


**Board Meeting Minutes**  
**Tuesday, April 24, 2018; 5:30-8:30 pm**

**Attended by:**

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

CM: Kathryn, Briar Rose, RachelM, Sofie, Shawn, Gwenn

Member-Owners: Peter, Biana, Tyler, Sandra, Daniel, Chris, Lisa, Jan

Guests: Missy Rohs (facilitator shadowing)

**Facilitation:** Andrea **Minutes:** Gayle **Vibes:** Naoki, Dave **Clean-up:** Jacob, Kathy **Scribe:** Kathryn

**COMMITMENTS:**

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	11/15/16	Dave, Lisa	5/18	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	Naoki, Isaac, Kathy	8/18	Review current policies and develop a proposal for updates to guide board response to email communications.
5	10/24/17	Rachel M	3/18	Rachel M will ask Padrice to respond to Jacob's question re: how confident CM is of compensation and benefits metrics.
6	11/28/17	Isaac	5/18	Isaac will work on evaluating Policy 2.5 for board authority and suggest any needed changes.
7	11/28/17	Lisa, Dave	5/18	Lisa and Dave will work on evaluating Policy 2.3 and 2.4 for board authority and suggest any needed changes.
8	1/2/18	Naoki	8/18	Naoki will look more into 2.1.2 and suggest alternate wording.

9	1/23/18	Jacob, Rachel M, Rachel P	5/18	Jacob and Rachel M will support the new CM elected Board Member (Rachel P) and provide appropriate orientation.
10	2/27/18	Jacob	4/18	Jacob will follow up with Alexa.
11	2/27/18	Dave	3/18	Dave will follow up with Sandra.
12	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).
13	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.
14	3/27/18	Dave	4/18	Dave will follow up with Rachel.
15	4/24/18	Naoki	5/18	Naoki will follow up with Sandra.
16	4/24/18	Dave	5/18	Dave will follow up with Tyler.
17	4/24/18	Jenny	5/18	Jenny will follow up with Peter.
18	4/24/18	Naoki	5/18	Naoki will change the policy register to reflect the updates to policies 2.2 and 2.2.1 as mentioned in the statement (adding "effective and timely.")
19	4/24/18	Kathy	7/18	Kathy will bring the topic of the request to CM back to the board in 3 months for a check-in.
20	4/24/18	Naoki	7/18	Naoki will bring the board meeting structure back to the agenda in 3 months.
21	4/24/18	Jenna	5/18	Jenna will take on Elections Committee (a split from Secretary duties), with caveat that she will be gone in July.

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

## **DECISIONS:**

**Decision: Board accepts March minutes as revised.**

**Decision: Board agrees to amended agenda.**

**Decision: Board acknowledges that there was no net income in 2017, so we cannot issue patronage.**

**Decision: Board approves extension of time for policy 2.8.**

**Decision: The board consents to make Kathy's response to the CM a joint statement, with 2 abstentions.**  
**Decision: Board approves changing budget for Andrea to have a 15% store discount.**

**NEW COMMITMENTS:**

Naoki will follow up with Sandra.

Dave will follow up with Tyler.

Jenny will follow up with Peter.

Naoki will change the policy register to reflect the updates to policies 2.2 and 2.2.1 as mentioned in the statement (adding ."effective and timely.")

Kathy will bring the topic of the request to CM back to the board in 3 months for a check-in.

Naoki will bring the board meeting structure back to the agenda in 3 months.

Jenna will take on Elections Committee (a split from Secretary duties), with caveat that she will be gone July-

**OPEN FORUM:**

- The process that began 15 months ago has been perpetuated and prolonged. In this process, I've become uncomfortable in the store. I don't know who in the store has made assumptions about me. I would like to feel comfortable in the coop again.
- I hope there can be a restorative process to bring about better clarity, understanding, and respect. I care about everyone involved and truly wish for resolution.
- Policy governance has the seeds of power, anti-democratic tendencies that contradict general cooperative principles and also contradict our ends.
- I find the structure of the meeting frustrating and limiting where MOs only can talk at beginning of meeting, before knowing what the issues are. Please consider ways to integrate MO feedback into the meeting.

Naoki will follow up with Sandra.

Dave will follow up with Tyler.

Jenny will follow up with Peter.

**AGENDA REVISIONS:**

- In #3, we will confirm patronage dividend decision.
- Add #9: Elections Committee.

**Decision: Board agrees to amended agenda.**

**MINUTES APPROVAL:**

**Decision: Board accepts March minutes as revised.**

**AGENDA ITEMS:**

**1. Strategic Article: Ends That Make a Difference**

Sponsor: Naoki

Purpose: discuss

- As we started last month, we will review an article that will help us function better as a board.

- Tonight: After reading this article, how do we feel about our Ends and our work around the Ends? How does it relate to what we are doing?
- Do we feel as a Board that we are somehow following the process that John Carver is talking about? Do we feel that we are able to imagine the future? Do we have a clear way to do that?
  - I like our Ends in the sense that each piece of it makes sense to me. I do think that, when thinking about the bigger picture of how they need to be carried out and how they are focused and the energy they are bringing about, they are too broad. I think we would benefit from being more streamlined and more straightforward.
  - I echo that, and one piece I take away from this is Is what we are doing of value to the community? Continually striving to have higher or more aspirational Ends. Simplicity, combine it with feedback from monitoring reports from CM. Can be difficult to interpret policies and measure against them.
- Another question that came up: Do we feel that, today, we are set up in a way to be able to imagine the future. Do we have the space to imagine what our community will need?
  - I think it's critical to make the space to think that way. We have been mostly reactive. Need to figure out a way to build that space so we can do more creative thinking.
  - I would propose that we set more time aside to absorb the MO survey data.
- I see the Ends as kind of a living statement. We need to talk about it periodically, especially in this changing world. How do we face the future? This is a worthy topic.
- It's hard for me to read this kind of an article. I want examples! Like "we made this change, and this is what happened!"
- Our Ends are a really great statement of principles, not a statement of Ends. This has always been a challenge. As I was talking with another organization, a good set of Ends distills down what your purpose is to its most basic elements. It's time to actually get an honest-to-god Ends statement for this organization.

## 2. Policy Governance Exercise: Confidentiality

Sponsor: Naoki

Purpose: educate

- SCENARIO: A board member discloses confidential information to people not on the board. What should the board do?
  - Is confidentiality addressed in its relevant policies:
    - Ends: No.
    - Executive limitations: No.
    - Board-Management Delegation: Policies 3.1, 3.2, 4.5, 8.
    - Governance Process: 3.1, 3.2, 4.5, 8.
  - Does scenario refer to anything that has been delegated? No.
  - Does the scenario reflect behavior consistent with the board's Governance Process and Board-Management Delegation policies? Yes: 4.5, 4.4, 8.
  - What action should the board or board member now take? Talk with rest of board about what was shared, and with whom. See policy 4.5.1.
  - What amendments to board policy should be made? Wording of "sensitive" is vague.
- The structure of the exercise makes us think about these various facets of what a Board does.
- Next steps: Any clarification needed?
- Couldn't find in documentation, but would imagine that this should be talked about in agenda planning session or executive session.
- Do we want to keep doing a scenario each month?
  - I think so. Getting more comfortable with the policies is something that is likely to be helpful to me. I've read them, but turning them into something I can hold onto would be beneficial.
  - Applying things we've read will help us fine tune our policies.

### **3. Review 2018 Financial Plan + Q1 Results**

Sponsor: Naoki

Purpose: discuss

- Re handout: These are not the final numbers.
- Q1 sales growth is great, but that snowstorm in 2017 really skewed our numbers.
- The margin is high. Hard to look into with staff turnover. Will probably even out through the year.
- Labor was high. Probably won't get lower this quarter since new hires cost us more time in training.
- Long-term spending is super low for Q1. A lot of the spending that we expect would happen later in the year (feasibility studies, consultants) will change this.
- How can we make sure we're not surprised by things that come up later in the year? Need to really understand the budget.
- If we were reviewing 2.4, we would have to ask in 2.4.1 if financial plan violates 2.3. How does the board feel about this?
  - I find it deeply concerning. One thing that comes up in my mind is that previous FM reminded us that large amount of our cash had to be pulled as a result of investments/equity and retained money at the end of the year. The numbers do look better than I expected, and I can better understand where things stand. I appreciate being made aware.
    - Something to realize about LTP spending: The vast majority is spent on feasibility studies to fulfill board requirements. We need to do feasibility studies in order to move forward on anything.
    - I feel confused that there was a request for a meeting and then nothing happened. That would help me understand this process better.
- Before we end this item, I want to make sure we understand that next February, the board will not be surprised. Need to be clear and comfortable with the large amount of cash spending we will be doing.
  - We (CM) have requested a meeting with board but did not hear back from anyone.
- Based on what we know so far, which policies will we be out of compliance with for this quarter?
  - We're working on 2.3 right now, and so far nothing is out of compliance.
  - I think 2.4 is not in compliance: financial plan might not have a good net income. But this is a necessary expense, so we need to take that into consideration.
  - Where is the board's power? How can you work with the CM to use your power?
- 2017 patronage decision: Per materials, there was no net income, so CM points out there will be no patronage. Board acknowledge?
  - Board has an opportunity to pay out patronage from previous 5 years; could decide to do that starting with money from back then. Board has never decided to do that before, but this board could choose to do that. (Default is not to do it, but Board could decide to do it.)
  - Per bylaws, if we do it, we would have to go back to 2007. Messy! (Might want to update bylaws.)
  - Example from another company: Building destroyed by act of arson. Insurance covered it but took a long time. If they had not had retained patronage, they would not have made it.

**Decision: Board acknowledges that there was no net income in 2017, so we cannot issue patronage.**

### **4. Policy 2.8 Request for Deferral**

Sponsor: CM Link

Purpose: decide

- Any concerns with the request for deferral? No.

## **Decision: Board approves extension of time for policy 2.8.**

### **ANNOUNCEMENTS:**

- Board retreat will be at Kathy's house.
- Facilitator: Acknowledging that we're coming back from break with a lot of energy having been raised during break. Reminder: Every person in this room is here because of a passionate view of the coop.

## **5. Process for Access to Information**

Sponsor: Naoki

Purpose: decide

- Given feedback from lawyer, we have a proposed new policy outlined as in the packet. Any response to lawyer feedback?
  - One piece that's missing to me is monitoring reports. In his answer, he said they seem like they should be available per request.
    - In several of our monitoring reports, it's not uncommon to include NCG info, and we are contractually bound to keep that confidential.
    - In most other coop cases, monitoring reports come from GM, not from people who also work on the floors.
    - I think we could redact things that actually are confidential like that or people's names, etc. (But this is extra work.)
      - I interpreted this as that we should be doing more than just a simple pass-through-- we should summarize and say how it met expectations and what we're going to do. (Board should create its own communication, not just pass through CM monitoring reports.)
  - We will probably continue to run up against places where we're not sure or we're not comfortable with sharing sensitive information. Along with this process, we should also add an NDA.
    - It would be extremely difficult to enforce an NDA, per lawyer.
    - I think this and the NDA are two separate issues, and we could move forward with this and deal with the NDA later.
- Is this something that the board will take on? If a member requests, would a board member be the one to respond, or delegate to CM?
  - I think we would need to go to the CM to get information. Not a full answer, but I lean toward delegation.
  - If we find we're running into things that need special handling, we need to ask ourselves how that is happening.
  - CM: We could train the board to access the information rather than add it to the already-taxed workload of CM.
  - What we could do as a first step is for board to learn how to find things in the system and how we process information before we think about delegating this.
- Facilitator: Is there anything you need clarified in order to come back with this next month?
  - Temp check: How do you feel about the proposed process? Thumbs up.
  - This item needs more time. We could take something else off the agenda tonight or bring it back next month.
    - I think we should bring this (policy and process) to our next working session, then report back at next board meeting.
      - But we are not having a working session in May.

- We will bring this topic back next month.

## **6. Grievance Process Update from the Board**

Sponsor: Kathy

Purpose: discuss

Kathy's response to the CM request:

We reject the recommendation of the Collective Management.

We find the recommendation and the process that was followed to determine the recommendation as out of alignment with Policy 2.2. as "disrespectful, unfair, and unnecessarily intrusive."

We encourage the CM to study their interpretation of Policy in this regard to ensure no further cooperative funds are used in an "unnecessarily intrusive" process towards any staff, member-owner, board member, or hands-on- owner and to bring a level of respect and fairness that encourages an "open and welcoming" environment.

We are concerned with the lack of consensus in the recommendation by the CM and ask that the CM bring recommendations of this magnitude only when consensus is reached.

We also are concerned that this recommendation has defined as a "grievance" a situation which does not fall into any of the categories of a grievance within the documentation provided by CM.

We find the estimated time required for this process (over 100 hours of board volunteer time) and calendar time (greater than one year) not reasonable. The Board is updating Policy 2.2.1 to specifically require timeliness (although we believe that any reasonable interpretation of the existing policy language "effective" should include timeliness) and requires CM to include an operational definition and handbook policy that clarifies time limitations in accordance with section (b) of Policy 2.2.1.

The Board also recommends that the CM include clarification that Co-op time and funds will only be utilized for grievances or concerns directly related to concrete actions or statements which occur within operations of The Co-op and shall not intrude into the private lives of staff, member-owners, board members or hands on owners.

The Board requests the Policy 2.2 monitoring report in May include the updated language (add of the word "timely" to section 2.2.1). Further we request the CM take into account this process and other similar processes with critical review and a plan for improvement in the May report while honoring the confidentiality of all parties involved.

The Board has received grievances from six member-owners who find the CM has created an "unfair," "unsafe," and "unwelcoming" environment creating a "disproportionate impact" for these member-owners and the other impacted member-owners they have represented through the CM handling of this process. We also do not find indication that the process has been restorative for the hands-on- owner whose statements initiated this process. We request the CM seek cooperative strategies for restoration of community safety and welcoming for all member-owners impacted by this process.

- We need to publicly consent to Kathy's statement to make it a joint statement from the board.
  - Any comments or concerns from board?
    - Isaac has conflict of interest, Jacob stands aside, other board members consent.

- Next step should be a safe space conversation about grievance process and restorative justice.
  - That would take even more time than has already been spent.
- Facilitator: Full CM has not heard this statement yet. We should give them time to read it and respond to it (in a timely manner).
  - Just the statement, or the statement plus the request for restorative process?
    - The request is part of the statement.
  - Facilitator: This is important but not urgent. Board, do you have a timeline for response from CM? (There doesn't have to be...)
  - Facilitator: Recommend that board bring this item back in 3 months as a check-in.

**Decision: The board consents to make Kathy's response to the CM a joint statement, with 2 abstentions.**

Naoki will change the policy register to reflect the updates to policies 2.2 and 2.2.1 as mentioned in the statement (adding ."effective and timely.")

Kathy will bring the topic of the request to CM back to the board in 3 months for a check-in.

## **7. Board Budget: Facilitator Contract**

Sponsor: Kathy

Purpose: decide

- Board has more to work out at retreat regarding Missy's contract, but we do want to approve a 15% discount for Andrea.

**Decision: Board approves changing budget for Andrea to have a 15% store discount.**

## **8. Structure of Board Meetings**

Sponsor: Naoki

Purpose: decide

- Is 5 minutes enough time to change the arrangement?
- I like it, but would like to review it after trying it.
- It feels too hierarchical.
  - Agree. Doesn't foster community. But willing to try it and see how it goes.
  - Okay, let's try it for 3 months.

Naoki will bring the board meeting structure back to the agenda in 3 months.

## **9. Elections Committee**

- Naoki does not have the bandwidth to be on this committee and is requesting another board member take this on.
  - What's the timeline and commitment needed?
    - Next two months work involved.

Jenna will take on Elections Committee (a split from Secretary duties), with caveat that she will be gone July-August.



## **MEETING EVALUATION**

### **Celebrate!**

- Covered a lot of ground!
- Got to do some strategy.
- This Board is kicking butt!
- Dissenting voices
- Rachel
- Vision
- Asking for help

### **Opportunity for change:**

- It was too hot in here!
- Maybe covered too much ground.
- Everything the board has said about the grievance process is on the record, and everything the CM has said about it is not.
- Invite more board curiosity toward what CM does, especially about LTP. Felt antagonistic.
- Perhaps unrealistic expectations of how much we can do while kicking butt!
- Having more clear outcomes for items challenging.
- Defensive attitudes.
- Make space for dissent.
- Sharing the load.
- We didn't plan anything for Shawn.

## **NEXT MEETING: Tuesday, May 22, 2018, 5:30-8:30 pm**

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

- Last minute board retreat details
- Member information requests followup
- Take on rewriting the Ends; get more MO feedback.

### **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)