


**Board Meeting Minutes**  
**Tuesday, January 8, 2019; 5:30-8:30 pm**

**Attended by:**

Board Members: Dave, Naoki, Kathy, Chris, Jenny, Liz, Vishal

CM: Rachel, Sofie, Kathryn, Padrice, Lisa, Ahsante, Anthony, Karna

Member-Owners: Peter (could not make out last name on sign-in sheet)

Guests:

**Facilitation:** Ariana **Minutes:** Gayle **Vibes/Celebration:** Dave, Karna **Clean-up:** Chris, Liz **Scribe:** Sofie  
**Timekeeper:** Naoki

**COMMITMENTS:**

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	7/24/18	Naoki	1/19	Naoki will bring the 2.3 policy proposal back in October with amended language.
2	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.
3	10/23/18	Chris	1/19	Chris will bring the topic of member-initiated petitions & bylaws amendment procedure to a future meeting.
4	11/27/18	Naoki	2/19	Naoki will connect with Jade about reasonable boundaries and consequences around the issue of MO email communications (specifically, the number of).
5	9/25/18	Vishal, Jenny	2/19	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.
6	1/2/18	Vishal	3/19	<del>Naoki</del> Vishal will look more into 2.1.2 and suggest alternate wording.

**DECISIONS:**

**Decision:** Board accepts October minutes as submitted.

**Decision:** Board accepts November minutes as submitted.

**Decision:** Board accepts the 2.3 report with request for additional information: explanation of why 0.5% sales is adequate net income; more information about what contributed to having 2% net income in Q3; and consistency in format and data in Financial monthly FYI.

**Decision: Board approves Chris's draft for inclusion of policy calendar, draft minutes, and past agenda on the website.**

**NEW COMMITMENTS:**

None.

**OPEN FORUM:**

- Would like to talk to physical plant manager.
  - Kathryn will give him Devon's email.

**AGENDA REVISIONS:**

- Remove Item #5; use time to discuss Ends statement ideas. Naoki will print for packet. (10 mins)
- Finalize agenda for Jan 22 at end of meeting. (10 mins)

**MINUTES APPROVAL:**

**Decision: Board accepts October minutes as submitted.**

**Decision: Board accepts November minutes as submitted.**

**AGENDA ITEMS:**

**1. Policy 2.3 Report**

Sponsor: CM Link

Purpose: decide

- Did the board come prepared to act?
  - Yes.
- Is the interpretation reasonable?
  - Yes, but one comment: Can we have an explanation of why 0.5% sales is adequate net income?
- Is the operational definition 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?)
  - It would be useful to understand what's happening with the cash. Did we really lose 150K cash as p 5 indicates?
  - Question: Is 2017 a typo? Yes!
- This report had been delayed
- Info bubbles are great! Thank you!
- Question re data on 2.2: Since we had this report last time, current assets went up by almost 100K. That's great, but where did it come from?
  - Gwenn's not here, but there were some windfalls (insurance settlement, tax return, FSA unused) that would account for some of it. Gwenn to follow up with more information about

what contributed to having 2% net income in Q3.

- Any other questions or concerns?
  - Should we ask for this calculation (comparison to historical data) to be part of the report in future? Or more information/context on the changes since previous report? Cash flow for each quarter so we can compare? How is this normally tracked? Ask CM to add it to the report.
  - Sounds like we're not comfortable with the data. Questions are about what is being presented rather than
  - Historically, much of this has been in the FYIs. Is that sufficient?
    - What comes up for me is that the numbers in Nov and Dec packets are different sets of information. Prefer aiming for consistent data each month.
    - Would it make sense to put the FYI at beginning of packet instead of end?
      - Yes. Gayle will put CM FYI at beginning of packet starting next with next packet.
  - Really just trying to see where things are going, not dig into specific numbers. The one that makes sense to me is: How much money do we have in the bank? Are we making more or less than last month? That's what we're trying to get at.
  - In Q3 income went up and was compliant, but quarters before were not, so Board is closely monitoring this and how CM is assuring that the issue is taken care of.
- Policy reflection:
  - I want to know if we are still interested in adding to 2.3 something that CDS is now including, which is not allowing sales to be negative.
    - My theory is that one of the things we're already asking for unofficially is sales growth, so it makes sense to ask for it officially.
  - In 2.3.1, we've always looked at it without LTP expenses, and we've discussed whether or not this is the right approach. Do we want that to be included now?
    - Could be done by clarifying policy or just requesting CM to change operational definition.
    - It's not operational money, so I don't think it makes sense to put it in here.

**Decision: Board accepts the 2.3 report with request for additional information: explanation of why 0.5% sales is not adequate net income; more information about what contributed to having 2% net income in Q3; and consistent data sets from month to month.**

## **2. Policy 2.3.1 Compliance**

Sponsor: CM Link

Purpose: discuss

- This is just an update. It's a little outdated now that it's 2019, but it's an update on what the CM has been doing to get a grip on the current trajectory of declining sales and unsustainably high labor percentage. Opening up to questions to any CM present.
  - Question from work session: We know there have been a fair number of people leaving the co-op lately. What is thinking about hiring for open positions? Is there a thought of not hiring for all the openings?
    - We are definitely addressing attrition; it will take some time.
    - There has been a lot of internal shifting of positions. Finance Manager and DM: Really grappling with what to do about these. There are things we could have done better. Should we break it up into multiple positions? Invest in more training? Offer higher wage? Outsource some components? Interim thinking is that Rachel will do bare bones of it along with Ryan. DM really gets targeted by both CM and Board, which leads to burnout and attrition. There was a proposal to eliminate physical plant manager position,

but that was blocked. It's hard to figure out what would work since burnout is one of the main sources of attrition.

- I don't remember which packet it was in, but there was one where FM would be holding other teams accountable for their budgets. How would this work if this is split between people and/or outsourced? Accountability process here is unique and labor-intensive.
- When are we thinking we'll know more? At some point, we won't have options of not knowing more. (Not just board, but CM, too!)
  - This is an unusual use of the meeting space. Usually I only tell you things that are going to happen, but we could spend some time speculating. We are exploring every option and hope to have something to report by Jan 22 meeting. There will be a big CM meeting this Thursday.
  - I think it's true that ideally Finance team would hold CM accountable. I don't think this has been happening. It's something we're struggling with.
  - Now that ? is imploding, how will we ?
    - My thinking is that the Collective will do it, and the Board will have to work on trusting the Collective.
- We've talked a lot about costs. When I look at this table (which is great, BTW), there is a 40K loss. One can cut positions, but if we sustain this level of sales loss, we will not be able to get back on track. What is being done on the revenue side?
  - As far as growth, we are pretty consistent year to year with co-ops that are not having expansions right now. That said, I think I've talked to you about the fact that there is a narrative about the shift on the Finance team. Working on training for buyers re margins, make working here more democratic and more modern. This is longer term change, like building skills to collectively manage.
  - Grocery is looking into using more local and exclusive things, growing a little ecosystem around us, and enticing people to come to farmers' markets. Can outsource stocking to decrease labor for staff.
  - Historically, what has made us have good net income are things like understanding our market, our shoppers, exclusive relationship with community, generating excitement.
- Is this something we need to "decide" or just discuss, since we already talked about (and accepted) the report.
- Consultants are being paid from cash reserves.
- We do have another meeting in 2 weeks. Email Kathryn **tomorrow** if there's anything you want to have addressed! It can be in the FYI.

### 3. Exit Survey

Sponsor: Jenny

Purpose: discuss

- Plan is to survey everyone who's left the co-op since Oct of 2017. A consultant will be performing the survey. There are 19 people on the list.
- Temp check: There is a lot of support for doing this.
- This will likely lead into a current staff survey (with same consultant). Gathering past data is good, but it's also important to gather data from people who are actually currently working.

## **ANNOUNCEMENTS:**

- Cake and gratitude for Kathryn!
- Board nominations are being accepted through end of Feb.

## **4. Policy 2.7: Compensation & Benefits Plan for Compliance**

Sponsor: CM Link

Purpose: discuss

- This is a followup from a few months ago. Issue was that plan for compliance said we were going to do something around budgeting time around wages and labor, but there were no specifics at that time.
- There are some updates now. There are different numbers that persist that the labor was based on. Flat projection changed in the time between when this was submitted and the budget was finalized.
- Main decision was starting wage: Not increased as much as originally projected.
- Is this what the board wanted to come back? Concern before was not the data but the plan for compliance.
  - I like the tables.
  - Looking for timeline to get back to compliance with net income.
    - We thought that was redundant with 2.3. This one is focused on compensations and benefits.
    - Labor is not budgeted in a way to relate to net income. Looking at plan to lower labor percentage in budget to help net income. Full CM decision to come up with this.
  - Also looking at compliance with wages. Makes sense that labor percentage would address this.
  - I like the look of this. Are you comfortable with this?
    - No. Ideally, I think we need a higher wage. I am comfortable with our benefits package but not wages. It doesn't seem sustainable. I think it's what we need to do right now, but I'm not comfortable or confident about it.
  - There are some differences in the wages, and I approve of that decision you made. Are there any other adjustments in the numbers?
    - There has been a strong push to get to \$15 as starting wage, but there was a lot of feeling that that would not be sustainable. Also raising starting wages but taking away other benefits from medium zone felt like we didn't care that people stayed. So we're putting more investment between year 1 and year 2. We're also changing PTO scale a little bit and will probably reduce retirement match. Another adjustment was that department hours were impacted by physical plant manager decision.
    - There were 2 different numbers to base all of the labor budget on. What do we really have to work with? This information was only clarified last week. If there are any more updates, we will let you know.
    - Calculating labor numbers (wages, benefits, hours) is a complicated balancing act!

## **5. Ends Statement**

Sponsor: Chris/Naoki

Purpose: discuss

- Naoki passed around some samples for people to read and note which ones they find most interesting and/or important.

- Which hat should we be wearing? Any, just say which hat you're wearing as you speak.
- I noticed that Global Ends doesn't mention environment. {addressed as food production?}
- The way this is presented, it feels more actionable to me than previous version. Perhaps measurable.
- Environment--> food production
- Farms--> local produce
- Farms-->food production
- Missing: Anti-racism, food access, collective management.
  - Goal of this exercise is how to align CM/MO/Board/Community at large, so that is a really good point.
- Community aspect comes up a lot during member engagements--> being part of something bigger.
- Note of caution: Some of these things are not the Board's job to define. Some of them can never be fully accomplished. Dangerous to make foregone conclusions about these things.
  - This looks remarkably similar to what we already have, with the notable absence of Social Justice, Human Rights, and Food Access.
    - This will be revised. We have to be careful. Example: No members mentioned Collective Management, but it's one of the things that make us unique. Need more conversation with community on things like intersection between racism and food.
    - Board has other ways to address issues besides Ends. So many of us come to work here because we have important issues in our Ends.
    - I'm troubled that it mentions democratic workspace but not social justice and human rights.
    - The goal here was to have an initial discussion. This is not meant to be the new Ends.
    - I'm hearing this is a first aggregation of MOs' feedback. Is there really specificity about fuel, etc?
    - If you look at environmental sustainability and ethically sourced food, it does have a bearing. Who grows food, who delivers it, who makes it, whether or not it's nutritious. Caution against getting too detailed here as this progresses and expands. (Is this the only place you get to talk about stuff like this?) That's why you're getting the reaction that you are. It's packaged up as a presentation rather than a first draft.
    - In addition to what's already been said, there's a lot of work we have to do collectively in the microcosms as well as the macrocosm. As a predominantly white board. Staff, etc, can we really say some of the things we say about all voices being represented. It's frustrating to hear something expressed like "if I'm not thinking about this, others aren't thinking about that either."
      - I meant just what's come through on the surveys, etc.
- Facilitator note: This was an impromptu add to the agenda, not prepared as a complete presentation. I might have made a mistake in suggesting we go further into this. Need to end discussion here.

## 6. Website Updates

Sponsor: Chris

Purpose: discuss

- Proposal on p 19 of packet to include draft minutes and also past agendas, along with calendar of policies and when they're being reviewed.

**Decision: Board approves Chris's draft for inclusion of policy calendar, draft minutes, and past agenda on the website.**

## MEETING EVALUATION

### Celebrate!

- Kathryn has been fantastic to work with.
- Glad we finally started talking about CM/Board relationship.
- Fabulous cake!

### Opportunity for change:

- Unresolved conversation.
- Seating arrangement
- Reports felt out of step with what's happening now since they were delayed.

## NEXT MEETING: Tuesday, January 22, 2019, 5:30-8:30 pm

### Next meeting agenda brainstorm:

- (get from Jenny)
- Do we want to put off prep for Feb Ends report until Feb since we're getting report in March?
- Self-evals every month? Half hour for first one, probably shorter in future.
- Reserve space to bring back Jenna's item.
- Board self eval, speaking in one voice, merging committees; 35 minutes remain...
- CM/Board conversation around group check-ins/state of the co-op (link cannot enforce will of the board--need more relationships)--try to find a way to work together moving forward--maybe making Ends discussion and interpretation more collaborative--some followup from the tense discussion that rose up in Ends item.
  - Maybe make a plan on how and when to have this conversation.
  - Ends statement project; CM/Board relationship. What would be a format that would feel inclusive and productive?

## 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)