



Board Meeting Minutes **REVISED** Tuesday, August 22, 2023, 6-8:30pm

Facilitation: Jenny
Vibes/Celebration:

Minutes: Malorie & Gayle
Clean-up: n/a

Scribe: n/a

Attended by:

Board Members: Marc, Mandy, Brion, Alexis, Eleanor (arrival at 7:30p)

CM/Staff: Rachel (CM co-Link), Charlotte (CM Board Seat), Malorie (CM co-Link)

Member-Owners: Edward (Board Member Elect), Sai (NMEC member)

Community Members: Nick

COMMITMENTS:

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
	8/22/23	ALL	EVERY MONTH	Board Members will determine who will lead Grounding and Agreements for next month's meeting. Edward for September 2023.
1	3/28/23	Eleanor, Mandy, Charlotte	9/23	Eleanor, Mandy, and Charlotte will move forward Book Club idea with input from Christopher. Pushed to June. Update: Let's get Ends focus selected first AND discuss what programming we want to do for the selected End.
2	7/25/23	Claire, Rachel	9/23	Claire and Rachel will have an up-to-date version of the Policy Register by September.
3	8/22/23	Brion	9/23	Brion will contact Jade with CBLD to ask about deep policy registrar review by September Board meeting
4	6/27/23	Secretary	10/23	Secretary will take discussion of ranked-choice voting to NMEC to make a proposal to Board.

5	6/27/23	Claire	10/23	Claire will convene NMEC plus Board to work on structure and process (start tracking in August). Bump to October. [Need more context/detail from Gayle.]
6	7/25/23	Gayle	10/23	Gayle will add the issue of operational definition of reconsidering operational definition of having 120% of amount insured in an account to the Policy Notes for 2.5. Bump to October.
7	7/25/23	Marc	10/23	Marc will investigate placement of a policy/sub-policy on audits to section 2 (maybe add to 2.5 or 2.4) by October.
8	7/25/23	Officers/CM Link	10/23	Officers/CM Link will discuss the workload involved in moving cash into CDs and doing a policy refresh (this relates to IMR 2.5) and for all policies.

DECISIONS:

DECISION: The board empowers Brion to contact Jade and inquire about her availability to help us with a policy review and revision.

DECISION: Accept 2.3 as it is written with plans for compliance for 2.3.6 and 2.3.9

DECISION: Accept 2.6 as it is written with plan for compliance for 2.6.1

NEW COMMITMENTS:

From email: **Board Members** will determine who will lead Grounding and Agreements for next month's meeting

Brion will contact Jade with CBLD to ask about deep policy registrar review by September Board meeting

Gayle add more detail to Claire's commit from June for NMEC structure and process

Edward will lead the Board meeting agreements and grounding for September board meeting

M-O FORUM:

- n/a

CONSENT AGENDA:

- n/a

AGENDA REVIEW:

- n/a

MINUTES APPROVAL:

~~DECISION: June minutes approved as written~~

after the meeting, Jenny and Malorie realized that July minutes had not yet been provided for review and approval

1) Policy Register Revision, Step 1

Sponsor: Marc

Purpose: decide

- Policy Register adopted in ~2007, gone through a couple of revisions
- Using the CBLD templates for comparison, may be a good time to go through Register to see what needs updated.
- Context: Rather than piecemeal, want take a methodical approach. Policy 2.3 - seems like a good place to start as it seems outdated. We have recently asked the CM to revise (some) operational definitions. But if we're looking at possibly updating and revising the policy, does not seem like the best use of CM time to update an operational definition on an out of date policy.
- Proposal: Would like to empower a director to contact our consultant at CBLD, to work on this policy update. Jade has available hours from the upfront fee we've paid.
- We will be doing 2.3 policy reflection later this meeting. There has already been some discussion with Jade on 2.3 and we have some input/feedback to report back in that item.
- Proposal: The board empowers [director] to contact Jade and inquire about her availability to help us with a policy review and revision.
- Is anyone interested in volunteering to contact Jade? Brion is interested in reaching out to Jade.
- Opinion: Sometimes on the Board we don't feel like we know what we're supposed to be doing - in this case, working on the Policy Register is something we ought to do. Want to be sure we're appropriately prioritizing this review so that we're focusing on policies that really need review and revision, and to allow us time to do other work that we should be doing as a Board.

DECISION: The board empowers Brion to contact Jade and inquire about her availability to help us with a policy review and revision.

Commit: Brion will contact Jade with CBLD by September meeting

2) IMR 2.3 Financial Condition

Sponsor: CM Link

Purpose: decide

- CM Link: there are a couple of things out of compliance: it's really the same thing, but it shows up in different places.
- Ask: does anyone know of a CPA that would do a financial audit for People's?
- Not having an auditor makes us out of compliance with a Board policy
- Finance-wise, we're mostly doing better than budgeted
- Not as much in sales growth as we budgeted, but we are starting to hit more positive now, although we're comparing to last year's closure
- While the policy doesn't ask for certain things - details provided in 2.3 policy reflection - some of the things detailed in the materials for Policy Reflection are present in the current reports in the Summary, including EBITDAP, sales growth, M-O investment
- Option: I think they should be in the policy as well, but wanted to point out that it is currently reported on
- Thank you and congratulations to CM for doing so well on sales. Thanks for bouncing back from the pandemic
- Question: has there been any comparison to current financials against 2019 (pre-pandemic)?
- Response: Bi-weekly reports show a comparison for current year and past two years. I know that we are not back to our pre-pandemic sales
- Question: (note: the way our policies are written, it's really the responsibility of the audit committee, Board committee, to find an auditor) the report refers to the audit of 2023 financial statements - wouldn't that be for this year?
- Response: It is difficult to decide whether to continue to report out of compliance for a whole year - I guess that's what I should do. Can't get back into compliance before next year. It's challenging to figure out how to report compliance or non-compliance
- Clarification: this report should be looking at 2022 financials, and now we're looking forward to 2023? Correct
- I believe that we would continue to report non-compliance for the rest of the time until the next year becomes relevant
- Proposal: Accept 2.3 as it is written with plans for compliance for 2.3.6 and 2.3.9
- Question: 2022 will not get an audit. 2023 will hopefully get an auditor in place. Is there a backup system in the event that we're unable to find an auditor?
 - Rachel can ask Neha at NCG whether they have a recommendation as an alternative to an auditor
 - Rachel can ask previous auditors if they have an alternative solution in the absence of securing an auditor

DECISION: Accept 2.3 as it is written with plans for compliance for 2.3.6 and 2.3.9

4) IMR 2.6 Emergency Link Succession

Sponsor: CM Link

Purpose: decide

- We're in transition right now at the time the report came due. Former CM Link left, and Rachel and Malorie have just stepped in, and Zahra is about to join.
- One of our Link backups has not attended the requisite number of board meetings required by link backup role.
- Question: Rachel & Malorie are interim - is there a plan to have a permanent person?
- Response: Currently link role is linked to IDM JD and we haven't yet hired a new IDM
- Opinion: I realize you all are in flux and was surprised by Forrest's resignation. However, it's nice to have more of the CM in the link places, meetings, etc. Rachel has been link-adjacent for so long. It's nice to have folks like Zahra and Malorie "understudying" this role that Rachel has been doing for a while.
- Question: How long has the link been tied to a particular job description?
- Response: 12 years ago, linked to DM. DM more recently split to EDM & IDM. DM position challenging because reported to board and cm on everything. CM link went with IDM side of the split
- Note: Board contact sheet needs updating
- Proposal: Accept 2.6 as it is written with plan for compliance for 2.6.1

DECISION: Accept 2.6 as it is written with plan for compliance for 2.6.1

5) Policy Reflection: IMR 2.6 Emergency Link Succession

Sponsor: all

Purpose: discuss

- Unique to People's because we are collectively managed. Link position doesn't exist in CBLD templates. Not going to get much help from their templates.
- Alberta is Collectively managed and has a policy governance board.

ANNOUNCEMENTS:

- The election is over. Results:
 - Edward is new Board member
 - New NMEC folks: Sally, Sai, Christopher (re-elected)
 - End: access to healthful foods our customers can trust
 - Two organizations: New avenues for youth & wisdom for the elders
- CBLD events coming up - have pre-paid for directors to take. Marc has code for enrollment. Some of the classes available:
 - 3 part online event Policy Governance Sept 2nd 3rd & 4th week
 - Finance training for directors 3-part Oct3rd and following two weeks
 - added: CBLD 101 on Oct 21st remote - \$75/person - strongly encouraged

- Board Orientation moved to 1st weekend of October (possibly two 4-hour sessions) likely 6th-8th sometime
- Gratitude & introduction from Edward. Expressed interest in all the trainings offered.
 - Question: if I find a CPA, who do I send that to?
 - Response: Rachel or Marc - maybe both
- M-O Appreciation Week upcoming events:
 - Pedalpalooza tomorrow - a little short-staffed, so if you are going and have the capacity to help move people as folks are arriving: position in the pack to help move folks along. 4-6p
 - Happy Hour Friday 5:30-8p - appetizers, beverages (including alcohol); if Board members are going to prioritize one event, this gives probably the most opportunity to have unstructured mingling time with M-Os
 - Yoga & pastries Sunday morning
 - Annual meeting next Tuesday on Zoom; so far, upward of 50 RSVPs (not including Board members or CM members)
- Reminder about self-monitoring surveys. Originally had hoped to have gone through responses and have a report prepared for this meeting, but still need two more people to respond.
 - Section 3 was distributed a little late, but have only received one response
 - Brion: share appreciations and offer support following up with colleagues to get responses
- Farm where Jenny lives has over 100 fruit trees on 7 acres and is having an event on October 1st. A lot of interesting varieties of pears and apples.

COMMITMENT REVIEW:

- Gayle go back to recording to retrieve details for Claire's commit from June for NMEC structure and process
- Edward volunteers to lead the Board meeting agreements and grounding for September board meeting

3) Policy Reflection: IMR 2.3 Financial Condition

Sponsor: Eleanor

Purpose: discuss

- 2.3 within our policy register addresses the financial conditions of the co-op.
- Board has oversight over how the finances of co-op are being carried out.
- This policy as written is less good at setting a vision for the co-op to guide our cooperative toward the future.
 - Input from our consultant Jade at CBLD is that 2.3 is a great opportunity for our board to make some adjustments.
- Our board has recently begun to discuss reviewing all policies in the register.

- We want to make sure we're in line with other co-ops who do policy governance.
- Doing this is helping steer us into the future.
- We want to use the tool that CBLD puts out for financial monitoring and compare to our existing 2.3 reporting.
- We want to examine the biggest distinctions between 2.3 and CBLD's template:
 - Our version of the policy is silent on a couple items that CBLD's template includes.
 - Our policy includes a couple things that do not appear in the CBLD template.
- Both CBLD policy & our 2.3 begin with a summary. Here are some things the CBLD template has in its summary but we do not:
 - Purpose is not only to ensure financial health of the organization but to be poised to take advantage of future opportunities.
 - Comparison to an industry standard.
- Rachel: Process point: Can CM participate in this conversation? E: Yes!
- Rachel: There are choices that we might make that would put us out of alignment with the averages or industry standards. Wages are around average, but our benefits are way higher than other co-ops. That might be a choice we make because we want to give our employees better benefits. That's just an example of ways in which People's may make choices that might bring us out of alignment with the average.
 - Labor Percentage of Sales is usually a little above average because we choose to pay better benefits.
 - In the past our wages have been higher than average; currently our wages are about average.
 - The onus would be on the Board to say: What key operational indicators are so key that they should be within the industry average?
 - May decide sales growth ought not fall below industry average
- CBLD template uses "our industry," but is that "grocery industry" or "cooperative industry"?
- CBLD template takes a growth-over-everything-else approach, and People's has never been that way, so the growth-over-everything-else approach of the CBLD template may be something we want to think about before adopting.
- Comparing ourselves to other people in our industry is a useful metric for us - gives us information, data points. I don't think I want to write policy that marries us to specific performance in relationship to other co-op groceries around the nation. I'm more interested in how we are doing compared to others in our specific marketplace; compared to our past; compared to who we want to be in the future.
 - Take some of the CBLD stuff with a grain of salt.
 - I like the "unprepared for future opportunities" phrasing - am interested in looking at this and how CM would write operational definitions for this, holding CM to account for this.
- The line that we "must not cause or allow co-op to be prepared to future opportunities" - I like that and I think it's really strong, and we should include that.
 - Agree about how we think about comparing ourselves to our marketplace.

- Smart to have an outside perspective, especially in an area that we may not have expertise or comfort.
 - People's Co-op is people-centered (pun intended), so our resources are going to the people and the humane ethics that are involved in that, rather than being money-centered.
 - I've seen this replicated throughout the whole industry - how do you balance and integrate the need to have a successful financial organization to maintain the mission/Ends statement without sacrificing ethics or value of the people? Not so easy, so an outside consultant could help with that.
 - Need financial success to fulfill our Ends, but do not want success to be measured merely by that financial success.
- Summary so far:
 - If we are going to compare ourselves on certain key indicators in our industry, we have to be very specific about which key indicators and what our industry is.
 - We're more like "local co-ops" than "national grocery stores" or even "national co-ops."
 - Support for including preparedness of future opportunities.
 - Don't know if co-ops that are hierarchical management might have different financial goals than collectively managed co-ops.
 - Clarification from Brion: When I said "comparing ourselves to our local marketplace," I also meant local area conventional grocery stores that we're competing with.
- Sales Growth: CBLD says "must not allow sales growth to be inadequate"; our policy is silent on the adequacy of sales growth per se. Stark difference! Do we like that difference, or so we want to change it?
 - Sales growth every year is a corporate measure of success and not sure whether it's in alignment with People's values; there might be some measurements that are in the same ballpark but more about who we are: maybe growing our membership, or member engagement, or awareness of members about x-y-z issues, to demonstrate People's success in expanding our mission that isn't tied up into a capitalistic type of sales domination. We might also want to measure things like increasing employee wages, having a stable workforce, fighting against inflation, etc.
 - M-O growth is in CBLD template, but not currently in 2.3. (Also feels like member engagement would live in a different policy rather than 2.3—maybe Ends.)
 - We might say that sales growth being "adequate" might just be not negative, or no worse than -3% each year; it could be a range that CM sets; doesn't necessarily have to be positive sales growth.
 - Historical context: Right now, our sales are below \$5M (used to \$5.5M). Sales Per Square Foot is another metric for volume of sales, and our Sales Per Square Foot are way above industry average for food co-ops. If you're trying to sell too much volume in a small space, it actually becomes detrimental (might be not safe for employees, too crowded, tasks to get food and goods out to be sold being beyond

what could happen in the physical space). We're not there yet, but a close issue for People's; this is why we need to be ready for other opportunities because if we get back to that volume then the only potential for sales growth would require us to create more space (new location, etc).

- Statement says not allow sales growth to be inadequate: operational definition would be written by the CM. Could be sales growth that allows for a livable wage, or that allows us to continue to move toward our Ends.
- Could be prescriptive in our policy, or could leave it open to CM interpretation in Operational definition
- Should be addressed and accounted for, but the language is very much "for profit" language, so can we work on the language so that it's more in alignment with our values.
- "Must not" literacy moment - all policies are written in the "ought not" format.
- I'm all for adding this metric - sales growth obviously equals higher pay and more money for events to recruit more members; this metric feels really important. CM think about this a lot, but having it in the policy makes a lot of sense.
- Going back to the Summary: CBLD included a clause: discussing regard to specific circumstances, like a global health catastrophe.
- We talked about how some metrics might not be appropriate for us insofar as we're not focusing on money - we could add something to the summary that contextualizes "adequate or inadequate" because we're not money-focused, but we're people-focused.
 - It's not that we're not about money, but rampant sales growth every year is an exploitative thing; we want to be successful in harmony with our community and environment.
- Sufficient growth in membership or equity paid in - allow CM to define what is in/sufficient; expand our policy to include growth in membership or growth in owner paid equity.
 - Is this monitored/reported anywhere else in our policies?
 - I think we should include it in our policies
 - Echoed, I like it, but I wanted to ask whether it belongs in 2.3 or whether it belongs somewhere else?
- We do see member count in CM FYI, maybe basket size appears there as well. As a co-op, growing our membership is central to our goals and feels important for the CM to measure.
- Next steps: Carry on our work around this policy review. Start with 2.3. Provides us a chance to evaluate how our policies reflect our vision/mission, as well as learning more about our finances. Feeling more excited for this work than before!

6) Annual Meeting Updates

Sponsor: Charlotte

Purpose: discuss

- more support is still needed for pedalpalooza!
- Annual Meeting of the Owners
 - required by law, but we make it what we want
 - financial aspect is really the core of the annual meeting - informing owners of the financial wherewithal of the co-op (core)
 - another key piece is the Living Wage Working Group (LWWG) item
- board items: election update
 - election update: historically, elections ended around the time of the annual meeting.
 - election results will be announced at the meeting. give some context for what the Ends are, and give more info about nonprofits we decided to donate to
 - Edward is happy to either speak or not speak, as time allows, at the annual meeting as the new Board member elect
 - board presentation will be given by President, Eleanor.
 - would like to talk about how the CM worked to accomplish our Ends for last year. Any input from Board about what should be included in this time?
 - beginning, charlotte will be reviewing accomplishments from last year
 - charlotte and eleanor should connect to determine overlap in beginning (Charlotte's) and ending (Eleanor's) items
 - are we going to be looking forward into next year? or is this more about wrapping up and summarizing next year
 - Eleanor: like that idea - want to talk about CM work on ends, Board election result on next year's End, but some ideas about how we could get input from ownership about how we should engage with that End
 - doing a quick projection of what that could look like, or what that could mean, and then crowd sourcing membership
 - could plant seeds and provide membership with a mechanism for directly communicating with the Board
 - can also make a separate form for any specific ask that Board member

Meeting adjourned at 8:31pm.