


Board Meeting Minutes
Tuesday, June 26, 2018; 5:30-8:30 pm

Attended by:

Board Members: Kathy, Jenny, Dave, RachelP (aka Pincus), Jenna, Naoki, Jacob

CM: Karna, Gwenn, Brita, Sofie, RachelM, Kathryn

Member-Owners: Tom, Judi, Christopher, Chris, Lynn, Peter

Guests:

Facilitation: Ariana **Minutes:** Gayle **Vibes:** Naoki, Dave **Clean-up:** Naoki, RachelP **Scribe:** Kathryn

COMMITMENTS:

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	9/26/17	Naoki, Isaac, Kathy	8/18	Review current policies and develop a proposal for updates to guide Board response to email communications.
2	10/24/17	Rachel M	7/18	Rachel M will ask Padrice to respond to Jacob's question re: how confident CM is of compensation and benefits metrics.
3	11/28/17	Isaac	7/18	Isaac will work on evaluating Policy 2.5 for Board authority and suggest any needed changes.
4	1/2/18	Naoki	8/18	Naoki will look more into 2.1.2 and suggest alternate wording.
5	1/23/18	Jacob, Rachel M, Rachel P (aka Pincus)	7/18	Jacob and Rachel M will support the new CM elected Board Member (Rachel P, aka Pincus) and provide appropriate orientation.
6	2/27/18	Jacob	7/18	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).
7	2/27/18	Jenna, Jenny	7/18	Jenna and Jenny 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.
8	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.

9	4/24/18	Naoki	7/18	Naoki will bring the Board meeting structure back to the agenda in 3 months.
10	5/22/18	Jacob	7/18	Jacob will follow up with Peter.
11	5/22/18	Naoki	9/18	Naoki will add language to Policy 2.3 regarding sales growth by September.
12	6/26/18	Naoki	7/18	Naoki will follow up with Peter.
13	6/26/18	Naoki	7/18	Naoki will bring proposal to add the two underlined items described in the minutes to Policy 2.3.
15	6/26/18	Jenna	7/1/18	Jenna will ask for feedback this week on how to move forward with choosing a question to ask during the Member Engagement exercise at the Annual Meeting.
16	6/26/18	Pincus, Jacob	7/18	Pincus and Jacob will develop next steps on Board accountability policy.

DECISIONS:

Decision: Board accepts May minutes as revised.

Decision: Board accepts the request for deferral of Policy 2.2 report until September.

Decision: Board accepts Policy 2.3 report as submitted.

Decision: Board agrees to adopt the resolution to support the LTP recommendation.

NEW COMMITMENTS:

Naoki will follow up with Peter.

Naoki will bring proposal to add the two underlined items described in the minutes to Policy 2.3.

Jenna will ask for feedback this week on how to move forward with choosing a question to ask during the Member Engagement exercise at the Annual Meeting.

Pincus and Jacob will develop next steps on Board accountability policy.

OPEN FORUM:

- In my co-op conversations with basic owners, I find they are not happy with the recent change in information policy. Bylaws permit the change, might be a bit vague, but have a spirit behind them. Our current information policy is weaponized against the most hostile of requests and assumes malicious intent. The new policy further erodes the feelings of trust and cooperation that brings me here. Is this our best?

Naoki will follow up with Peter.

AGENDA REVISIONS:

- None.

MINUTES APPROVAL:

Decision: Board accepts May minutes as revised.

AGENDA ITEMS:

1. Request to Defer Policy 2.2 Report to September

Sponsor: CM Link

Purpose: decide

- It would normally be due this month, but CM and Personnel Manager are asking to defer.
- The PM has been busy doing an incredible amount of daily tasks and has been unable to get this together. She is getting other CM to cover the daily tasks so she can focus on updating workers' handbook and to conduct a CM survey, which will produce more timely and relevant information for the Board.
 - Ideally, the request for this extension should have come to last month's meeting. It was casually agreed but not recorded officially.
 - Why was the choice made to defer rather than report with plan of compliance?
 - Honestly, that would have been like "busywork." The September request was directly from Personnel Manager.
 - There is a lot of work the Board does that feels like "busywork," but it is following the process.
 - While we are all aware of the increased load caused by LTP and massive amount of turnover, we are still seeing an increasing number of deferrals, and it is a disturbing trend.
 - The Board's expectation is that there be indication at the meeting before a delay. If the CM want to delay, they should bring the request a month before it's due so there's time for Board to either accept delay or ask for incomplete report on time with plan for compliance.
 - If there is anything Board can do to help CM get a report in on time, please ask!

Decision: Board accepts the request for deferral of Policy 2.2 report until September.

2. Policy 2.3 Re-Report

Sponsor: CM Link

Purpose: decide

- Did the Board come prepared to act? Yes.
- Questions?
- The reason we asked the report to come back is that the operational definition was changed last time, and now it's back to what it was before.
 - It wasn't changed, it just didn't make sense. Changed it to say "at least 0.25%" and not include a negative value.
 - Last month, the operational definition had been changed. It was always 0.25% of sales.
 - I'm sorry, but I disagree.
 - Maybe we (CM) misunderstood what the Board rejected last time?
 - I think the operational definition IS different from what it was before, and part of the issue was that when we budgeted for this year, we budgeted below what the previous definition was. What should have happened is that we should have had a discussion on the collective about it. For the future, going forward, that discussion will be in the room in the collective.
 - Facilitator: So an error was made in the past, and this is an attempt to fix it, and also there was an error in the process, and the CM want to correct the process

going forward. Right?

- Yes.
 - Would also like an explanation of why we are changing the operational definition.
- Policy reflection?
 - We would add (1) “CM must not allow sales growth to be inadequate” and (2) “CM must not allow sales per labor hour to be inadequate.”
 - Naoki will bring proposal to add these two items to Policy 2.3.

Decision: Board accepts Policy 2.3 report as submitted.

Naoki will bring proposal to add the two underlined items described in the minutes to Policy 2.3.

3. Policy 2.2.1 Update Proposal

Sponsor: Isaac

Purpose: decide

- Change was just adding “and timely.”
- We actually already approved this and put it in the Policy Register!

4. LTP Budget Update

Sponsor: CM Link

Purpose: discuss

- I think there are two pieces: What’s in the budget, and what’s being spent. We need some policy around how Board can have oversight into spending our reserves. For example, we are in violation of the 0.25% spending, but we don’t have a mechanism to make sure that we are comfortable with that.
 - Where is there not adequate policy around this? It;s all laid out in Policy 2.3. Are you asking that we re-clarify some of these situations, particularly regarding LTP?
 - Savings means capital reserves, right? Not day-to-day cash flow?
 - Yes.
 - Maybe as a Board we can say we don’t do anything unless we hit the days-cash-flow limit. It’s like there is just one big budget and LTP is just part of it.
 - In years past, there has been LTP budget in the budget. I suspect what you’re wanting is improvement in the process we have, because we do have a process. But to claim that there wasn’t monitoring going on is not accurate.
 - Not a report but a mechanism of enforcement. The 300K was a surprise. There was nothing in the policy that doesn’t say “you should not spend more than half of your savings.” The concern is: How do we make sure that the Board oversees how the money is going out? (I can bring that back to another meeting.)
 - I agree that the mechanism is out of touch with what’s going on. I support further discussion of this next month.
 - Is there a request for CM now? How can we keep the Board informed? We have already done discussions of remainder of year and FYI, etc.
 - Your clarification helped me a lot, thank you. Would like to re-examine this next month and bookmark at least 30 minutes for it.
 - We did agree for 2018, but role of Board is to think ahead and make sure we don’t have a similar situation in the future.
 - To clarify: We had an off-site meeting with LTP in which Board agreed that FYIs would

be sufficient.

- I think I had a different impression of what this meeting item would be. I am a little blindsided by this policy reflection.
 - Do you have anything you want to share, since we have time?
 - The theme is that spending has been extremely low since the budget was approved because the LTP direction changed early this year. Almost the entire LTPC turned over between 2017 and 2018. We also shifted focus in pro formas, ruled out several options. Pretty much up until this point, the primary expense has been on labor. We are slated to make a decision in 2 days about which projects we will invest in doing pro formas and market studies for. It will be much less this time. The reason this budget is so huge and unwieldy-seeming is that we were operating outside of budget, had so much turnover, and were still learning what we were doing. Realistically, at this point, we are looking at running pro formas and market studies on (probably) 2 projects, not 6.
 - Our intention has been to limit our spending, invest what we need to, but not spend willy-nilly.
 - We have just under a million dollars in the bank. The more that we spend on testing and making sure we have all the information before making the jump, the less we have to spend on actually doing them. We are rethinking staff structure; checking to see if what we sell will keep us sustainable, etc.
- The first graphic in the packet has a lot of negative numbers...
 - The graphics are not labeled with the file names.
 - There was a budget through end of October (did not spend it all), then November through April (spent about 2/3). Latest budget is May through end of 2018.
 - I think what's confusing is that remaining budget is negative, so it looks like we overspent, but we didn't.
 - I am very happy to see that you have made a very conservative budget, and that in 2 days you will be making decisions on what projects to do. Can we see the updated budget next month?

ANNOUNCEMENTS:

- Andrea usually mentions this at the last meeting before the election: We need to be specific as to when new Board members can vote (new directors do not vote at first 2 meetings), and set orientation for before the 3rd month when they can vote. (See Bylaws 4.3.)
- See the big and colorful billboard on 21st & Division!
- Jenna will miss July & Aug meetings, back in Sept.
- Tomorrow is Farmers' Market.

5. Resolution to Support LTP Recommendation

Sponsor: Naoki

Purpose: decide

Proposed resolution to support LTP recommendation:

The intent of this letter is not to approve any plan but to share the Board's position on options the LTPC is recommending.

Once again, let's clarify that a board's job in long-range planning is not long-range planning itself, but exploration of vision. By casting its vision, through Ends policies, out toward the planning horizon, a board lays out those values on which the staff makes plans. (John Carver)

The Board monitor the LT planning process through monitoring progress towards the Ends and through policy 2.4. Business Planning and Financial Budgeting which states the following: The CM shall not cause or allow business planning or financial planning and budgeting, to deviate materially from the board's Ends policies, risk financial jeopardy, or fail to be derived from a multi-year plan.

The Board will also get involved if the CM wants to acquire real estate, since per policy 2.3 the CM will not acquire, encumber or dispose of real estate.

The Board was informed of the LTPC recommendation to move forward with 2 options: a Warehouse and a 2nd store.

The Warehouse would enable the Co-op to progress towards the following Ends:

- **Thriving cooperative and local economies:** A warehouse would enable us to buy larger volume from small, local or co-operative business, lower prices and driving higher sales for these businesses

- **Democratic workplace where all workers' voices are valued:** A warehouse would relieve the pressure on the backstock which has been a major safety concern from CMs and HOOs. Also, it would allow for less crowded offices at the co-op.

- **Economic access to healthful food:** The Co-op would be able to buy in larger quantities and thus get better prices which would enable the Co-op to lower its prices and improve economic access to healthful food.

The 2nd store would enable the Co-op to progress towards the following Ends:

- **Passionate community working together for sustainability, progressive land and animal stewardship, human rights, and social and economic justice:** A 2nd store would allow the Co-op to expand its passionate community and bring its impact on sustainability, progressive land and animal stewardship, human rights, and social and economic justice to a new community.

- **Thriving local economies:** A 2nd store would increase the sales of products from local and co-operative businesses and potentially reinvigorate the economy of a neighborhood by hiring folks from that area.

- **Access to healthful foods:** A 2nd store would allow the Co-op to provide other neighborhoods with a walkable distance store that offer healthy food. It would also enable the Co-op to increase its buying power thus reducing prices for its customers.

- Context: At retreat, we worked in small groups. One was long term planning, and one of the goals/outcomes was that we wanted to share a joint resolution from the Board that supports the LTPC's work.
- Clarifying question: When and why does the Board use a resolution?
 - It is not the role of the Board to do long-term planning, but we want to clarify the Board's position regarding long-term planning.
 - In our system, resolution and decision mean the same thing. Any time the Board makes a resolution in the form of a letter like this, it's the Board speaking with one voice, stating this is the position of the Board.

Decision: Board agrees to adopt the resolution to support the LTP recommendation.

6. Article: Ends and Ownership

Sponsor: Naoki

Purpose: discuss

- After reading these notes, what is the one takeaway that you have as Board members?
 - Wording section (effort words) stood out for me. Difference between mission statement and Ends statement. Our current Ends use effort words as more of a motto or slogan.
 - Connecting with ownership stood out to me.
 - I was surprised that it said to set aside all goals to try to measure the Ends. This was one of the main reasons we are looking at revising our Ends.
 - I think our lack of clarity as to how to receive the Ends report is directly related to this. Makes more sense to report on measurable, goal-based Ends. Current wording is aspirational and so kind of imaginary. I like the example of the credit union.
 - It is hard to talk about results with our current Ends. What if we could talk about why we are doing what we do as a Board?
 - We want to have a shared values statement but not have to -report- on it.
 - What is our (new) identity and objective?

7. Annual Meeting

Sponsor: Jenna

Purpose: decide

- Annual Meeting is July 14 at St David of Wales Church. Board has been working on our Board Engagement activity; see packet. Anyone have questions about that?
- We have an hour. Every MO will have a note card at their table and will be asked to answer this question (which we will decide tonight). Then shuffle them around, get in groups of 2 and allocate 7 points, shuffle more and do 2 more times, so each answer card will have 0-21 points.
- Goal is to get input into our Ends and visioning.
- See sample questions in packet.
 - I would not use first 2 because they're about our current Ends, and we want to focus on updating them.
 - Possibilities:
 - What difference do you want People's to make in our community? Customers' lives? MOs' lives? (and at what cost?)
 - What do we want to have accomplished in X# years as a result of all of our efforts and activities?
 - What do you want People's to achieve, when reflecting on current Ends:
 - For MOs
 - For shoppers
 - In PDX
 - KEY PHRASES: empowerment, ownership, involvement, at what cost
- At end of activity, we'll call out any cards that have 21, 20, 19...
- Possibly write a summary of the cards in Grass/Roots.
- Our Ends are diverse and all are important. How can people become more engaged and responsible for doing them? How can people be involved in the process so they feel empowered that this is their store, their food, their community, their space?
- Some Boards have Ends like ours, others are more actionable. Will there be examples of these?

Jenna will ask for feedback this week on how to move forward with choosing a question to ask during the

8. Policy Governance Scenario: Code of Conduct

Sponsor: Jenna

Purpose: discuss

- Our code of conduct policy is 4.5. It's pretty robust. Global policy says we (**COPY FROM REGISTER**).
- One of the things in 4.1.5, Governing Style, says (**COPY FROM REGISTER**). I don't think we have ever really done that.
- The only policy I see that provides a consequence for being out of compliance is 4.5.8. Seems kind of rash to me.
- Here are some things we already have in our existing policies and documents:
 - Ends:
 - Safe and welcoming
 - Where all workers' voices are valued
 - Executive Limitations (policy register):
 - Treatment of workers
 - Appropriate confidentiality and privacy
 - But this is more about CM--if they are aware of a breach, they need to notify Board. Doesn't talk about what if it's a Board member who is using inappropriate behaviors.
- Here are some reflection on our Governance Process and Board-CM Delegation policies:
 - Feels insufficient.
 - Global Policy 4.5.
 - 4.5.3 is a really specific piece that we should align in interpretation.
 - Could be more clear: Define "ethical and respectful."
- Are there any things the Board reports to itself on?
 - Not really. But we do policy reflection as part of process of evaluating each CM monitoring report.
- Having to resign if out of compliance seems brash. Would like to see a process between those points.
- Does CM have anything we could use as a reference?
 - But remember that a portion of that is that CM have employment protections, which Board members as volunteers do not. This is part of why the language is loose.
- Earlier last year, CM and Board were invited to training on dismantling/challenging the patriarchy. Should we have something like this as part of Board orientation?
- Will someone else take on developing this further? Pincus with support from Jacob.

Pincus and Jacob will develop next steps on Board accountability policy.

MEETING EVALUATION

Celebrate!

- 5 out of 6 candidates were here! All have now been to at least one Board meeting!
- Thank you Ariana for facilitating
- Thank you Rachel for persistence in finding her
- Food was very yummy

- Tonight's table arrangement was better
- Lots of CM here

Opportunity for change:

- Meeting was very speedy--moved fast, maybe not enough time for a lot of work
- Clarification to sit where you want to for meal, then rearrange for meeting
- Packets were not complete (did not include article since clear copy was not available on packet day), had to distribute article separately

NEXT MEETING: Tuesday, July 24, 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)