



Board Meeting Minutes

Tuesday, September 26, 2017; 5:30-8:30 pm

Attended by:

Board Members: Naoki, Teresa, Dave, Jenna (left early), Jenny, Kathy, Jacob, Isaac, Lisa (arr. 7:20)

CM: Rachel, Kahadish, Shawn (part of the meeting)

Member-Owners: Daniel, Chris, Phil, Mark, Alicia, Lindy, Jody, Peter, Ellen

Guests:

Facilitation: Andrea **Minutes:** Susan M. **Vibes:** **Clean-up:** **Scribe:**

COMMITMENTS:

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	9/27/16	Dave	12/17	Dave will bring study & engagement on ethics of development.
2	11/15/16	Dave, Lisa	10/17	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.)
3	2/28/17	Teresa, Lisa, Kathy	1/18	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.
4	3/28/17	Jacob, Shawn, Rachel	12/17	Jacob, Shawn, and Rachel will create an agenda item regarding global policy 2.8.
5	4/25/17	Teresa	TBD	Teresa will attend next patriarchy & oppression follow up meeting and will include any input from board. (If anyone has any input on accessibility to board, please let her know.)
6	4/25/17	Teresa	12/17	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.
7	6/27/17	Kathy	ongoing	Kathy will be Shawn's point of contact for consultations with lawyer on drafting change to articles of incorporation.
8	6/27/17	Jacob, Rachel	12/17 (?)	Jacob and Rachel will take orientation pluses/deltas and sketch out how next board orientation will work, ask people to take sections on.

9	6/27/17	Gayle	ongoing	Gayle will send out agenda request reminders a week after meeting and a day before planning meeting.
10	7/25/17	Isaac, Teresa	10/17	Isaac will bring a discussion of Global Policy to the August Board meeting with Teresa's assistance.
11	8/22/17	Lisa	12/17	Lisa will follow up with Chris about making a new process that is democratic, inclusive, and open.
12	8/22/17	Lisa	8/23/17	Lisa will come to the meeting tomorrow night with NCG DC and LTFC.
13	8/22/17	Shawn	12/17	Shawn will email board to respond to the question of the financial indicator for considering using NCG DC.
14	9/26/17	Jacob, Teresa, Kathy	11/17	Develop a proposal for Board Policy Change re. Report Calendar.
15	9/26/17	Naoki, Isaac, and Kathy	No date stated	Review current policies and develop a proposal for updates to guide board response to email communications.
16	9/26/17	Naoki and Rachel	11/17	Bring a proposal regarding non-confidential board agenda packets for MOs.
17	9/26/17	Naoki and Ellen	12/17	Connect regarding the Elections committee.
18	9/26/17	Jenny	ASAP	Coordinate with Andrea and Gayle on dates and agenda planning for the development retreat.
19	9/26/17	All	ASAP	Email any requests for information or questions related to the LTP to Rachel.

Revised text is highlighted in green.

DECISIONS:

- **Board agreed to the request for an extension for IM 2.7 (Compensation and Benefits).**
- **Board consented to elect the following proposed slates of officers:**
 - **President – Kathy**
 - **Vice President – Jenny**
 - **Treasurer – Dave**
 - **Secretary – Naoki**
- **Board is in agreement to schedule a half-day development retreat for the board. Board is in agreement to use board budget to pay for facilities, food, and facilitation from its training budget.**
- **Board is in agreement the Jenna and Dave will serve on the Synthesis Committee.**

NEW COMMITMENTS:

The newly elected VP will follow up with the MO's who spoke regarding the LTP process.
Teresa and Kathy agreed to help Jacob develop a proposal for Board Policy Change re. Report Calendar.
Naoki, Isaac, and Kathy volunteered to review the current policies and develop a proposal for updates to guide board response to email communications; Jacob agreed to be back up support.

Naoki and Rachel agreed to meet and bring forward a proposal regarding non-confidential packets for MOs. Naoki and Ellen agreed to connect regarding the Elections committee. Jenny will coordinate with Andrea and Gayle on dates and agenda planning for the development retreat. Board members will email any requests for information or questions related to the LTP to Rachel ASAP. Dave will attend the 10/11 LTP feedback session. Jenny will follow up with Jenna to see if she can attend on 10/7 and/or 10/11. Teresa is also interested in attending on 10/11.

OPEN FORUM:

- Ellen shared she is on the election's committee and is hoping to get a meeting set up soon, and asked Board members who are on the committee to be in touch.
- Regarding the LTP process, a request was made to the Board to direct the LTPC to restart the process they started in 2014 to include to sustain itself in the current location in addition to plans for expanding beyond its current location. (The remainder of this written statement to the Board was read aloud and is appended to the minutes as a pdf.)
- Regarding the LTP process, the Board does not seem to be taking a leadership role and should consider rescinding its directive to the CM to take the lead and reevaluate the process. Relocation should be taken off the table.
- Regarding the LTP process, the process underway now doesn't seem to be working and agree the Board should rescind the authority and start the process over.

The newly-elected VP will follow up with the MO's who spoke regarding the LTP process. (See sign in sheet for contact information.)

AGENDA REVISIONS:

- Item 2 should be changed to discuss rather than decide.
- Agenda accepted by the board as amended.

MINUTES APPROVAL:

Decision: None – approval tabled until next month.

- Minutes tabled as there were still unresolved questions in the draft August minutes and a revised version had not been sent prior to the meeting.

AGENDA ITEMS:

1. Monitoring Report Extension Request

Sponsor: Rachel
Purpose: decide

- The intention is to submit the completed IMR 2.7 to the board no later than 10/1.

The Board agreed to the request for an extension for IM 2.7 (Compensation and Benefits).

2. Board Policy Change re. Report Calendar

Sponsor: Jacob
Purpose: discuss

- The monitoring report calendar had not been updated since last year.
- It is a reference document and not sure it needs to be in the Policy Register.
- Suggest rewriting relevant policies that allow the CM to bring an updated calendar annually.
- A request was made for two people to assist with this update.

Teresa and Kathy agreed to help Jacob develop a proposal for the November meeting.

3. Communications Policy

Sponsor: Kathy

Purpose: discuss

- Proposing the development of a board strategy for tracking and responding to MO emails as well as who is responsible.
- Setting up a bod@peoples.coop that all board members could respond from would help with tracking responses.
 - Board members might have differing opinions in their responses, so this email should only be used when it's with one voice.
 - Is this technologically possible? Rachel agreed to ask the Technology Coordinator.
- Regarding speaking with one voice, in the past if the Board had discussed a topic we would respond with that information. And if the responder is sure the topic has not been discussed or a decision has not been made they would respond accordingly.
- Sometimes there is email dialogue back and forth to get clarification or if the email is about something operational we direct them to the Link or other CM who can help.
- It seems the board Secretary has a communications role.
 - Per the bylaws the VP and Secretary have responsibility to ensure communications happen; the Secretary's responsibility is narrowly related to elections and the VP is more broadly responsible for communications.
- What do we think is a reasonable response timeline?
 - Four days to a week was suggested.
 - Though many of the more recent emails require Board discussion, which could take more time.
- A suggestion was made to use this discussion as a starting point to review policy and codify any needed updates, including:
 - Systems for delegating,
 - Technical issues,
 - Timeline to respond, and
 - How to craft a response.
- Whatever system is put in place we need to make sure it is sustainable so one person isn't always on duty.
 - The Secretary and VP have responsibility to ensure the board's responsible, but not necessarily responsible to do it themselves.

Naoki, Isaac, and Kathy volunteered to review the current policies and develop a proposal for updates to guide board response to email communications; Jacob agreed to be back up support.

4. Non-confidential Packets for MOs

Sponsor: Naoki

Purpose: decide

- Most of the information in the board packet is non-confidential and by providing a non-confidential packet we can work towards the 5th cooperative principle of *providing education and training for members so they can contribute effectively to the development of their cooperatives.*
- At this meeting hope to:
 - Decide whether we want to have non-confidential packet distributed to MOs present at the meeting.
 - Decide on the process of making the non-confidential packet.

- Decide which information we can and cannot include in this packet.
- Support the proposal and wonder if it would be reasonable to just add “confidential” to documents that are confidential during the agenda planning meeting so the board admin knows which ones to include in which packet.
 - We don’t always have all of the documents at the agenda planning meeting.
 - We could discuss which documents are confidential at the agenda planning meeting.
- It sounds like there is support from the board to do this. Though it seems overburdensome to create two versions of monitoring reports; may be better for a whole section to be marked confidential or not.
- Perhaps the new President and Link could get together and bring back a proposal on what would and wouldn’t be deemed confidential.
 - I’d suggest the board decide now what is and isn’t confidential to direct the folks doing this.
 - Seems to me only the last page of this month’s packet would be confidential.
 - Why are we concerned about sharing financial information if the packets don’t leave the room? We roll it all up into the annual report, which is made public.
 - Generally things that are confidential in nature include:
 - Legal information,
 - Personnel information, and
 - Financial and trade secrets. It feels like we have the most latitude around financial information as most is echoed in the annual report, though we should have more conversation around this.
- There are some interesting articles regarding transparency in the co-op(?) library.

Naoki and Rachel agreed to meet and bring forward a proposal regarding non-confidential packets for MOs by 11/17.

Announcements

- If you want to go to the Co-op Café on 10/7 let Rachel and Gayle know.
- There is a free viewing of a film on democratic education at my kid’s school.

5. Officer Elections

Sponsor: Jacob

Purpose: decide

- By the end of this meeting we are required to have a President, Vice President, Secretary, and Treasurer.
 - The responsibilities of the positions are outlined in the policy register.
 - One person can be both Secretary and Treasurer, but that can be challenging in an audit year.
 - The CM-elected seat cannot serve in an officer role.
 - The by laws say an employee may not serve in one of those roles; perhaps that language needs to be amended at some point to specify this means a member of the CM.
 - Per labor law, HOO’s are not considered employees.
- The default process has been consensus with only one person interested in each position. If two people were interested in one position we would do a run off with a simple majority vote.
- Board members discussed which position they had expressed interest in or would be interested in and a slate was proposed.
- No questions or concerns with the proposed officers were expressed.

Board consented to elect the following proposed slates of officers:

- **President – Kathy**
- **Vice President – Jenny**
- **Treasurer – Dave**

- **Secretary – Naoki**

Naoki and Ellen agreed to connect regarding the Elections committee by the 12/17 meeting.

6. Board Development Retreat

Sponsor: Jacob/Jenny

Purpose: decide

- A four hour-long working meeting is proposed to dive into the LTP and current process to create a shared understating.
- This is not a decision-making meeting; it's to get everyone up to speed and have the CM bring requested data so we are all on the same page.
- The date is still to be determined, though hopefully ASAP.
- Andrea has agreed to facilitate.
- There were no questions or concerns about the proposal.

Board is in agreement to schedule a half-day development retreat for the board.

Board is in agreement to use board budget to pay for facilities, food, and facilitation from its training budget.

Jenny will coordinate with Andrea and Gayle on dates and agenda planning for the development retreat. Board members will email any requests for information or questions related to the LTP to Rachel ASAP.

7. Development Update

Sponsor: Rachel/Shawn

Purpose: discuss

- This is time hear any feedback from the board members who attended the MO feedback sessions, for CM to share an update on the LTP, and to select board members to serve on the Synthesis Committee.
- Attended the session on Sunday and heard a lot of tough questions being asked. Overall it was a good tone but there were a variety of questions around MO involvement, the process, financial assertions, a desire for more supporting data, and more developed arguments to support the assertions made. Overall it felt very productive.
- Also attended on Sunday and was surprised how open and positive it was. Great facilitation and a good opportunity for MOs to share their thoughts. Surprised by the excitement heard from some MOs about how expansion or relocation could help to further the Ends. Also there was acknowledgement that change is hard.
 - It seemed there was a mix of folks that have been engaged in the process for both longer and shorter amounts of time (in response to a question).
- Attended the first session. There were lots of creative ideas but many seemed logistically hard to pull off. It was difficult to make people understand the current situation the co-op is in, which is not just related to money and the retail space.
- Shawn provided a summary of what she heard from CM who attended:
 - The first one sounded rough, with more distrust of the CM and our knowledge. There were suggestions to shrink and stay in place. Many people left with a firmer understanding of what it takes to run a co-op and the issues on the table.
 - At the second one the conversation was more open, perhaps because there were three former board members and two HOO's in attendance. Folks expressed the process was tough no matter when information is shared. A former board member brought up that there is no compelling vision – what is the compelling vision we're moving toward? The minutes of all of the feedback

sessions will be shared with the board and Synthesis Committee.

- Has there been full attendance at the feedback sessions?
 - Yes, at both almost all full. We've added another on 10/11 to make up for the one that had to be cancelled.
- We're working on getting a survey out to MOs. PSU research department may be able to help.
 - Will it go to the full membership with results also being shared with the board?
 - Yes and yes.
 - There are about 4,500 MOs... Do we have a response goal?
 - That depends on the timeline. It won't be a statistically valid survey as respondents will opt in rather than be a random sampling. We hope to get a couple of hundred responses.
 - Will it just be to MOs or all shoppers?
 - We're not sure yet.
- Since the last board meeting the CM gave full approval to update the process.
- Is there now a project manager for the LTP?
 - Yes, Shawn and Daniel are now working together to lead the effort. Daniel worked for the co-op for 10 years, including the last long term planning process, and recently took himself off of the collective and is acting as a consultant.
- What is the status of the pro formas, including a pro forma for the do nothing scenario, if nothing changes?
 - The relocation pro forma has been completed.
 - One has been ordered for opening a second store, which should be ready by 10/4.
 - Regarding do nothing, Miles worked on these numbers and found that if health care costs keep going up we'll no longer be making a profit within 5 years, at which point we'd have to reduce staff, educational programs, etc. Shawn will send more information by email and please read the article in this month's Grass/Roots for a summary.
 - The board requested that all pro formas have been completed prior to their work session.
- It seems that people don't understand all of the trade-offs and that it sounds like there are only two options. Perhaps they didn't get the full picture of everything in front of us that help them better understand what's at stake. Can the financial forecast of what staying here looks like be shared with MOs?
 - Yes, we'll work on that. We've heard that people want more numbers and for more information about no change to be shared.
- It would be helpful to get baseline information about co-ops and natural food stores in general from NCG and other sources. Any more recent updates on these numbers?
 - Yes, 44% of NCG co-ops reported negative sales growth. 70% of NCG co-ops have new management leadership in the past three years, so lots of lost institutional memory.
 - I'd be curious how this compares to non-co-op natural grocers?
 - Please share any additional data with the board prior to the work session.
 - This month's issue of Co-op Grocer, in board member's mailbox, has two good related articles this month; please read!
- It would be nice to see numbers from co-ops that have been through expansions versus those that haven't.
 - Miles has some information about second store opening versus relocation that has been shared with the board. Is there any specific you are looking for?
 - Sales numbers and other relevant data,
- Why aren't second stores doing so well? I understand it's a mixture of factors – market, marketing, personnel, and operations.
 - There are a lot more operational systems to think through and revamp with a second store. Also, communications between stores can be difficult. Opening a second store in a new neighborhood has to be treated like a start-up, with profitability taking more time as the store establishes itself in a new community.

- Curious about in the different cases if there is any pre to post change in the debt to equity ratio. How much did they have to invest to see a change in sales?
 - Like sales growth before and after opening? Sofie sent an email on 9/14 with a lot of information about trends for natural and co-op retailers – NCG Trends and Impact Report.
- In summary the board would also like to see:
 - Feedback session packet and timeline,
 - Long version of the Grass/Roots articles,
 - The last NCG quarterly report
 - Pro formas, and
 - Stay here scenario analysis.
 - Regarding staying here, we have already reduced staff benefits to keep things running at least twice in the past five years. **Also, COLA's have been given only twice since 2011.**
- What's planned for the 10/18 community forum? Knowing could help us decide when to hold out work session.
 - We are still working on that. It will be open to all and perhaps like the last forum in terms of format.
- Shawn reviewed the duties and goals of the Synthesis Committee, which will meet one to four times in October. Board members on the Committee should also attend at least two feedback sessions.
 - Jenny shared that Jenna said she'd be interested in being on the Committee before she had to leave the meeting. Dave agreed to serve on the Committee, too.
 - Dave has attended one feedback session and can attend one more on 10/11.
 - Jenna has attended one session and Jenny will follow up with her to see if she can attend on 10/7 and/or 10/11.
 - Teresa is also interested in attending on 10/11, if it's ok to have more than two Board members
 - Shawn agreed it should be fine, just to let her know in advance.
 - Jacob offered to provide any needed history on the process etc. to the Synthesis Committee. It was suggested this information would also be helpful to the board prior to the working session.

Board is in agreement the Jenna and Dave will serve on the Synthesis Committee.

MEETING EVALUATION

(oops didn't copy this down from the white board)

NEXT MEETING: Tuesday, October 24, 2017, 5:30-8:30 pm

Next meeting agenda brainstorm:

- Development conversation/update, including report back from Synthesis Committee if available.
- Send other ideas to the agenda planning committee, please.

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)

Daniel

9/26/17

I ask the board to direct the LTPC to restart the process they started in 2014 to include a plan to sustain itself in the current location in addition to plans for expanding beyond its current location.

As the LTP process stands, the feedback sessions fail to include member owner participation adequately for several reasons:

1. The feedback sessions are based on the inadequately supported premise that the co-op must expand to meet its ends. This framing of the co-op's situation leads to a dilemma of either opening a second store or expanding at a larger location. Faced with this dilemma, MO's that do not want People's to move will choose to support a second store, regardless of whether that option is better for the co-op than remaining in the current location and not opening a second store. Thus, member owner input is invalid because it is given under duress.
2. The feedback sessions are coming after many months of work put into the LTPP, thus creating momentum for expansion. When the report in NCG report in April recommended relocation instead of a second store, the momentum to expand gave this option viability to the Collective Management whereas this option had hitherto no been on the table and certainly not approved by the owners of the co-op. Whereas MO feedback should be essential to deciding whether to consider relocating, MO feedback instead gets folded into the synthesis committee recommendation to the collective management who assumes they need to expand. This puts MO participation into a very subordinate role.
3. The details of the options for relocating or opening a second store are lacking, thus not giving MO's enough information to give the kind of reasoned input needed in a democratic institution. Under-informed decision-making is not much better than guesswork and does not count at MO participation.

Restarting the process with all options on the table and adequate information will set the LTPC off on a process that is grounded in MO participation and thus reflective of the democratic nature of a co-op and consistent with the board's directive to take member-owner input into account.