

Board of Directors Meeting
Monday, January 21, 2019
6:00pm open | 8:29pm adjourn

Call to Order & Check-in

6:03pm, Discussion (GL)

Directors: George Langford (chair), Sendy Soto, Brian Perea, Sean Shatto, Norma Samame, Celeste Levitz-Jones, Ally Young, Rebecca Reynolds (*6:53pm arrival*).

Staff: Sharon Hoyer, Michelle Perez, Jess Nimm, Tatum Evans, Dena Fromburg, Derek Jennings, Miguel Silva, Michael Gorka, Benji Rasky, Don Hughes, Jessico Dickerson, Gillian Douple, Gabe Galloway.

Owners: Gretchen Johnson (scribe), Hollis Birnbaum, Mary Meyer, Joseph Hanc, Dan Swinney, Lincoln Stannard + Ashley Loomis, Sean Raines, Carla Ilten, Dan Horowitz + Nicholas Peterson, Tim Magner, Maya ____, Dave ____.

Rounds question: general status, meeting preparedness.

Consent Agenda

6:08pm, Decision (GL)

- File December meeting minutes and owner correspondence
- File 1/6 executive session + CBLD call notes
- Approve GM severance package proposed by GMED committee
- Accept TB board resignation, accept proposal to appoint CLJ to vacant seat
- Approve GMED committee report, search budget, updated charter
- Approve Finance committee report
- Approve new owners and share repurchases
- Accept GM operations report
- Accept GM report on B8, Board Logistical Support, as demonstrating compliance

All items above passed with consensus.

Meeting Agenda

6:11pm, Decision (GL)

- SS requests 10min to discuss B7, Communication to the Board: moved to agenda.
- C2 monitoring moved to next month's meeting: report shifted from CLJ to NS.
- C3 monitoring moved to next month's meeting: SSo will complete report.
- NS proposes 10min additional time for owner comments: 10min dropped from annual plan item.

Revised agenda adopted with consensus.

Owner Comments

6:53pm, Listening + brief responses to questions where possible (GL)

GL states that board speaks as one voice, and will address concerns to the extent possible in real time, but may also use email follow-ups as necessary. Discussion can continue at Coffee w/ the Board on 1/27.

- **Jess Nimm, staff:** Participated in 1:1 conversations with directors offered on site to discuss transition, but still unclear on why GM contract was not renewed and struggling to field questions from owners in-store. Also, board as a structure has operated relatively unnoticed until this moment and should involve staff in major decisions in the future-- it's our livelihoods at stake.
 - GL: Communication challenges exist in that HR components of this decision prevent the matter from being discussed fully. The board is looking for new leadership that will ensure that the co-op maintains a healthy financial position in order to fulfill its End goals in service to our ownership and community.
- **Tatum Evans, staff, #2002:** How will community and cultural components of the co-op be maintained? How heavily weighted will these elements be in GM search?
 - GL: It's important not to downplay the impact Sharon has had, while recognizing that the co-op's culture and community are defined by all of us as owners, shoppers, and staff, and we need to hold each other accountable as we continue to shape it.
- **Dena Fromberg, staff:** How will the board ensure the stability of the store during transition?
 - GL: Sharon has developed an operational transition plan in coordination with the board; we'll regularly check in to understand workload and impact, make changes as necessary.
 - CLJ: Board is continuing to work with consultants and advisors who bring experience with this entire process.
- **Holly Birnbaum, #626:** Has been involved in the HOO program since early on, here to listen and learn to stay informed. Sees unnecessary entanglements with current situation, urges carefully channeled communication across multiple constituencies. Will reserve questions.
 - GL: Thanks for attending.
- **Mary Meyer, #3291:** Here to learn. Hearing people are concerned about communication. Was very puzzled by initial message; has the board placed itself emphatically in place of recipients? Clarity and transparency are key. Hearing the board talk about communicating with owners, but not staff-- as the face of our organization, it's critically important that they're heard and enthusiastic about the future. Is the board working with CDS?
 - GL: Thank you. Yes, CDS' Cooperative Board Leadership Development program.
- **Gillian Douple, staff, #2658:** Feels that the board has not been very transparent, which gives staff the chance to demonize the entire body, particularly Ally as a staff member on the board. Sharon is very beloved and this decision has been terrible for morale.

- GL: Appreciate the feedback. The board holds a responsibility to act in the best interests of the co-op on behalf of the owners who elected us-- it's easy to jump to conclusions in the absence of connection and relationship. Saddened to hear of current anxiety, board pledges to improve communication with staff in the future.
- **Joseph Hanc, #1782:** Doesn't currently deal with board much, but enjoys shopping the co-op and would be alarmed by significant change. Does the board envision meaningful change in overall approach? What are the most important differences between job description of current general manager and future general manager?
 - SS: Core of the role will not change, board held retreat this weekend to develop focus.
 - GL: We hope you will see more of the things you appreciate about the co-op. Our expansion was unprecedented and we're working to respond to current opportunities. This decision is largely a business decision and goal is for the co-op to flourish.
- **Dan Swinney, #3111:** Mostly here to listen. Democracy is difficult and requires work, need to welcome process however it comes. What were the mechanisms used to consult with staff? Structural component: could we explore a hybrid model that brings employees into decision making process? Mentions Mondragon and Emilia Romagna network as examples.
 - SS: For the first time, staff were surveyed as part of the monitoring process for our Staff Treatment & Compensation policy. Going forward, it's important staff voices are heard.
 - AY: Policy committee has been considering a multistakeholder model, beginning with direct worker representatives on the board-- such an amendment to our bylaws could be put to a vote by owners as early as this November.
- **Lincoln Stannard & Ashley Loomis, #1530:** Are there evaluations that are upwards from staff to managers, and GM to board, and how those are weighted? What internal practices or structures separate us from other corporations? That's why we're all here.
 - SS: The board works through Policy Governance, a system of regularly evaluating both the GM's performance, the board's own performance, the board-management relationship, and our overall organizational performance according to defined policies.
 - GL: We assess both operations and governance performance on a monthly basis according to our monitoring calendar, and the GM does weigh in on board performance. The board does not directly interact with staff; staff reports to the GM, and the GM reports to the board.
 - AY: No "360 review" process in place, though this year was the first time that the board engaged a third party (CDS) to develop and implement a formal staff survey and used that data in monitoring our Staff Treatment policy instead of relying solely on self-reporting from the GM— which is progress.

Proposal passed to add 10min to end of meeting to accommodate all owner comments.

- **Tim Magner, #2002:** What will shake out from here? How can board communication to staff, Dill Pickle owners/investors, and customers be improved?
 - CLJ: On tonight's consent agenda, we passed a budget for our search process so we can start investing in the next steps. Our plan is to get together in the next week to create a communication plan, detailing progress so folks can follow along.
 - GL: We need people to feel heard, and to hear people more frequently. Our quarterly Coffee with the Board event is not as successful as we'd like— we may try to come up with more targeted ways for stakeholders to connect with directors, as well as working on more robust one-way written updates.
- **Maya ___, #___:** As a consumer cooperative, how do you differentiate your decision-making from capitalist corporations?
 - GL: We're aiming to achieve our End goals, which in themselves differentiate us. As far as decision-making: we're a representative democracy. We are owned by the community that shops here and remain accountable to that community. Decisions about how to distribute profit will enter into the conversation in the future. We are working within our existing capitalist system to create an environment we believe in.
- **Dave ___, #1970:** Suggestion that there should be a system in place to encourage all staff to become co-op owners so that they'd be represented within our current structure.
- **Michael Gorka, staff, #981:** Seconding concerns about transparency, morale, destabilization caused by current events.
- **Michelle Perez, staff, #1284:** Why encourage staff to run for the board if they can't vote on decisions because of conflict of interest?
 - GL: Staff perspective is invaluable on the governance level, and is valued equally in all decision-making outside of the GM contract.
 - AY: Right, there is only one set of decisions that staff directors are excluded from: GM employment status and pay rate. This is just the formal cumulative result of our annual policy monitoring cycle, in which a staff director participates fully.

GL: Thanks to everyone for coming out tonight, and for highlighting key issues for us to engage with.

Monitoring Executive Limitations: B3, Asset Protection

7:15pm, Decision (GL)

Ad-hoc report covers B3.4 on sensitive data and B3.6 on public image in response to recent incident of unauthorized staff email regarding the GM transition that resulted in local news coverage.

GL requests that SH outline B3.4 report for benefit of those in attendance, which includes a written apology from the staff member who misused the co-op brand, communications infrastructure, and owner contact information, as well as action steps for repair.

The staff member added a verbal statement of no ill intent, with request that her 7 years of service and status as a fellow co-op owner be taken into account.

SSo: Expresses appreciation for the staff member being present, and notes unintended public and organizational impacts. Suggests that any data breach or sensitivity trainings put into place in response to this incident be applied to both board and staff roles.

RR: Thanks staff member for apology. Expresses concern with action steps that continue to provide access after such a breach, consultants have strictly advised against it.

NS: Staff did not sign confidentiality agreements before? Highly recommend it be in the handbook.

AY: Current disciplinary process is fairly traditional and includes no guarantee of progressive action. Proud to have been part of building the restorative framework proposed in this report-- and adopting it will require that an equity lens is applied to future issues at the operations level.

B3.4 report accepted as demonstrating non-compliance with one abstention (RR), with addition of confidentiality agreements in action steps.

B.3.6: report accepted as demonstrating non-compliance, which also applies to global B3 policy.

Monitoring Executive Limitations: B7, Communication to the Board

7:27, Decision (GL)

SS raises concerns with B7.1 on timely submissions and B7.2 on communicating about noncompliance. AY seconds. SH clarifies the reporting period.

GL proposes to not accept the B7 report, noting issues with B7.1 and B7.2. Passed with consensus.

CLJ requests B7.3(d) be flagged for policy committee review, noting that as a director she'd like to know about these types of infractions. SH clarifies that that items specifically named are board's legal responsibility, and parenthetical items are GM's responsibility.

Board Annual Plan

7:44pm, Decision (GL)

GL: Fielded lots of feedback on owner engagement tonight. We need to increase our visibility-- plan includes proposal for 7-10 focused board gatherings, including quarterly Coffee with the Board events-- to which each director will be asked to directly invite others. Aiming to increase voter participation by 30% over last year. Also interested in creating opportunities to engage with other community partners, expand our reach.

Feedback on plan:

- SSo: 2hr monthly meeting period + quarterly strategy session is great. \$5 Dinner on Wednesdays: will menu rotate more often? (GM: that's the plan, working to execute.) Interested in using community volunteer hours to partner with area organizations.
- RR: Questions increasing the frequency of events, given low attendance at current events. Suggests giving events a focus/topic/issue to draw folks out, perhaps building in to the \$5 Dinner night. Will need outreach plan to get word out. Whose responsibility is this in the absence of an owner liaison role? Also would like input from owners.
- SH: For quarterly strategy meeting, involve GM and management team whenever possible.
- AY: Question of whether owner linkage committee question can be resolved in this plan. HOO program has been in flux for awhile, could link discount to support for partner organizations.
- SS: Annual plan is much appreciated.

Owner ideas:

- Holly: suggests meet the vendors, meet the farmers, meet the chefs type events-- all about food and eating. Teach us how to use the food we buy from the co-op! Echoes issue-focused events.
- Maya: let us know if board is making important decisions.
- Dan: suggests a series of discussions on different cooperative experiences that could serve both as board education and owner engagement.

Action Items, February Agenda, Announcements

7:59pm, Decision (AY)

February Agenda:

- Board Monitoring:
 - C2: NS, C3: SSo
 - C1: not accepted, will re-report next cycle.
- GM Monitoring / Operations:
 - BI financial condition Q2
 - Submit progress on confidentiality agreement as part of ops report (also for board use)
 - Competition monitoring: Target 10min presentation

Committee Work:

- GMED: next meeting 1/28. Will submit GM job description, search firm proposal for consent.
- Finance: SS convening sometime in the next two weeks, likely 2/13.
- Policy & Bylaw Review: 1st Monday of March.
- AY will send templates for committee reports to be submitted by chairs for packet.

Owner Linkage:

- Coffee with the Board is Sun 1/27, 11am-1pm.
- Next eblast 1/30: can include reflection on coffee, update on transition, etc.
- Executive committee will develop an owner communications & engagement plan.

Announcements:

- Fri 1/25 Urban Innovation Symposium: PM session on future of co-ops in Chi
- Fri 2/8 LSNA Mayoral Forum on Quality of Life plan
- Fri 2/15 Chicago Food Policy Action Summit + Mayoral Forum on Food & Environmental Justice

Checkout

8:06pm, Discussion (GL)

Rounds question: meeting assessment.

Executive Session

8:30pm-8:45pm, est. (GL)

Update from the GM Eval & Search committee, discussion on filling vacant board seat.

Communication fielded by board@dillpickle.coop in the interim:						
Date	Owner	#	Subject	Summary	Status	Correspondence
1/22/91	Carla Itten	1198	Thoughts on misconceptions of the co-op structure surfaced at yesterday's board mtg	Observations of structural confusion among owners, recommendations for addressing systemically	resolved	GL replied 1/22
2/6/19	Tim Magner	2002	post Sunday coffee - feedback, ideas.	Need for differentiation and community-building	pending	