


Board Meeting Minutes
Tuesday, August 28, 2018; 5:30-8:30 pm

Attended by:

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

CM: Ahsante, Elenore, Kathryn, Gwenn, RachelM, Sofie

Member-Owners: Christopher, Ellen, Peter, Bruce, Willy

Guests:

Facilitation: Andrea **Minutes:** Gayle **Vibes/Celebration:** Jacob, Naoki **Clean-up:** Dave, Jacob **Scribe:** Sofie

COMMITMENTS:

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	4/24/18	Kathy	9/18	Kathy will bring the topic of the request to CM back to the Board in 3 months for a check-in.
2	7/24/18	Gayle	9/18	Gayle will add the public version of the packet handed out at the meeting tonight, to the public version of this packet/minutes
3	7/24/18	Liz, Kathy	9/18	Liz & Kathy will connect once before the September meeting.
4	7/24/18	Naoki, Vishal	9/18	Naoki & Vishal will connect before the September meeting.
5	2/27/18	Jenna, Jenny	9/18	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.
6	8/28/18	Kathy	9/18	Kathy will follow up with Peter.
7	8/28/18	Isaac	9/18	Isaac will translate legalese into easy-to-understand language.
8	8/28/18	Kathy, Vishal	9/18	Kathy and Vishal will revise the checklist so it can be used to answer (1) do we have everything we need to make an assessment and (2) given the information, do we agree with moving forward?
9	8/28/18	Vishal	9/18	Vishal will set up a doodle poll for a work session about board work planning.
10	9/26/17	Naoki, Isaac, Kathy	10/18	Review current policies and develop a proposal for updates to guide Board response to email

				communications.
11	1/2/18	Naoki	10/18	Naoki will look more into 2.1.2 and suggest alternate wording.
12	7/24/18	Naoki	10/18	Naoki will bring the 2.3 policy proposal back in October with amended language.

DECISIONS:

Decision: Board accepts July minutes as revised.

Decision: Board does not accept 2.3 report. CM will submit draft plan for compliance at September meeting, then submit full report in October.

NEW COMMITMENTS:

Kathy will follow up with Peter.

Isaac will translate legalese into easy-to-understand language.

Kathy and Vishal will revise the checklist so it can be used to answer (1) do we have everything we need to make an assessment and (2) given the information, do we agree with moving forward?

Vishal will set up a doodle poll for a work session about board work planning.

OPEN FORUM:

- Thank you for everyone’s contribution. I know I expect a lot of you, and I know you’re volunteers. And thanks for dinner.
- I saw in a Grassroots article that there was a survey whose result said owners care about staff, good wages, etc. Vision we try to carry forward that is part of the job. Want more insight into what keeps staff happy. Talked to staff that left recently to ask why they left. One said there is an exit interview that is part of protocol. Could be more thorough, get at more stuff. I think that matters, because we don’t always know what’s going on, and this might be a way to get to the bottom of some things. I believe that even though staff-on-staff interview has value, board also doing exit interview might bring up more. Person I talked to said that would be interesting and helpful. Maybe even have them, in a gentle and kind way, interview each other! Owners want employees who feel valued and know how things run.

Kathy will follow up with Peter.

AGENDA REVISIONS:

- At end of meeting, we will take up to 10 minutes to discuss structural format and how it’s working.

MINUTES APPROVAL:

Decision: Board accepts July minutes as revised.

AGENDA ITEMS:

1. Policy 2.3 Report

Sponsor: CM Link

Purpose: decide

- Did the Board come prepared to act? Yes
- Questions?
 - When I reviewed this, I was very excited about it.
 - I am confused about how we are losing money but have more cash...
 - We still have YTD negative sales, but we've had a good quarter of sales.
 - That's based on what we currently have in assets, not necessarily reflective of \$\$\$. It's based on a formula (sales and income). Cost of operations=negative net income. We have a fairly high level of cost for operations in the store. We are still bringing in money from sales.
 - Taking negative income out of it, how did we get from last quarter's days of cash to this quarter's?
 - What is the days of cash number made up of? Some transition in long-term staff, so labor costs decreased temporarily because of that.. We had a spike in sales in April and June, but not enough to meet our expenses.
 - Does days of cash number change much?
 - It can. It's been pretty steady considering.
 - We've been told that Days of Cash = Cash balance divided by cost per day.
 - Does board need more or different information? Yes.
 - In the Current Ratio, it talks about cash balance with two different values.
 - The first number is what's in our bank account but does not include assets (inventory, etc).
 - Cash and equivalents is less than cash itself. ?
 - When I think of "cash balance" it means money in the bank; I see that it's got a different context here.
 - 2.0, 2.1, and 2.2: The numbers are confusing.
 - Maybe we could make sure we have clarity of all the definitions of these terms.
- Any other questions?
 - On 2.5, it says no real property was acquired. What does that mean?
 - 2.6: No significant penalties--does that mean there were some insignificant penalties?
 - On #1 (p 6) Q2 up to date we are losing 20K, but previous 2.3 said we were making almost 20K. How did this 40K gap happen?
 - On plan for compliance, I would expect to see a more clear path of what we're doing to get back to compliance.
 - Request (1) better understanding of whats happening in the financials/net income, then (2) plan for compliance with clear steps.
 - CM has to be in agreement for there to be a clear pathway.
 - So what's here is just the FM's view, not what CM have agreed to do? Yes.
 - That makes it sound more like a draft plan for compliance. Actual plan for compliance should be what CM have agreed to.
- Straw poll re explanation of what plan for compliance should be?
 - Should be what CM have committed to do.
 - With a nod to looking to Finance team for direction.
 - What is standard procedure? Plan for compliance would be approved by CM.
 - Finance team could get approval for different sections from the relevant CM. Shouldn't need full CM for the full plan.
 - SUMMARY: We are asking for a plan for compliance that (1) has been agreed to by the people who can make it happen, and (2) is a commitment.

- When I read the plan for compliance, I was worried about how we use LTPC as reason for things not getting done. We need to be creative about what we can do to balance it out.
- Could we adjust it over time so that future ones are more clear?
- Would be better for CM to wait till October since have 2 reports due in September. But it is urgent.
- Maybe hand out the plan for compliance to Board at the Sept meeting but discuss it in October.

Decision: Board does not accept 2.3 report. CM will submit draft plan for compliance at September meeting, then submit full report in October. CM will clarify days of cash, clear definitions of ratios, clear explanations of real property and significant penalty, and submit a plan for compliance agreed to by folks in the CM who can make them happen.

Isaac will translate legalese into easy-to-understand language.

2. Approve Lease Checklist

Sponsor: Naoki

Purpose: decide

- Celebrate: Board and LTPC met twice since last board meeting! Had a good time and came up with an updated checklist of what we would need to know to go ahead with making a decision to sign a lease.
- Goal: Least amount of information that the board needs to make this decision on behalf of the cooperative.
- I think the most important thing to me is internal readiness. Financials are important too, but those will be more clear.
- Plan for readiness for action based on NCG recommendations.
- Structure in between now and opening second store; after we have a second store. (Transitional staffing plan and staffing plan, including training.) (2.4.5)
 - We need specificity!
- Could we have an operational plan with staffing plan under it as one component?
- A lot of the detail we're talking over now are things we would be expecting to see on the project manager's plan.
 - One way we could go about it is to use the policies. What we're providing here is another layer of readiness.
 - That's what we were expecting, but I was surprised at the form this was presented in.
- So we need:
 - 2.4.5 will be met if there is a plan for transitional staffing and second store staffing, including training.
 - Project budget, pro forma, etc (budget detailed enough to open second store) (would help to see pro forma template so we can tell if it will give us the information we need)
 - We can share the last pro forma we had written that we decided not to implement.
 - Product selection question: would be good to have some alignment with CM and engagement with MOs.
 - Capital campaign
 - Make sure board can use it as a checklist.
 - What we have is pretty good, just need to prioritize. Internal readiness staffing component and pro forma are key.
 - Does having all this documentation in place suffice, or does board need to then take it all and review it and agree to it?
 - Don't think it needs all the detail CM would need.

- Checklist for a lease is one thing, attempt to fix long-term shortcomings of strategic development is another. Should separate this into 2 different asks.
 - Needs to be prioritized and simplified.
 - Recommend say to collective: here's all the things in policy that are relevant, and here are the specific things we need more information on to make this decision.
 - Need volunteers: Kathy & Vishal
 - Question is not just whether CM has given us what we need, but given the information, do we agree with moving forward per CM recommendation?
 - Trust issue! Let's sit with that for a moment...not talk about it right now but reflect on it for a moment before we take our break.

Kathy and Vishal will revise the checklist so it can be used to answer (1) do we have everything we need to make an assessment and (2) given the information, do we agree with moving forward?

ANNOUNCEMENTS:

- Elections Committee will be sending a survey to all board candidates (elected and not elected).

3. Thank You, Jacob and Isaac!

Sponsor: all

Purpose: celebrate

- I have learned a lot from you. Thank your for your dedication to policy governance and getting us back on track.
- Thank you for all you've done through all the challenges. You always acted in the best interest of the co-op.
- We're really going to miss you. We're losing a lot of institutional knowledge.
- Thank you for all you've done to keep us organized.
- We've made a lot of progress toward being a functional board.

4. Explanation of Officer Roles

Sponsor: Naoki/Jenny

Purpose: discuss

- In our next meeting, we will be voting on officer roles. They're defined in the packet.
- If you're interested in one of the leadership roles, talk to Naoki before the next planning meeting.

Extra Quick Topic:

Temperature check on the way we've been arranging the tables: 2 up, the rest undecided. So we'll keep doing it for a few more months and then check in again.

5. Board Work Planning

Sponsor: Naoki

Purpose: discuss

- The board has been doing a lot of work in work sessions and emails. Lots more coming up. What's the best way for us to tackle all the things that require our attention?
- One proposal: Have set work sessions (rather than doodle polls every month) as a place where we can get together and work on things all together or in smaller groups.
- Should we discuss the possibility of resuming the committees that are mentioned in the board charter?
 - Reinvigorate, restate who's doing what
- Hard to have this discussion with 4 board members missing.
- Maybe the 5 who are here could sign up for some of the ones on the list to help get started.
- Could maybe do some of them as online collaborations.
- One of the ways I survived the last 4 years is to just wholly commit every Tuesday to the Board. The flow worked: check in with CM Link, agenda plan, packet prep, board meeting.
- I still support the concept of working meetings as a cornerstone and that we commit to going to as many as possible.
- * Long term plan
 - Jenny
 - Naoki
 - Vishal
 - Dave
- * Ends revision
 - Jenny
- Policy updates
 - Jenny (Grievance, Customer Service)
- MO/Board relationship
 - Secretary
- * Board/CM relationship
 - Kathy
- Board leadership development
 - President
 - Vice President
- Think of these as taking responsibility and accountability for the topic.
- We really need everyone here. I suggest we have a work session with this as the topic.
 - Could it happen at the orientation?
- Consider burnout possibility, too. Find balance so that every moment of the time you're together as a group is useful.

Vishal will set up a doodle poll for a work session about board work planning.

MEETING EVALUATION

Celebrate!

- I liked added Celebration moments. Let's keep doing it.
- Two excellent desserts!
- We ended on time--not too many agenda items.
- 2 new CM at the meeting
- Challenging conversation handled respectfully
- Excellent facilitation
- Commitments getting done

Opportunity for change:

- 4 absent board members
- Transition period--shared learning, support new folks

NEXT MEETING: Tuesday, September 25, 2018, 5:30-8:30 pm

Next meeting agenda brainstorm:

- Monitoring reports
- Checklist update

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)