people's FOOD CO-OP Board Meeting Minutes
Tuesday, January 22, 2019; 5:30-8:30 pm

Attended by:
Board Members: Kathy, Chris, Jenny, Liz, Dave, Vishal, Naoki, Jenna
CM: Li, Sonrisa, Ryan, Dusty, Rachel, Ashley, Tyler
Member-Owners: Norm
Guests:

Facilitation: Andrea **Minutes:** Gayle **Vibes/Celebration**: Jenna, Naoki, Kathy **Clean-up**: Dave, Kathy
Scribe: Chris

COMMITMENTS:

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	7/24/18	Naoki	2/19	Naoki will bring the 2.3 policy proposal back ~~in October~~ with amended language.
2	10/23/18	Chris	2/19	Chris will bring the topic of member-initiated petitions & bylaws amendment procedure to a future meeting.
3	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).
4	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.
5	1/22/19	Sonrisa	2/19	Sonrisa will bring answers to the February board meeting: Are the LTP expenses included in net income? What accounting rule does that draw from? What is the process for a particular expense to be determined as capital vs operational?
6	1/22/19	Naoki	2/19	Naoki will add the annual report communication to the work session.
7	1/22/19	Jenna	2/19	Jenna will bring back another edit of the new combined Member Engagement Committee charter next month.
8	1/2/18	Vishal	3/19	~~Naoki~~ Vishal will look more into 2.1.2 and suggest alternate wording.
9	1/22/19	Jenna	5/19	Jenna will update 4.4 to correctly define the Secretary and Treasurer roles and bring it back to the board in May.

DECISIONS:

NEW COMMITMENTS:
Sonrisa will bring answers to the February board meeting: Are the LTP expenses included in net income? What accounting rule does that draw from? What is the process for a particular expense to be determined as capital vs operational?
Jenna will update 4.4 to correctly define all the officer roles and bring it back to the board in May.
Naoki will add the annual report communication to the work session.
Jenna will bring back another edit of the new combined Member Engagement Committee charter next month.

OPEN FORUM:
* N/A

AGENDA REVISIONS:
* N/A

MINUTES APPROVAL:

[Board did not have time to review the December (Jan 8) minutes]

AGENDA ITEMS:

1. CM Link Discussion
Sponsor: Steering Committee
Purpose: discuss

* Originally, idea was that STC members would function as link, but things are different now.
* One piece of why we have this on the agenda is that many of the board members do not know who is on the STC or who Sonrisa is, so it's good to have everyone here and to gain more understanding of the different roles on the STC.
* Now that it's shifted a bit (Sonrisa playing role as Link through March), want to hear more about that idea and what the thoughts are for after March.
* More conversation and introduction of STC, welcome Sonrisa, get a sense of Link role.
* It would be useful to understand why we're not using the CM backup Link structure. What are the challenges that led to using STC members and then Sonrisa.
  o The way we came to Sonrisa doing it now is that we could consider splitting DM job into 2 pieces, with one of them being the Link duties, and Sonrisa expressed interest in doing that piece.
  o When Rachel started as backup, she had not started the bookkeeping job, and now does not have bandwidth to do Link. Rachel can stay on as a backup but cannot step into the Link role,

especially with other Finance team members leaving.

- o DM job split proposal has to be approved by the whole CM. If it is, it could continue being Sonrisa. If not, we would need to hire a DM.
    - How was CM temp check?
        - Yeah, let's try that.
- o In a typical co-op, this role would be the GM. What have we learned? How can we make sure it goes smoothly?
    - I do think it would be worth it to have CM and Board get together more often to communicate with each other, be in alignment, collaborate. This would be helpful even if we do have a DM/Link.
    - We could use the 1st Tuesday of the month time for STC (not just Link) to get together with Board (not just president).
- o The DM is what would be split in 2. One would be Link, other would be external development manager.
- Sonrisa, do you have any questions for the board or any requests of what would make your job easier?
    - o Board is already doing the main things that are needed.
- Back to idea of Board meeting STC regularly: There are a lot of CM that feel impacted by what Board does. Could they come also?
    - o I thought that was the original intention. I do think it's important, but it may be hard to coordinate having a 1-hour meeting with ~30 CM plus 8 board members.
        - I doubt we'd really have all 38 people here. But even 15-18 is a lot without having an agenda or someone to help organize the meeting.
- Ryan is also continuing as link backup, can help coordinate Ends report, etc.
- Some context about Sonrisa's background: Has been on CM 3 years, has 3+ years' board experience before that, including chairing.

2. **Updating Policy 2.3.1**
Sponsor: Naoki
Purpose: discuss

- Financial Conditions of Co-op. 2,3,1: The CM will not allow operations to generate net income. Currently, LTP is not included in that, which is surprising from an accounting perspective. How does Board feel about this?
    - o I think the policy needs to be changed:
        - It's the owners' money; we are representatives of owners; no policy at all about how to spend for LTP.
        - When you look at the policy that spawned off the LTP, it was fundamentally operational, not fundamentally capital.
        - Next trench of consultants being hired are being paid from capital rather than operational--is this appropriate?
    - o I lean toward agreeing with you, but it would be easier if there were some proposed language to respond to.
    - o Better to make policy clear with what we think should be there. Right now, it's here to ensure that the co-op is managed in a sound way. LTP expenses have been removed from that, so there's no way in the policies to understand what's going on and make sure it stays within a reasonable expense.
        - I don't think LTP should be called out specifically in the policy, and I don't like the idea

of rejecting something outright.

- I believe that our CPAs say that LTP expenses are NOT to be included in operating expenses. Whether or not board regulates LTP expenses, we can't claim that LTP is operating expenses.
- I know this is based on accounting principals, but I think it's useful to separate these things for useful discussion.
- I can see that there could be an argument for calling LTP "work in progress," but want to keep transparency.
- We don't want to create a separate policy that specifically calls out LTP.
- It would be important that the transparency to MOs be more frequent than annual.
  - That sounds like a shift from updating policy.
  - I think our job is to direct the CM through the policies and procedures on behalf of MOs. We need more information, even if it's a capital expense. Maybe we could clarify that so we know how to address this.
  - If we're aiming for transparency, putting it in 2.3 doesn't really accomplish that.
  - Who decides that a consultant hired from LTP/capital is doing/can do operational work?
  - I don't know what our transparency is besides the annual report. How else do we share information?
    - I think it's accessible with the information request form.
    - I would be okay with keeping LTP as capital expense if it is only used for capital expenses. But we still need to have a policy that directs…planning process should not be directed from capital. Need a separate policy for how Board directs CM to handle capital expenses (e.g., LTP).
- Specific asks:
  - Are the LTP expenses included in net income?
    - What accounting rule does that draw from?
  - What is the process for a particular expense to be determined as capital vs operational?
  - Sonrisa will bring to February board meeting.

Sonrisa will bring answers to the February board meeting: Are the LTP expenses included in net income? What accounting rule does that draw from? What is the process for a particular expense to be determined as capital vs operational?

3. **Board Evaluation of Policy 4.4**

Sponsor: Naoki
Purpose: discuss

- Since only one person did it (it was only sent on Sunday)…
- Was it clear what we should be doing for board evaluation? Was it clear what to do?
- The context was that every month we would review the policies that define how CM work, but there are also policies about how we do our Board work. Just as we monitor CM on the policies related to them, we should monitor ourselves on policies that are about how we work.
- Each month, we'll review a policy. Board website has a section for board monitoring. This month, we're reviewing board officer roles. Are we in compliance? Is it still relevant?
- Also a great opportunity to reflect on the policy itself and see if it's still applicable. We'll be adding another box to the survey of "Don't know/can't answer."
- I have not participated in any membership engagement activities.
- (Board members took a few minutes to read the policy, then return to conversation.)

- Generally, the question is: does this policy describe what you want and need? Does it accurately describe your work?
  - It would look like this is not accurate to how things actually happen, so maybe we need to either portray it differently or bring it into compliance.
  - How have these things in the policy been done in the past? Do we have information that we can continue? Is this even accurate to what treasurer does?
    - CDS consultant said that many of the things a treasurer would typically do are actually done by CM here.
  - We are doing an audit next month. Is treasurer participating in audit committee? Yes. Vishal and Sonrisa will check in with each other.
  - I would like to strike 4.1 (vague); 4.3.4, 4.3.5, and 4.3.6; 4.5; 4.6 (not part of role).
  - So we need to update Treasurer and Secretary roles for sure. (Treasurer one is already in the commit chart, but Jenna can add that to what she's taking on.)
  - Note Appendix E, where are the committee's charters are kept.

Jenna will update 4.4 to correctly define the Secretary and Treasurer roles and bring it back to the board in May.

ANNOUNCEMENTS:
- Jacob and Naoki had a discussion with someone working on policy governance about how it can be done without hierarchical structure.
- Note from Facilitator: It's the board's policy that the Link is the one who speaks for CM at board meetings. It's fine for another CM to answer a question that Link can't answer.

4. Article: Speaking With One Voice
Sponsor: Naoki
Purpose: discuss

- What are your 3 takeaways?
  - Enjoyed reading about how it comes across more strongly if you get all the pieces that came up in discussion rather than just final decision.
  - I liked that individuals on board can dissent from the "one voice" but should respect it and not undermine it.
  - I wasn't interested in the financial piece when I ran for board, but now it has become very key; many of our conversations are about it. Coming into understanding about how to represent MOs.
  - Disagreeing without being disruptive. We won't see each issue the same way.
  - Having those discussions, crafting balanced approaches, sometimes outside board meetings.
  - Good reminder of importance of democracy within our group and the importance of having dissent and making sure we have enough dissent to have a lively discussion.
  - Dissent inspires really important conversations which are critical element of democracy, which is a core cooperative principal. We do have dissent on our board, and we really engage with topics and challenges in different ways. I hadn't thought about how we present ourselves through our policy. This was a good reminder that we can share the full spectrum of what we weighed and why we came to this choice.
    - How could we be more transparent on the dissent we might have when we make a decision?
      - We can figure that out as we have the discussions.
  - Showing dissent among board member to the MOs. In our structure, it's also important to

show that to CM as well. We haven't engaged a ton with broad membership about issue that will bring up dissent, but we have a lot of places where we're trying to connect with and work with CM and there are different things going on on the board.
- o   I don't think we should represent factions in an operational way.
- o   If you want to get people emotional or interested, we can start talking about the Ends, and you'll get all the dissent you want…
- What are we doing well? Not doing well?
  - o   I think we're doing well.
  - o   I think we could be more open in our dissent at meetings.
  - o   The "one voice" comes later. First we can have discussion and dissent, then come to agreement on what the voice we present will be.
  - o   I think we have spoken with one voice pretty well; using live documents that we can all edit has been successful. The issue is with our lack of engagement in general with CM and with MOs.
  - o   It seems like with members we have difference of opinion more than "tribalism"--even with large body of membership, we were able to have clear messages.
  - o   One area that might look like we lacked focus or one voice would be in the area of LTP: understanding it, supporting it. That is still ongoing.
- What does Board speaking with one voice mean to you when thinking about the Ends monitoring report? How will we communicate in our article/annual meeting presentation about it, speaking with one voice but sharing some of the dissent?
  - o   We didn't do this very well last year; it was just written by the president, without discussion from board.
    - ▪   Should we include finances?
    - ▪   I think we should.
    - ▪   Reflection of 2018 from the board, including finances but not just about that.
    - ▪   I don't think expressing a lot of dissent in the annual meeting report is a good idea.
- Facilitator's note:

Naoki will add the annual report communication to the work session.

5. **Merging Elections Committee (EC) into Member Engagement Committee (MEC)**
Sponsor: Jenna
Purpose: discuss

- It was exhausting and overwhelming just to read it. I think it needs to be a lot shorter.
- At least 3 MOs elected: What if we don't have enough people running?
  - o   Could change to at least 2 and allow for 3.
- Information requests being handled by this committee: I thought it would still be a board member doing it, not an elected MO on the committee.
  - o   Secretary would bring it to committee, they would discuss, and she would bring it back to the board.
    - ▪   Maybe should be more clear that it's a board member on the committee that's doing it.
      - •   It's stated that it's the chair, and the chair is always someone from the board.
- Should we make sure there are 2 board members?
  - o   It's allowed but not required as written. Maybe should say "Secretary plus another board member."
    - ▪   I don't feel like it's necessary, but I'm happy to have another board member. Happy to leave it open.

- One of the other things that would be nice to do would be to allow MOs a way to get involved by making sure there's room for MOs in subcommittees.
  - Please see point 5, Committee Membership.
  - Should it say that additional board, staff, or MOs may also be appointed by the board (who may empower the committee to do it)?
  - All meetings are open and posted on the calendar, so that's a vehicle to participation.
  - Is it important that committee members be elected?
    - It's in the bylaws.
- Are we ready to approve this as the charter?
  - Facilitator: Recommend that it come back to next meeting since there were a lot of changes on the fly tonight.

Jenna will bring back another edit of the new combined Member Engagement Committee charter next month.

MEETING EVALUATION

Celebrate!
- Dissent regarding dissent.
- All agenda covered!
- We have a Link!
- Heck of a CM FYI.
- I liked the FYI at the front.
- CM at table
- Jenna staying on board

Opportunity for change:
- I didn't like the FYI at the front.
- Lack of clarity about who talks at meetings.
- Heck of a CM FYI.
- Not being able to talk about FYI at meetings feels anti-climactic.

NEXT MEETING: Tuesday, February 26, 2019, 5:30-8:30 pm

Next meeting agenda brainstorm:
-

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)