



# Board Meeting Minutes

## Tuesday, February 27, 2018; 5:30-8:30 pm

**Attended by:**

Board Members: Isaac, Jenny, Jacob, Naoki, Dave, Jenna, Kathy

CM: Rachel, Ben, Dusty, Devon, Ashley, Rachel Pincus, Britta, Shawn, Kathryn, Padrice

Member-Owners: Liz Fitzgerald (shopper but not MO), Alexa, Biana, Sandra, Tyler, Chris Eykamp, Scott, Ben

Guests: Missy Rohs (facilitator shadowing), Sara

**Facilitation:** Andrea **Minutes:** Gayle **Vibes:** Jenna, Jacob **Clean-up:** Dave, Naoki **Scribe:** Missy

**COMMITMENTS:**

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	11/15/16	Dave, Lisa	3/18	Dave and <del>Isaac</del> -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.)
2	2/28/17	<del>Teresa</del> , 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.
3	4/25/17	<del>Teresa</del> -Lisa	1/18	<del>Teresa</del> -Lisa 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.
4	9/26/17	Jacob, <del>Teresa</del> , Kathy	2/18	Develop a proposal for Board Policy Change re. Report Calendar.
5	9/26/17	Naoki, Isaac, Kathy	3/18	Review current policies and develop a proposal for updates to guide board response to email communications.
6	10/24/17	Rachel	3/18	Rachel will ask Padrice to respond to Jacob's question re: how confident CM is of compensation and benefits metrics.
7	10/24/17	Lisa, Jenna	3/18	Lisa and Jenna will draft questions for the lawyer, circulate them to the board for feedback, then pass along to CM.
8	10/24/17	Lisa	1/18	Lisa will update MOs who had questions about the issue of sharing financial information with where we are with this issue.

9	11/28/17	Isaac	4/18	Isaac will work on evaluating Policy 2.5 for board authority and suggest any needed changes.
10	11/28/17	Lisa, Dave	3/18	Lisa and Dave will work on evaluating Policy 2.3 and 2.4 for board authority and suggest any needed changes.
11	1/2/18	Naoki	3/18	Naoki will look more into 2.1.2 and suggest alternate wording.
12	1/2/18	Rachel	3/18	Rachel will resubmit 2.1 report by March.
13	1/23/18	Kathy	3/13/18	Kathy will look at Lisa's Board commitments and will figure out how best to redistribute the work by the next Board agenda planning meeting.
14	1/23/18	Jacob, Rachel	5/18	Jacob and Rachel will support the new CM elected Board Member and provide appropriate orientation.
15	1/23/18	Jenny	3/18	Jenny O will write to the Board to come up with a set of guidelines about how to summarize monitoring reports in non-confidential executive summaries that can be shared with Member-Owners. These will be shared with the CM as part of a request that CM write executive summaries for monitoring reports that can be shared.
16	2/27/18	Isaac	3/18	Isaac will follow up with Sara.
17	2/27/18	Jenny	3/18	Jenny will follow up with Liz.
18	2/27/18	Jacob	3/18	Jacob will follow up with Alexa.
19	2/27/18	Naoki	3/18	Naoki will follow up with Biana.
20	2/27/18	Dave	3/18	Dave will follow up with Sandra.
21	2/27/18	Jacob	5/18	Jacob will work with Ashley to put together an agenda item for May regarding item 3 in the LTPC report (establishing policy and procedure that will enable the Board and CM to integrate representative feedback from our Member-Ownership and center voices and needs that are typically marginalized in development processes).
22	2/27/18	Jenny	3/18	Jenny will bring policy reflection 2.3 to the March agenda and request to CM for info for April meeting.
23	2/27/18	Jenna	3/18	Jenna will discuss the turnover issue with CM Link. Maybe in a safe space conversation? Might need to be confidential (executive session) since it involves

				personnel.
24	2/27/18	Isaac	3/18	Isaac will collect and send written Ends Report feedback to CM Link.

*Note: Items assigned to Lisa are highlighted to make them easier to find and get reassigned.*

## **DECISIONS:**

- **Decision: Board accepts updated November minutes as revised.**
- **Decision: Board accepts updated January 23 minutes as revised.**
- **Decision: Board accepts 2.3 report and requests additional data in April.**
- **Decision: Board accepts Ends Report as submitted.**
- **Decision: Close meeting and go into Executive Session as proposed on agenda.**

## **NEW COMMITMENTS:**

Isaac will follow up with Sara.

Jenny will follow up with Liz.

Jacob will follow up with Alexa.

Naoki will follow up with Biana.

Dave will follow up with Sandra.

Jacob will work with Ashley to put together an agenda item for May regarding item 3 in the LTPC report (establishing policy and procedure that will enable the Board and CM to integrate representative feedback from our Member-Ownership and center voices and needs that are typically marginalized in development processes).

Jenny will bring policy reflection 2.3 to the March agenda and request to CM for info for April meeting.

Jenna will discuss the turnover issue with CM Link. Maybe in a safe space conversation? Might need to be confidential (executive session) since it involves personnel.

Isaac will collect and send written Ends Report feedback to CM Link.

## **OPEN FORUM:**

- Equal Vote: Proposing changing voting procedure to use STAR voting (Score Then Automatic Runoff). More information at equal.vote.
- I shop here once a week. Saw annual report and noticed that profit is slim. Portland is ever changing and becoming more wealthy. Might be able to tap into another demographic without affecting Ends. Foodie market as well as natural foods market could be tapped.
- I live on and off at what used to be Omstead, and I know Maben. I'm here because this has gone on so long with not much progress. It's obvious to me that they're in pain, but what they have said is not in agreement with my first-hand experience. (Full statement emailed to Board due to limited time at meeting.)
- I'm also speaking on behalf of community members regarding the issue with Maben. I was asked at the register if I felt safe living in this community, and I was offered resources. Since then, have been folded into many conversations at the community about the situation. Many have been impacted and caused pain by the CM investigation. Deeply wish for improved process. (Full statement emailed to Board due to limited time at meeting.)
- I'm Isaac's partner. The things I think have contributed to the process not being effective: Not including me in the process after I asked to be; Isaac was not a part of the household that requested Maben not to come to the property, but I was. We asked them not to come over because we felt they were not stable or safe to have around the community and kids. (Full statement emailed to Board due to limited time at

meeting.)

- NOTE from Minuter: Maben's preferred pronouns are they/them, so pronouns were changed above to meet their preference.

Isaac will follow up with Sara.

Jenny will follow up with Liz.

Jacob will follow up with Alexa.

Naoki will follow up with Biana.

Dave will follow up with Sandra.

#### AGENDA REVISIONS:

- Add 2 minutes at end to discuss Elections Committee.

#### MINUTES APPROVAL:

- **Decision: Board accepts updated November minutes as revised.**
- **Decision: Board accepts updated January 23 minutes as revised.**

#### AGENDA ITEMS:

##### 1. LTPC Next Steps

Sponsor: Rachel/LTPC

Purpose: discuss

- Ashley from LTPC is presenting.
- At the CM's special meeting on Feb 22, the CM came to consensus on these recommendations from the LTPC:
  1. **That the LTPC cease researching both relocating and opening a much larger (10,000 sq ft) second store** at this time, having seen that these are not currently feasible options for the Co-op.
  2. **That the LTPC continue researching feasibility of smaller, lower-risk ventures** such as a small second store, a warehouse, a merger with the Alberta Co-op, and expanding on-site.
  3. That the Co-op establish policy and procedure that will **enable the Board and CM to integrate representative feedback from our Member-Ownership and center voices and needs that are typically marginalized in development processes.**
  4. **That the CM continue team-based internal readiness work** (work that increases efficiency and capacity for growth with a focus on operational and financial health and stability), with a focus of increasing the Co-op's EBITDAP (Earnings Before Interest, Taxes, Depreciation, Amortization, and Patronage--a measure of our operational efficiency, financial health, and readiness for growth).
  5. **That the Co-op commit to understanding, using, and improving the structures we have** (including job descriptions, team structures, decision-making processes, systems and operations) in order to complete this process and carry the Co-op through implementation of a plan in the spirit of togetherness.
- Can you clarify point 1 "not currently feasible?"
  - Financial, operational, market, member-owners.
- Re #3: A lot to unpack. Can board request that LTPC come back and discuss this more in-depth?
  - Ashley will work with Jacob to do this by May.
- Are we pursuing the conversation with Alberta?
  - Just in an investigative way: talking to board members at Alberta; researching benefits & risks of

mergers.

- We worked with engineers and contractors to investigate options regarding expansion on site. Under current zoning, we're already too big. In May, zoning will change to allow us to expand a little bit, but probably not enough. Could apply for a variance if we decide down the line that we want to do it.
  - That sounds like it's not super on the table.
    - It is still on the table to figure out if expansion could make a difference, then do a pro forma if there are possibilities. Also includes better understanding of zoning of the driveway, etc, to make best use of what we have. Should know by June whether or not we'll want to pursue this.
- Board: Send LTPC questions to the cmlink address.

## **2. Policy 2.3 Report: Financial Conditions**

Sponsor: Rachel

Purpose: decide

- Is board prepared to act? Yes.
- Thank you for providing trends. Very useful to see how the data evolves over time. Can you talk about the "days cash" item?
  - If profit is negative, that takes away from what's in the bank.
- Net income: What needs to happen for People's not to use the cash that we're supposed to keep in reserve?
  - Need more space and need it to not cost any money! There is a plan for compliance, as noted in the report.
  - We are almost always negative in Q3 because of shopping trends. Market doesn't support positive results every single quarter.
  - As we are drafting a new budget for LTPC, we're looking at how we can spend less (such as not having a consultant for project management but paying staff to do that role). Definitely paying attention to what things cost and what we might be able to change.
- Please make it more clear which quarters are past and which are future/plan.
- What are the options for accepting or rejecting a report?
  - Accept as written, accept with request for more info (with or without safe space conversation to dig into operational details), accept with request to present again next month with updated report, reject because interpretation of plan is not reasonable...
- Facilitator: Acknowledging that there are some concerns about the report and the plan to get into compliance. Anything else the board needs to ask questions about?
- Does board accept the report as submitted?
  - Yes, with request for additional data in April.
  - Suggestion: Have a conversation in April where CM bring back projections in spendings and earnings for remainder of calendar year (quarterly). Might also want additional data--define that in March.

**Decision: Board accepts 2.3 report and requests additional data in April.**

Jenny will bring policy reflection 2.3 to the March agenda and request to CM for info for April meeting.

## **3. Ends Report 2017**

Sponsor: Naoki

Purpose: decide

- Board met for 3+ hours to go through the Ends report. (Thank God!) We have feedback on each section.

- In each section, we asked ourselves: is interpretation okay, is data okay?
- If there is written feedback, CM would appreciate getting copies of that. For this meeting, due to limited time, focus on things that are not in compliance or things that are totally awesome.
- Page 6: This is not the full language of the global End.
  - It's the whole thing but without the bullets.
- There is a lot of overlap in the Ends. Must be challenging for CM to write report and for Board to digest.
  - It feels different from other reports regarding compliance, but it still is a policy that needs to be in compliance.
- Initial reflection is that it does not adequately capture a measurement of passionate community, but we recognize that is hard to have a metric for.
  - We want data about whether we have a passionate community. Only 6% voter turnout last year. Same for annual meeting.
- Would like to see last year's goals as well as this year's goals. (Could read last year's report!)
- How does CM track these things, what we learned, what we are changing? Maybe have less details but more discussion of what we are learning and what we are changing.
  - Didn't see how this year's goals were connected to last year's.
  - Yes, that would be a richer reporting process and contribute to better communication. Part of it is that there's a shift in personnel, so shift in style.
  - This is a report of an organization that is good at being itself! It's not the report of an organization that is really focused on vision, 5-year plan, etc. That's why it's so huge.
    - CM response: Actually, vision and 5-year plan should be work of the Board. E.g., What are you willing to not do in order to make this other thing happen?
- Board made a misstep: We should have started with thanking the CM for doing such a thorough job at producing this report. This is a huge amount of work, including creating metrics that are impossible to measure in the first place! Thank you for the work you did.
- Facilitator: We'll go about 10 more minutes on feedback and send the rest in writing.
- Land & animal stewardship: concerned about foodshed data being lost. Is it lost forever or can it be gotten back?
  - Not lost, just not data we can access given the way the system works.
  - Maybe do a Grassroots article about where the money goes, where the food comes from, etc.
  - We are one of the co-ops that put the most money into local economy. Would be nice to mention that.
- Re management structure: Turnover rate doubled between 2016 and 2017. We were a bit concerned about the plan to change that. Does CM have an understanding of the situation? What can we do to increase CM retention?
  - We are expecting a lot of turnover to keep happening until we have a stable long-term plan,
  - Jenna will discuss the turnover issue with CM Link. Maybe in a safe space conversation? Might need to be confidential (executive session) since it involves personnel.
  - Remember to go through link if you have feedback to CM.
- Human rights, social & economic justice: Recommend rejecting based on interpretation being very broad and not connected with running a grocery store.
  - Some measures in this section were retired because they're mentioned in other sections of the report. Could bring them back. Is there a request for that?
  - Overall, one challenge is that this report is so big, represents so much work, and the fact that Board owns part of the solution: We didn't find anything missing, but it was just very broad and not focused.
    - So it IS a reasonable interpretation of the End, since the End itself is pretty vague.
- There is challenge with interpreting the data tables (some places say range 1-4 and others 1-5 in same chart; tables are not labeled). Examples: p 45, page 47.
  - Need clarity on all 3 surveys.
- Safe & welcoming community: Surprised there is no mention of how we handle grievances. Tonight's

MO feedback is a good example of the need for this.

- Would love more info about sustainable product selection, operational definition for each section (see page 19).
- Land & animal stewardship: would like to see another goal: percentage of farm-direct produce.
- Also curious about trending towards higher or lower negative-impact goods based on sales. (Packaging vs bulk, local vs non-local, etc.) Would like more data on what People's does differently in line with our ethical goals. Comparing to ourselves, not to others in the market.
  - Measured in some departments (perishable & dairy) but not all. No data in produce department but could speculate based on the vendors.
- Facilitator: So, is this a report that the board can accept? If anyone is leaning towards No, we need to know that.
  - Can we accept it with request for charts & tables being corrected?
    - Yes.
    - But need to be really clear that there will be a list of things that need to be done differently, maybe with revisiting in 3 months (updated interpretations, placeholders for things to be done differently for 2018).
    - But maybe Board should first revisit the Ends so that CM can be working on a clearer baseline. Recommend accept with Board resolve to clean up our part.
    - Previous boards approved this report with many more mistakes than what we've seen tonight. Would like to look toward the future and do more with this.

#### **Decision: Board accepts Ends Report as submitted.**

Isaac will collect and send written Ends Report feedback to CM Link.

- I love all the detail in here. We measure amazing things, and I love to read that! We are so broad in our goals and have such high aspirations that it's really hard to capture, but it's just great that we look at things like average basket size. Amazing amount of data tracking.
- I second that. The whole report is so impressive, and it's exciting to read and dig into.
- In spite of any criticism of any part of this, we are very encouraged to see how comprehensive the report is. We talked about passionate community quite a bit, and it's exciting that our culture as well as our food is important.
- I'm sorry you had to report on this vague policy, but the good news is that we're going to work on it, so next year should be easier for you! Also please keep in mind that with the time constraint, we only talked about places where there were issues; the majority of this report was totally excellent.
- I appreciate the amount of effort and nitty-gritty detail that's in this report. We usually discuss/see things at the 10,000 foot level, so it's cool to have this look at more specific things that are reminders that there is a lot of effort going into the way things operate.
- I was initially intimidated by taking on this large document, but I was excited at how interesting and engaging it was to read and work with. There was so much that was fabulous, but in this short meeting, we mostly brought up the things that weren't perfect. I also love the chart on page 20!
- Thank you, Collective!

#### **4. Elections Committee Update**

Sponsor: Naoki

Purpose: discuss

- Please see email. We are actively looking for candidates, especially people who have prior experience. Please direct them to us!

## **5. Executive Session?**

**Decision: Close meeting and go into Executive Session as proposed on agenda.**

## **MEETING EVALUATION**

### **Celebrate!**

- Great turnout!
- Good vibes watching
- We accepted the Ends report
- Much more engagement in reviewing reports
- Great conversation about both 2.3 and Ends reports

### **Opportunity for change:**

- 8:15 and no break yet
- Confusion on how to handle the Ends report item

**NEXT MEETING: Tuesday, March 27, 2018, 5:30-8:30 pm**

### **Next meeting agenda brainstorm:**

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### **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)