


Board Meeting Minutes
Tuesday, October 23, 2018; 5:30-8:30 pm

Attended by:

Board Members: Vishal, Chris, Dave, Jenna, Liz, Jenny, Kathy (arrived 7 pm)

CM: Padrice, Gwenn

Member-Owners: Peter, Susan, Linn

Guests:

Facilitation: Andrea **Minutes:** Gayle **Vibes/Celebration:** Dave, Jenny **Clean-up:** Vishal, Liz **Scribe:** Jenna

COMMITMENTS:

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	4/24/18	Kathy	10/18	Kathy will bring the topic of the request to CM back to the Board in 3 months for a check-in.
2	2/27/18	Jenna, Jenny	11/18	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.
3	8/28/18	Kathy, Vishal	11/18	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?
4	10/23/18	Naoki	11/18	Naoki will connect with Linn.
5	10/23/18	Naoki	11/18	Naoki will follow up with Susan.
6	10/23/18	Naoki	11/18	Naoki will follow up with Peter.
7	10/23/18	Gayle	11/18	Gayle will update the # absences for Jenna (3) and Dave (0) in President's FYI in next packet.
8	1/2/18	Vishal	12/18	Naoki Vishal will look more into 2.1.2 and suggest alternate wording.
9	7/24/18	Naoki	12/18	Naoki will bring the 2.3 policy proposal back in October with amended language.
10	9/25/18	Vishal, Jenny	12/18	Vishal and Jenny will do a policy reflection on 2.2 in the next 3 months to see if anything needs to be changed next time this comes up.

11	9/25/18	Naoki, Vishal	1/19	Naoki and Vishal will bring a proposal to update Bylaws and Policy Register to correctly describe Treasurer role.
12	10/23/18	Chris	1/19	Chris will bring the topic of member-initiated petitions & bylaws amendment procedure to a future meeting.

DECISIONS:

Decision: Board does not accept September minutes as submitted. They will work on clarifying language and submit it for inclusion in revised minutes to be approved next month.

Decision: Board accepts the 2.7 report as submitted and requests an updated plan for compliance at the November meeting.

Decision: Board accepts the 2.3 report with the request for the next report that it include concrete dollar amount numbers, actual agreed-upon strategies for reaching those numbers, with milestones and timeline.

Decision: We will move the Annual Meeting to May.

Decision: December meeting will be Jan 8.

NEW COMMITMENTS:

Naoki will connect with Linn.

Naoki will follow up with Susan.

Naoki will follow up with Peter.

Chris will bring the topic of member-initiated petitions & bylaws amendment procedure to a future meeting.

Gayle will update the # absences for Jenna (3) and Dave (0) in President's FYI in next packet.

OPEN FORUM:

- New MO with long history with People's. Work with Land Trust and friends with Naoki. Excited to hear co-op is talking seriously about a second store in Lents--surprised and delighted. I feel like it has the potential to expand the social mission of People's as not just a provider of food but expanding availability of food. Lents will be undergoing a lot of rapid change; will be great to have People's be the first one there (rather than New Seasons or Whole Food) to help resist gentrification. Use resources to help fund a new start-up grocery store in a place that could really use it. I feel like that might require some compromises--food selection, creative ideas around pricing, even something like Sisters of the Road model where if you volunteer, you get food or discount on food.
- I have lived in the neighborhood and been a member since 1992. I am bringing up communication about this if it's not happening: Earthquake preparedness as part of the long term plan. The place where I live got bolted down recently, and I have heard of others who are having their homes bolted down. It's kind of expensive to retrofit, but is there a plan for food distribution, what happens to staff, etc? If there's a second site and one goes down, can it help? Warehouse that's earthquake-proof? Could be a great community service. Community emergency response training is happening all over. I know the Board has a lot on its plate, but maybe someone on board, staff, and/or members could go to this training? If it's already happening, there hasn't been any communication about it. I hope we can keep communication going with members about everything. Haven't heard much since the LTP meetings.
- I talk to the board a lot, and usually I talk about the stuff I dissent on. If I find the foundation in the charter for my feelings, I talk about the charter, the principles of the co-op. I find the ones that I think are central to our co-op, and I talk about them a lot. Over the months, my communications have only very recently increased in frequency. I kept not hearing back, so I kept increasing frequency. I am talking about the bylaws, the Ends statement, the safe(r) space. I am grateful to be part of this amazing thing, but it stops being amazing if we stop referencing the wise patterns we have for living and working

together. I am passionate about this. I feel like I have been driving people away, but nothing else is working. I haven't been followed up with in months. The system is broken.

Naoki will connect with Linn.

Naoki will follow up with Susan.

Naoki will follow up with Peter.

Chris will bring the topic of member-initiated petitions & bylaws amendment procedure to a future meeting.

AGENDA REVISIONS:

- Kathryn went home sick, and she's the sole author of the 2.6 report, so we'll postpone that. Item 7 will be postponed and discussed in executive session per Kathryn's suggestion. Item 6 is linked to 7 and good to do that later since neither Kathryn nor Rachel is here.
- Item to add: Proposal Peter brought to board about 6 weeks ago: Member-initiated petitions & bylaws amendment procedure.
- So my proposal is that board finish all its tasks and then end the meeting early.
- Another possibility is that board members could continue
- Order: 1, 3, 4, 5, new item; move 2, 6, and 7 off.

MINUTES APPROVAL:

Read, but there is more clarity needed on the conversation about 2.2.

Decision: Board does not accept September minutes as submitted. They will work on clarifying language and submit it for inclusion in revised minutes to be approved next month.

AGENDA ITEMS:

1. Policy 2.7 Report: Compensation & Benefits

Sponsor: CM Link

Purpose: decide

- Did the board come prepared to act?
 - Yes.
- Is the operational definition/interpretation reasonable?
 - Yes.
- Is there data to support compliance or plan for compliance? (Do you have the information you need to make a decision on this report?)
 - The document doesn't seem to assert compliance. I don't see a plan; what's there doesn't have much detail. I don't trust that all the CM are on board with figuring this out.
 - In the last CM Meeting during the budget process, we are looking for 24.5% labor cost (had been 26% in the past). This will be probably in benefits rather than wages.
 - But recently there was a plan that was then blocked by the CM. How do we know that CM is on board with coming into compliance? We want a concrete acceptance that the plan for compliance is actually agreed to by the people who will be carrying it out.
 - I can bring back the CM-approved plan after the November CM meeting. I understand you want to see the CM-approved compliance plan, but we haven't done budget yet.
- For the reasonableness test, if it's reasonable but you're not getting the information you need, policy

needs work. If you're not getting info you need but it's not reasonable, then might need to reject report.

- So is 32-hour/week as full time equivalent reasonable? I understand it's what it is, but I don't know if it's "reasonable." Padrice, how did you arrive at 32?
 - It's a quality of life decision that the CM made before my time.
 - Has there been a recheck to see if it's still what CM want? No.
 - We look at the minimum number of hours required to get things accomplished. I don't know of a board policy that talks about FTE. Any way you slice it, we still have a low starting wage.
 - What is determined by/dependent on that 32 hours? You can exceed it if you want to. You can lose collective status, etc, if you do less without an exemption. Currently the collective works an average of 33-40 hours per week per individual. Minimum for health insurance benefits is 28. time and a half is still calculated after 40 hours. The 32 FTE number is just there to make the comparison data feel viable.
- Options for the board: Accept the report in its entirety, reject the report in its entirety, or accept all but a section.
- I do think 2.7.1 is a super important policy, so I am leaning toward not accepting the report without a clear plan for compliance.
- I am okay with it if the plan for compliance is just beefed up a little.
- Are there other places that you would want more clarity if this is sent back to the collective?
 - For me, that's the biggest piece. There are things I would ask more questions about, but this might not be the place for it. The main thing for me is that the CM is in agreement with the plan.
 - Perhaps send it back with request for more detailed plan for compliance including timeline and some kind of benchmarks if indicated, and assertion that the CM would support the plan for compliance.
 - CM is making the budget decision in mid-November. Could redo the plan part (but not whole report) by December/January.
 - Could we get at least an update on plan for compliance in November? Yes.
- Policy reflection: If you didn't get the information you wanted, was the policy itself the reason?
 - I don't know why we have the policy: Is it for the financial health of the co-op or for the employees themselves? How are we safeguarding the employees and their benefits?
 - Do we have an operational definition for global policy? No, because the policy hierarchy is such that we focus on the specifics of each at their own level.

Decision: The Board accepts the 2.7 report as submitted and requests an updated plan for compliance at the November meeting.

2. Policy 2.3 Report: Financial Conditions & Activities

Sponsor: CM Link

Purpose: decide

- Did the board come prepared to act?
 - Yes.
- Is the operational definition/interpretation reasonable?
 - We don't have an interpretation; it's all operational definition. Operational definition: my recollection is that the one we had recently was different. I like what's here, want to make sure it's what's meant to be here.
 - What is the difference between staying on track to 0.5% net income vs no less than 0.5% budgeted net income?
 - Typically in latter part of the year, CM makes a projection on what anticipated net income will be for 2019. it's not an actual dollar amount but whether CM is pursuing

- reaching that target throughout the year.
 - At one point, it was 0.25. Not sure what process was used to change it. What's printed here is correct.
 - So operational definition could change each time? Yes, and that's fine if the board accepts it each time.
 - So let's request this to be rephrased in clearer language next time this report comes up.
- Why does this report exclude long-term planning expenses?
 - Our CPA states that we cannot include LTP in it because they are in a different tax framework. This is part of generally accepted federal guidelines. Capital versus operational expense.
 - But why do federal accounting rules have an input on whether or not we're meeting our budgeted net income?
 - I thought I heard that once a project has begun, we can expense it...? But these projects have not begun yet.
 - LTP is being spent from savings, not operational budget.
 - LTP expenses are not factored into operational expenses, so it was not a factor in our reduced income last year.
 - How are the balance sheets being balanced? From what we can see, the LTP expenses never come to us.
 - Are you asking for there to be a cash balance table added to you can see where that's coming from? Yes, that would help.
 - Not comfortable with including it unless you especially ask for it. It's more in categories (hundreds of line items of expenses).
 - Quarterly financial report is next due in November.
 - Let's ask for a cash balance sheet with the next quarterly report (because it includes LTP). If we find we don't need it, we can say it doesn't need to be there every time. (Just asking for it once for now.)
 - Okay, cash balance will include cash in bank, assets, etc, etc. Will make it clear in the table. It will be YTD.
 - So: Is the operational definition reasonable?
 - LTP is spending capital reserves that have been earmarked for it.
 - Is there a policy somewhere that says that LTP expenses will come from capital reserves? This is an operational decision, not a board decision.
 - It still strikes me as falling under the category of "we want to make a profit" so it's confusing.
 - Net income does not include LTP per operational definition, and this does not seem reasonable to me. Just want to be explicit about it in here so it doesn't hide the request.
 - I like that we want to know more about this, but I also understand why we are pulling money from our savings to move forward.
 - Does Board feel it has sufficient information to act on this report?
 - There was a lot of confusion about the wording; need clarification of 2.3.1 operational definition.
 - I recommend sending this back for more clarity.
 - But we already sent this back once, and it's due up again next month. Why not just ask for next month's report to be more clear? Plans for compliance need to be actionable. Most of this talks about how we're over budget rather than what specifically we're going to do about it.
 - So what is the clear direction you're asking for in the next version of this report?
 - More quantitative description of what's being done in the plan for compliance.
 - In regard to reduction of hours: given that it has been blocked by the collective, it's an interesting things to see still brought forward.

- Concrete dollar-amount numbers, actual agreed-upon strategies for reaching those numbers, with milestones and timeline.
- There is also no mention of marketing expenses. That's another major chunk of operational expenses after labor.
- Another question: operational definition is 0.5% but it's later changed to 0.25%. Shouldn't this have been the operational definition, then? Yes.

Decision: Board accepts the 2.3 report with the request for the next report that it include concrete dollar amount numbers, actual agreed-upon strategies for reaching those numbers, with milestones and timeline.

ANNOUNCEMENTS:

- October 30 potluck in this room! Everyone is welcome to join.
- Chili Cook-off Nov 14. Talk to Jenna.
- Chris Eykamp is running for Multnomah soil & water conservation district.

3. Moving Annual Meeting to May

Sponsor: Jenny
Purpose: decide

- All are in agreement.

Decision: We will move the Annual Meeting to May.

4. December Meeting Date

Sponsor: Jenny
Purpose: decide

- Proposing Jan 8 because most can make it and this room is available.

Decision: December meeting will be Jan 8.

5. Member-Initiated Petitions & Bylaws Amendment Procedure

Sponsor: Chris
Purpose: discuss

- My understanding is that Peter has asked that an item be added to the next ballot to allow owners to elect a representative whose job is to attend/monitor LTP meetings to get a window into long term plans. That person would sign an NDA so they could see confidential information, would be responsible for keeping it confidential, but would otherwise be able to communicate about it to MOs and even the public in general.
- My understanding of the process is that we discuss this and try to come up with more concrete language that could then become a petition.
 - I am extremely flexible at this very early stage. Could be more than one person. Could be not a basic member but a board member. Goal is to have someone who would commit to going to LTP meetings.

- This situation has come up in the past; there is precedent.
- I think this is not allowed in our bylaws. I think we'd be better served to make a different change to address this, not the bylaws.
- I think we should also look at what we are already doing and how this could fit into it. Maybe we can include looking more deeply into our relationship with the LTP committee.
 - I don't think we have time to do policy reflection on this tonight.
- If it were going to be in the bylaws, it should not be specifically about LTP committee but about CM committees in general, across the board. But policy around this would be a better way to do it. If what we are doing anyway could address this, we may not need to make any changes to bylaws or policy.
- I think it's a valid discussion that requires more time. There may be a way to do this without changing bylaws or policies.
- I am in favor of transparency wherever we can have it. It could be this way or another way, but we should strive for transparency.
- There is not a clear move towards creating bylaws language, but there is an affirmation of wanting more transparency.
- I propose we discuss this more fully at a later meeting and in the meantime try to think of a way to address it.

Chris will bring the topic of member-initiated petitions & bylaws amendment procedure to a future meeting.

MEETING EVALUATION

Celebrate!

- Andrea did a great job with our dynamic agenda & schedule and still get done on time.
- Super engaged questions and not fearing talking about hard stuff re financial conversation.
- Facilitation.
- Engaged Board.
- Supporting all points of view.

Opportunity for change:

- Too many people out sick.

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

Next meeting agenda brainstorm:

- Policy 2.1
- Policy 2.7 plan for compliance
- Policy 2.3
- Policy 2.6
- Review of decisions following retreat
- LTPC checklist

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)