoppers have gotten in the past. Donations for long term planning: the people who can afford to do it will help us with that. We talk about it so well, the check is beautiful, but if it's only for 60 cents, people have the worst attitude about it. These reasons outweigh the 17K.
- Can we utilize donated-back patronage as well as not paying it out, given that we have to pay tax on income (donated back).
- Whichever way we go, we can use it to tell the story of our backbone of building capital.
- It is our ongoing task to say what patronage rather than the dollar amount. Hard to live with paying all out when we have financial need.
- Majority of active members would get a small return.
- Amounts we are talking about seem trivial.

We will need to get the letter out almost the same day as the board's decision in April, so tonight the goal is to have all the background discussion so we can move quickly next month. We may need to have a flexible document ready to drop final numbers into at the last minute.

Sense of the board: Three hypothetical options for discussion: Keep it all, pay 50%, pay 100%.
Temperature read (Full agree/Could live with/Disagree)

Pay 0%: 1/4/2

Pay 50%: 2/2/3

Pay 100%: 4/2/1

More discussion:

- Message confusing if no patronage, then 100%, then none again.
- Maybe thumbs-up at 60% rather than 50%.
- Last few years, in addition to having lower sales, we are also having lower numbers of people coming in. Basket size has been increasing, though. We want to reward core shoppers, but we also want to remember other shoppers who choose to shop here.
- The hit of true engagement and goodwill may be more important than the financial impact of paying it all out.
- Very little financial difference between 50% and 0% when take into account costs of doing the payout.

Second temperature read:

Pay 0%: 1/2/4

Pay 50%: 2/2/3

Pay 100%: 4/1/2

Communications:

- Two letters: one for returning 50 percent, one for returning 100 percent
- Lisa will draft patronage letter for a 100 percent return scenario by 4/12
- Heidi will draft patronage letter for a 50 percent return scenario by 4/12
- If there's any verbiage board members would like to lend, get it to them in the next 2 weeks.
- This decision must be made in April so we can get the word out. This will influence things like study and engagement topics, etc. You can make the decision quickly, but take as much time as you need.
- If you have a rough draft to Jacob before next Friday, he'll be able to use some of it for the annual report letter.

2. WHAT DOES IT MEAN THAT WE MISSED THE 2.3 REPORT LAST MONTH?

Sponsor: All

Purpose: discuss

The board has a chance to ask questions or make comments about the fact that the 2.3 report was missed last month.

Board chair, link, and Finance Manager missed it. Ends report time was busy.

3. 2.3 FINANCIAL CONDITIONS REPORT

Sponsor: TBD

Purpose: Decide

- No questions, no concerns
- **Decision: The Board accepts report 2.3 Financial Conditions as submitted.**

4. 2.8 COMMUNICATION AND SUPPORT TO THE BOARD REPORT

Sponsor: TBD

Purpose: Decide

- Did you get enough board responses?
- Got 6 out of 8.
- Media coverage? These are things from the CM FYIs in your packets.
- **Decision: The Board accepts report 2.8 Communication and Support to the Board as submitted.**

5. RETREAT PLANNING

Sponsor: Jacob

Purpose: Discuss

- Need to talk about: carpooling, when to get there, where to sleep
- We sent out an invite to the CM to join us for a mixer on Saturday, Sonrisa is a yes, Karna's a maybe
- How many have come in the past? None.
- One has said they can come, 3 or 4 have said they'd like to but they can't. Nice to know.
- Arrival time: 4pm at the earliest. Cook will have soup and snacks ready for people around 6 or 7.

- No board programming on Friday night, but there's a hot tub.
- Josh driving around 7:30: Dave, Heidi, Isaac
- Shawn driving around 7:30: Miles, Mark, Lisa
- Ryan will drive on his own with the food
- We may or may not need to haul trash back
- Let Shawn know if you want to be reimbursed for mileage
- Beds: 4 queens, 2 fulls, 2 couches
- Room for all of us to have a bed or couch
- Need to be out by 1 on Sunday
- Need to have egg-free options

6. BOARD CALENDAR

Sponsor: Jacob

Purpose: Discuss

- Board calendar: everyone's been invited to view, if you're an officer you can edit the calendar too
- April: patronage decision, feedback on LTP engagements
- We should add CM LTPlanning activities to this for the year – add column
- Board chair is running low on bandwidth for overhauling and updating this document. Could anyone else take it on? Also put in LTP engagements and feedback cycles onto it.
- Doesn't seem like something the board admin could do – board members are more plugged in to what's on their plates
- Heidi and Josh will work together to get the board calendar updated by 4/12

MEETING EVALUATION

Yeah!

- Patronage convo was great
- Nice to have some dissent in the room
- Passion about patronage and membership
- Shawn taking over minutes
- Optimistic about retreat
- Facilitator reminded us that we were doing good, deep work and gave some context
- Facilitator tracked deep stack
- Temp gauges were good
- Miles

Naw

- Jacob was crabby
- Process for patronage decision
- Vibes check training would be good

NEXT MEETING: Tuesday, April 26th, 2016, 5:30-8:30

Next meeting agenda brainstorm:

Patronage

Policy review for 2.1

Long term planning review

S&E: People's culture and community

We all name Mallory's new baby

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)