

Board of Directors Meeting  
**Monday, November 18, 2019**  
6:00pm open | 8:40pm adjourn

**6:00 Opening (GL)**

- Attendance: Brian Perea, Tatum Evans, Mike Strode, Sendy Soto, Peter Frank, Ally Young, George Langford. Planned absence: Celeste Levitz-Jones. Unplanned absence: Rebecca Reynolds.
- Owners: Gretchen Johnson (scribe), Heather Rivard, Victoria Birkbeck, Bob Weston.
- Staff: l'Talia McCarthy (GM) + Tatum Evans, Ally Young.
- Rounds question: brief introductions.

**6:11 Consent Agenda (GL)**

- TE shared intention to abstention from certain items as a new director: prior month's board meeting minutes, approval of new directors.
- Questions regarding the operations report:
  - TE asked missing names of new owners and odd numbers of equity; AY mentioned discrepancies in system, POS coordinator is working on it.
  - SS asked about new hires: will everyone be increased to \$15 starting wage? IM said MG and her are working on it, goal is to roll that increase out by January 2020.
  - SS asked about racial equity work: should connect with ethnic media, look into consultant that can build that up if no staff member is equipped to communicate. Advocacy work: how does DPFC sign on to different efforts?
  - SS asked about having POS in cafe so it can work down the line, especially during rush hour. IM cited money mixing with food prep that isn't sanitary, but will look into it.
  - TE asked about weekly sales report: where's budget for new hires? IM said each department has to work within labor budget. TE asked about budget variances, would like to see budget/actual variances above 10% spoken for.
- AY proposed moving operations report to meeting agenda, taking 10 minutes from the BI review to address these and other questions.
- GL addressed process: only one minute scheduled for consent agenda. If items require discussion, must move them from this section on to the meeting agenda, time permitting.
- All listed items passed:
  - October meeting minutes approved (abstentions: TE, PF, MS)
  - 2019 Annual Ownership Meeting minutes approved
  - Resolution to seat new directors for 2019-20 cycle approved (abstentions: TE, PF, MS)
  - Columinate CBLD program contract approved
  - October operations report accepted
  - New owners and share repurchases approved
  - 2020 Board Calendar approved

### 6:20 Meeting Agenda (GL)

- BI review reduced by 15min to make up time.

### 6:21 Owner comments (GL)

- Heather & Victoria: have been volunteering in owner outreach for 3-4 months, interested in getting involved at committee level. Have been gathering at Wednesday night dinners, interested in doing something with more traction and developing volunteer opportunities. Will be helping brainstorm questions for owner survey through Owner Linkage Committee.
- Bob Weston: just observing, long-time Logan Square resident and co-op owner.
- Sean Shatto: here to help with transition as needed, will continue with Finance Committee.

### 6:23 Monitoring: A, Global Ends (GL)

- Rounds: general responses to report:
  - BP: Agrees with report, thanks AY for time. Big problem is not capturing data.
  - IM: Loved report, very detailed. Lots of work to do, and we're capable of getting there.
  - TE: Agrees after reading report we are out of compliance, agrees with aspirations. Surprised that Ends statement doesn't explicitly say anything about food.
  - MS: Spent a lot of time with framework, looking to participate in unraveling environmental impact. Overall agreement with findings of report.
  - SS: Thanks AY, thinks it's good, data could be baseline for strategic plan. Notes that organizational partnerships only go so far; would love to see engagement focused directly on bringing Latinx families into store.
  - PF: Overall supportive. Questions patronage refunds to owners as a goal; surplus would have more impact for staff and community initiatives. Thinks that anti-oppression training recommended for staff should be for board as well. Excited for customer survey.
  - AY: Emphasizes shepherding of conversation in a strategic direction.
  - GL: Conversation about positive environmental impacts should be moved into committee. Wants to think further about "thriving" and "community."
- Unpacking "community":
  - BP: Goes back to what SS said about getting families in. Need data about who is here.
  - GL: Have intent, what is definition of community?
  - AY: Outlined layers. Have been internally focused; not going to be effective at sustaining wider community if we can't sustain ourselves as an enterprise. Now need to re-tool community-building: before outreach, it's about having the right hires, products, culture.
  - SS: Wants to challenge idea of business remaining here, community is also grappling with that. Encourages building from within. Example: CBD demo attendees were all white.
  - BP: Opportunity for outreach at the schools, especially with LINK Match program. Families also need to know, culturally, what is the co-op?
  - GL: How can we be attentive to these folks? Out of necessity is there a hierarchy? We can't be all things to all people, but there are a number of things we're trying to do

address: price image, perception as an agent of gentrification-- these things are in conflict with our ability to sustain a thriving community.

- TE: Likes the idea of restructuring owner shares, lowering amount to join.
- PF: The report spells out plans with a sense of urgency. These changes must be prioritized, can't kick it down the road when everything is financially worked out. Mentioned experience working at another co-op: changing the staff make-up helped a lot with community image.
- TE: Is there a community we're not reaching, that we haven't identified?
- SS: Aging community? Public housing communities? Opportunities to partner with orgs.
- AY: Mentions tension between tools of marketing vs. organizing within an association of people that's also a business. This is fundamentally about people power, so we need to use appropriate tools to build. Work intersects with Owner Linkage Committee.
- GL: Requests more information from operations team: how you are thinking about community-building and advocacy positions? How can we spread the word to owners about our impact within the community?
- Discussing ownership:
  - TE: Is the survey for owners or for all shoppers? IM: For all shoppers. About 20% of all shoppers are owners, currently. How does that compare? AY: 50% at Fullerton store, meant that it was time for expansion. 20% means we've got lots of potential equity.
  - GL: If the public can shop here, why become an owner? We have to answer that question. Have to make communities work for us in expanding our reach.
  - MS: Joined because I am a co-op booster; still don't have a way to articulate why to become an owner. Big opportunity for education and outreach.
  - IM: Many co-ops have owner orientations, AY will be bringing ours back.
  - AY: Launched an orientation program prior to expansion, but has lacked participation in new store. Could be reinvigorated through stronger outreach to new owners. Also excited that TE is thinking about how to give people more spaces to show up and build social connections.
  - GL: Incumbent upon us to figure this out; this is a critical time. Asks about PF's perspective on patronage refunds as part of the value proposition of ownership.
  - PF: Can look good as a total dollar amount returned to owners, but when in reality, each person gets \$20... it'd be better to put that surplus toward worker bonuses, or community programs.
  - TE: Front end perspective: people don't want to join because financial benefits are weak.
  - PF: Discounts done properly are more of an incentive than patronage rebates.
  - SS: Perhaps that's how we get people to join, gain the equity.
  - GL: Still a decent way away from patronage rebates, though that's always been a goal, but perhaps shouldn't be. Value proposition could be strategically positioned differently. What committee should this go to?
  - AY: Would like to see this be a topic of our board retreat.

Ends report accepted as noncompliant with recommendations for GM.



#### 6:54 **Monitoring: BI, Financial Condition (GL)**

- **Global:** Report indicates full compliance with BI.1,8,9,11, partial compliance with BI.5,7,10, noncompliance with BI.2,3,4,6,12.
  - IM: Numbers still in draft form due to adjustments being made for fraud, will have to re-report with final numbers, hopefully by the end of this month.
  - GL: Can't vote to accept the report without final numbers, will instead initially review tonight and put it on consent agenda for next month, will require special attention.
  - IM fielded questions regarding accounting timelines, associated costs. Board supports IM's approach to hire an internal finance manager.
- **BI.4** on debt to equity ratio:
  - PF: Would be helpful to see this compared to a co-op that is past expansion. IM will include comparative data from CoMetrics in revised report.
- **BI.5** on ownership, paid-in equity growth:
  - AY on data: number of owners shown appears to include closed accounts; approx 2,700.
  - IM recommends amending bylaw to simplify structure and lower barrier to entry. Policy committee will review.
  - SShatto notes that technically owners are not in good standing (and therefore may not vote or enjoy benefits) if equity payments are overdue, though hasn't been enforced.
  - SS suggests a business ownership program.
- **BI.6** on financial obligations:
  - IM: operations is continuing to put away \$10K/month, depleting our cash on hand but on track to pay off loan in May. Will report back after speaking to CCLF.
  - AY: How do you envision conversation with CCLF regarding principal payment? Concerned with ensuring consistent thread of communication with lenders.
    - IM clarifies that meeting next week will be informational, not a negotiation.
    - GL asks if IM feels comfortable navigating conversation on health of co-op. IM: yes. AY: Board could hand this off to IM, or could happen in coordination with finance committee. IM would like to work with finance committee.
  - PF: Where does owner loan program conversation happen? GL: Finance committee.
  - GL requests language amendment from "due" in first sentence to clarify that we don't owe owner loans to CCLF; we need to raise them.
- **Report format:**
  - GL: New format is hybrid, do we think we're getting what we need?
  - BP, TE, MS, SS like the format.
  - PF would like to see more connection with the P&L, would like to see margins.
  - AY is concerned with departure from policy governance system, emphasizes importance of interpretation as bridge between governance and operations, the framework for data. Understands desire to streamline monitoring, doesn't believe interpretation is a barrier.
  - GL concerned with engaging in meaningful discussion that shapes the co-op and wants to strip away unnecessary elements to create the conditions for that.
  - IM will continue to use compliance scale, will provide interpretations moving forward.

BI report not accepted; IM will resubmit with final numbers for December consent agenda.

**7:48 Monitoring: C6, Officers' Roles (GL)**

- After discussion, board determined to be in compliance with C6. Plans for improvement:
  - C6.1: GL will consider providing a monthly president's report.
  - C6.2: GL will consider alternative meeting facilitator.
  - B6.7: AY will migrate Dropbox to Drive.
- Policy Committee will review flags:
  - MS: Having greater specificity might help enact. Link to bylaws.
  - PF: Supports addition of policy on financial controls.
  - AY: C6.4(d): strike, subsume under B8. C6.6(c): strike, covered under B1.10. C6.7: add sub-policy codifying meeting packet compilation, distribution. Global: link to C2 by incorporating owner linkage, GM relationship, policy review.

**8:19 Seat 2019-20 Officers (GL)**

- Brief discussion on process.
- Directors self-nominated for officer roles. Consensus reached to seat officers for 2020 cycle:
  - President: George Langford
  - VP: Celeste Levitz-Jones
  - Treasurer: Peter Frank
  - Secretary: Ally Young

**8:27 December Agenda, Committee Work (AY)**

- December agenda:
  - IM will re-submit BI report for consent agenda and B7, B8 reports for review.
  - Board will monitor C7.
  - Board will adopt revised committee charters. (Committees should schedule meetings to review charters and elect chairs.)
- AY will broadcast to owners to attend December board meeting to join committees.
- All directors will complete upcoming poll about retreat dates to be sent online.

*8:40 Meeting adjourned.*