


Board Meeting Minutes
Tuesday, April 23, 2019; 5:30-8:30 pm

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Attended by:

Board Members: Chris, Liz, Dave, Vishal, Naoki, Jenny, Finnley (part of meeting only), Jay (by phone, part of meeting only)

CM: Jeff, Sonrisa, Rachel, Ashley, Sofie, Christopher

Member-Owners: Will (running for Board), Maveret

Guests:

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

COMMITMENTS:

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	2/26/19	Jay	5/19	Jay will refer to minutes to make all edits to committee merge proposal and update policy register.
2	9/25/18	Vishal, Jenny	5/19	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.
3	1/22/19	Jay	5/19	Jay will update 4.4 to correctly define the Secretary and Treasurer roles and bring it back to the board in May.
4	3/26/19	Sonrisa	5/19	Sonrisa will bring addendum to 2.3 for 4Q18 back in May to add data from email from Gwenn and data clarification of 2.3.2.2.
5	3/26/19	Sonrisa	5/19	Sonrisa will submit plan for compliance for 2.3.1 in time for May packet.
6	3/26/19	Jay	5/19	Jay will add after net income “, including everything but dividends and taxes” to 2.3
7	3/26/19	Rachel	5/19	Rachel will make sure interpretation and data are consistent with each other when the 2.3 report comes back.
8	3/26/19	Vishal	5/19	Vishal will update 2.1 and bring it back in May.
9	4/23/19	Sonrisa	5/19	Sonrisa will respond to Chris’s proposed edits to 2.4.5.

10	4/23/19	Naoki	5/19	Naoki will follow up with Will.
11	4/23/19	Sonrisa	5/19	Sonrisa will share some statistics with the board that they can use to communicate with MOs and at annual meeting.
12	4/23/19	Andrea, Naoki	5/19	Andrea will work with Naoki to design a review process to dig into the Ends report a little more.
13	4/23/19	Naoki	5/19	Naoki will draft a board communication to the MO who was not added to the ballot.
14	4/23/19	Jenny, Chris	6/1/19	Jenny (with help from Chris if needed) will create the patronage communication to MOs by June 1.
15	4/23/19	Sonrisa/CM	6/19	CM will complete Ends report for June meeting.
16	4/23/19	Rachel	8/19	Rachel will schedule the audit for late summer and report back.
17	4/23/19	Sonrisa/CM	3/20	CM will clarify and explain 8.6, allocation of net loss, in time for the 2019 patronage decision.

DECISIONS:

Decision: Minutes for December/January are accepted as revised (with one abstention).

Decision: Minutes for February are accepted as revised.

Decision: Minutes for March were revised and Board hasn't had a chance to review, so acceptance of those will be deferred to next month.

Decision: Board approves waiting until May agenda planning meeting for the 2.4 report.

Decision: Board accepts proposed budget cut.

Decision: Due to no net income, the board acknowledges there is no patronage to retain or allocate.

Decision: Election will continue as planned with the ballot that was already sent out.

NEW COMMITMENTS:

Naoki will follow up with Will.

CM will complete Ends report for June meeting.

Sonrisa will share some statistics with the board that they can use to communicate with MOs and at annual meeting.

Andrea will work with Naoki to design a review process to dig into the Ends report a little more.

Jenny (with help from Chris if needed) will create the patronage communication to MOs by June 1.

Naoki will draft a board communication to the MO who was not added to the ballot.

Rachel will schedule the audit for late summer and report back.

CM will clarify and explain 8.6, allocation of net loss, in time for the 2019 patronage decision.

OPEN FORUM:

- CM here to talk as MO. I learned that the board is potentially going to consider a decision to delay election in order to allow an MO who is banned from premises to run. I think this is absurd. Board's

responsibility is to look out for the good of the co-op. Do you really think stopping the process is in our best interests? Board is supposed to represent entire member ownership. This MO has drowned out many other voices. If Board thinks it's okay to do this, they should nominate him themselves rather than stopping the process. Maybe board members who are personally invested in the ongoing issue should recuse themselves from the decision. An egregious amount of time has been wasted on coddling this MO.

- Clearly something is going on. I want to know what the normal process is for whatever you're considering doing differently from process.

Naoki will follow up with Will.

AGENDA REVISIONS:

- Propose that we move the board budget items up (4 to 3, 5 to 4), replace current 3,6,7 with conversation about current election process, then do them if time at end.
- Add something about audit (5 mins), before we talk about election.
- Decision: New agenda will be 1, 2, 4, 5, audit, election process, then 3, 6, 7 as time allows.

MINUTES APPROVAL:

Decision: Minutes for December/January are accepted as revised (with one abstention).

Decision: Minutes for February are accepted as revised.

Decision: Minutes for March were revised and Board hasn't had a chance to review, so acceptance of those will be deferred to next month.

AGENDA ITEMS:

1. Policy 2.4 Report Extension Request

Sponsor: Sonrisa

Purpose: decide

- Can this be provided by the agenda planning meeting in 2 weeks?
 - Okay, but also have been taking on a lot of other things and may have other priorities. Most likely will be done in time. Also, format will likely need to change to track LTP expenses.

Decision: Board approves waiting until May agenda planning meeting for the 2.4 report.

2. Ends Report

Sponsor: Sonrisa

Purpose: decide

- Usually there has been some conversation about how to review Ends report and come back with celebrations and concerns and feedback and opportunities, but we didn't do that this time because it wasn't clear that there would be an Ends report to do that on.
- Let's look at Celebrations, then process and next steps.
- Celebrations:

- Highest voter turnout for this election.
- Glad we've been able to contribute to other causes.
- We have 657 new MOs at the co-op.
- Physical plant is doing well, being more energy efficient, other improvements.
- Support and increase in People's-sponsored community events. Great achievement; community is what differentiates co-ops from other stores.
- Social media engagement.
- Glad we're meeting our goals in Cornucopia rating. You can trust the products here.
- In recent years, we have worked to respond to issues in our greater community by engaging with customers at the register, opportunities to round up and support other groups that are doing work that is in line with our values.
- 81% said they would recommend People's.
- Electricity and other ways we operate the building are more efficient. Energy use and consumption are going down.

- Clarification from Sonrisa: Where the draft Ends report says "Less electricity use relative to customer count," that's not reporting something that actually happened. That's just a measure heading that hasn't been reported on yet.

- Opportunities:

- This report has a really different presentation from last year's. I feel a bit confused about the fact that we have a lot of managers who made statements, and then others that flesh out the statements. Is this the full Ends report?
 - No, this is just the parts that are done.
 - So we'll get more info next month on all of the measures.
- We are grateful for the work Ryan did on this in addition to his other responsibilities. Same to all CM who worked on it. It's a lot of work.
- There are a lot of measures here. I would hope that the Ends report is not the one time of year we look at some of these measures.
 - I also regularly connect the work I do to the Ends in my head, and when the Ends report comes around, I can document it.
- I don't know how to ask the question I want to ask...Finances are mostly talked about in 2.3. How/why does CM track these things on a yearly basis when we already have it on a quarterly basis?
 - Main question I ask is "Does this demonstrate commitment to our Ends?" It would be good to have measurements to track how we're doing on each item in the Ends statement.

- What about this format for the report?

- Is there a way we can make this more relevant on an ongoing basis?
- Tracking Ends and performance towards the Ends. Maybe put each one as a main topic, then put the measures under the End they contribute toward.
 - This is how it has usually been presented.
 - This format threw me off a bit.

- Process moving forward:

- What are the next steps on Ryan's side?
 - Per beginning of his intro, he commits to prioritizing completion in May after wrapping up inventory from Q1. (This seems to mean completing it in the month of May, so maybe ready for June packet.)
- Other CM present also commit to being tracked-down-able by Ryan.

- Is there anything else Board needs to do to communicate with MOs and to prepare for annual meeting?

- There is one doc that is filled with statistics that could be used to communicate with MOs and present at annual meeting. Sonrisa will share it with the board.

CM will complete Ends report for June meeting.

Sonrisa will share some statistics with the board that they can use to communicate with MOs and at annual meeting.

Andrea will work with Naoki to design a review process to dig into the Ends report a little more.

3. Board Budget Decision

Sponsor: Sonrisa

Purpose: decide

- See packet for proposal.
- Since we can usually move things around within budget, so it doesn't really matter if we take the cut all in one place or not. We can always borrow from other areas of our board budget.

Decision: Board accepts proposed budget cut.

4. Patronage Decision & Communication

Sponsor: Sonrisa

Purpose: decide

- It sounded like there might have been interest in Section 8.6, so I went through all the old documentation looking for it, but that was the same day that Gayle was making packets.
 - This specific piece of information is what the board has asked for in the past.
- General questions about patronage?
 - When there is a negative income, it's not as clear to me.
 - As a board, we have the capacity to say we can give back money if we think it's not necessary for operational expenses.
 - Clarification: Would have to start with the first retained patronage.
 - Also, we have the option but not the obligation.
 - So that money could not be used for operational expenses? Capital only?
 - There's also equity, profit of sales to MOs.
 - How does patronage show in the balance sheet?
 - Not sure yet; will show in 2.3.
 - Re 8.6: What do we do if we show a loss? What is an unallocated equity account? Third pot of money that is neither retained earnings or capital that people paid into the co-op? Can we track these different pots of money and allocate losses to correct pots? What is 8.6 for?
 - If there is a net loss, we can go back to previous years and use old patronage to make up for net loss.
 - We can't use MO memberships in this way, not unless we dissolve the co-op.
 - Note from Facilitator: This seems to have tax implications. Should not make decisions about this without looking into those implications.
 - Should we ask the accountants about this and make sure we're doing it right.
 - Maybe instead ask NCG or other co-ops, etc.
 - Is board asking Link to research this further for next year?
 - Yes, not urgent, next year is fine.
 - Restatement of the ask: Can somebody explain what this means in terms of how the co-op tracks its various pools of money?
 - Or: What does 8.6 (allocation of net loss) mean?
- Board needs to acknowledge that because there is no income, there is no patronage to retain or

allocate for 2018.

- Is the Board interested in allocating past retained patronage? No.
- Communication to MOs: We might have to do it as an email rather than in the Annual Report.

Decision: Due to no net income, the board acknowledges there is no patronage to retain or allocate.

Jenny (with help from Chris if needed) will create the patronage communication to MOs by June 1.

ANNOUNCEMENTS:

- Finnley is on the board now as CM elected member! Sick today, just here for ballot discussion/decision.

5. Audit

Sponsor: Naoki

Purpose: decide

- Vishal and Chris talked to accountant (Elizabeth) and agreed to postpone audit until end of summer.
- Rachel called her for another reason and talked about that. Would it be possible to have Kris DeMaria (former Finance CM) with Rachel on it? Yes, would be great.
- Since decision to do an audit has not changed, no need to update decision.
- Should be done sooner rather than later. End of summer is fine.
- Board asks CM to schedule the audit for late summer and report back.

Rachel will schedule the audit for late summer and report back.

CM will clarify and explain 8.6, allocation of net loss, in time for the 2019 patronage decision.

6. 2019 Board Elections

Sponsor: Naoki

Purpose: decide

- Can Jay have a proxy vote since they're not here? Board knows how they would vote.
 - Proxy voting is not in line with consensus decision-making.
 - If a board member present has knowledge of a board member not present's strong feeling, they might choose to block.
 - Is anyone opposed to counting Jay's vote?
 - Board does not make decisions by voting but by consensus.
- Context: We have 3 candidates who have been nominated by the Elections committee to run for board. Another MO was not nominated by the committee, and the Elections committee asked for Board make a decision on whether or not to let that MO gather signatures to be on ballot. Board was not able to decide via email and missed the deadline. Is it a breach of the bylaws that someone was given no time to gather signatures? (Told after deadline that they were not nominated.)
- Some board members felt it was unfair and should give MO 2-3 weeks to gather signatures to be added to ballot. (This would mean postponing the election.) Others do not want to postpone.
- Jade (consultant) advised: This MO chose the first of the three ways to get on ballot [nomination by Elections committee, nomination by Board, or collect 25+ signatures], and he did not get on in that way,

so it's not against our bylaws not to extend deadline so he can collect signatures.

- Jay (on phone) thinks postponing the election would undermine the work done on the Elections committee. Disagrees that the MO didn't have a chance to collect signatures; he was aware of the bylaws and that way to get onto ballot. Elections committee decided not to nominate him because they felt he was not a good candidate, but he could have chosen to collect signatures instead of going through the Elections committee..
- When we were talking earlier about Jay's participation/vote by phone, we said they weren't participating since it's hard to hear and be heard on speaker phone. But since they're on the phone now and it seems to be working, can they participate/vote?
 - Let's see how the conversation goes and then revisit if they can participate/vote.
- **The proposal before the Board is: Postpone election for 3 weeks to allow for signature gathering. Any concerns with this proposal?**
 - Concern: Bigger picture and greater harm that this proposal could foster on many levels is not worth the conversation. I think that if he were surprised by his lack of nomination, he hasn't been paying attention to his relationship with the co-op, Board, and CM.
 - Concern: The MO was 86'd by CM for harassment. This is why Board wasn't able to come to decision before signature deadline passed. His behavior that got him 86'd made it much more complicated to get back to him in time. Ideally, the Board should have responded in time, but the fact that they couldn't reflects on the fact that there are big reasons why the Board was not in favor of nominating him themselves.
 - Concern: I don't really want the MO on the board, to be honest. But Elections Committee made a decision, and somewhere along the line, that decision was lost. There was a conversation about it on email, 3 board members had input of 3 different types, but all were supportive of there being another path to nomination for the member. My concern is: How is it that Board (and a Board committee, Elections committee) decisions do not get documented and carried out? Can we find a different way to make sure this kind of thing doesn't happen?
 - If it had been clear since the beginning that there are 3 possible ways to get on ballot, the member might have chosen the signature route at the start.
 - Concern: Is it the member's duty to know the process, or is it the Elections committee's duty to make sure it's clear?
 - Concern: Should we grant someone special accommodation because of our lack of clarity? It feels weird to me that a member being 86'd/not in good standing doesn't block their eligibility to run for board. In general, shouldn't members not in good standing not be eligible to run?
 - Concern: Why didn't we talk about this a month ago? We went into executive session about this person and it didn't get brought up. It also didn't come up at the agenda planning meeting 2 weeks ago.
 - There was some discussion by email, and Chris gave a quick summary of the emails that had been sent; the discussion lasted roughly 4 days then petered out. Of those who responded, there was general support for going forward with the MEC's plan, though we only heard from a subset of the board.
 - Concern: Is this sort of decision what led up to this whole messy string of events?
 - I think this is not about the person but about the process. Why does this particular person keep coming into the decision?
- Back to proposal above: There have been many stated concerns and some statements in support of the proposal. Any unstated concerns?
 - One thing to keep in mind is that as Board members, we have legal responsibility to our bylaws, and we need to ensure we are following them. It's not about a person, it's about respecting the laws that we have for ourselves.
 - This individual infringed on safe(r) space policy and was 86'd by staff because of harassment. That was also policy.
 - Note: It would cost \$3000 to redo the ballots since they were already mailed.

- Was the MO informed about the whole process when he sought out nomination?
 - Website is not totally clear. Other than that, the 3 paths are in the bylaws and are well spelled out.
- Any other blocking concerns that have not been addressed?
 - The question for me from the beginning is that this person was 86'd, so how could they even be an eligible candidate?
- **There are at least 3 board members who have blocking concerns, so it is clear board will not reach consensus tonight.** So what happens next?
 - We just go forward with election with current ballot.
- Should board communicate this decision to Peter?
 - Elections Committee already told him he was not on ballot.
 - Still might be helpful to communicate to him from Board.

Decision: Election will continue as planned with the ballot that was already sent out.
Naoki will draft a board communication to the MO who was not added to the ballot.

7. Ballot Final Decision

Sponsor: Chris
 Purpose: decide

- [did not have time for this item]

8. Policy 2.2 Update

Sponsor: Sonrisa
 Purpose: discuss

- [did not have time for this item]

9. Review 4.2 Board Responsibilities

Sponsor: Naoki
 Purpose: discuss

- [did not have time for this item]

MEETING EVALUATION

Celebrate!

- Could have been worse...
- Had a difficult conversation in a respectful way
- Dessert was great

Opportunity for change:

- Vibes watching

NEXT MEETING: Tuesday, May 28, 2019, 5:30-8:30 pm

Next meeting agenda brainstorm:

- 2.3 for Q4 and Q1
- 2.4
- Before election, have a conversation about the unequal seats--need policy on who gets a 2-year seat rather than 3-year
- 2.1

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)