

Board of Directors Meeting  
**Monday, April 16, 2018**  
6:00pm check-in | 9:05pm adjourn

**Check-in (5min)**

**Directors:** Tony Bezsylo, Sean Shatto, Claudia Richman, Norma Samame, Ed Corcoran, Celeste Levitz-Jones, George Langford, Ally Young (6:30pm arrival, excused). *Planned absence: Rebecca Reynolds.* **Owners:** Meghann Wilkinson (scribe), Tom Pierson (facilitator), Jacqui Ellinger. **Staff:** Sharon Hoyer, Jess Nimm, Lily Baker, Audrey Sekendur, Amy Kozin, Andy Sullivan, Jessie Gaston, Deanna Smith.

**Consent Agenda (Decision, 5min)**

- March Meeting Minutes approved (*edit to show that Norma was absent*)
- Policy Committee Report accepted, revisions passed:
  - Strike C6.5(a), Officers' Roles: [...the vice president will] "*convene and chair the yearly election committee.*"
  - Update Policy Committee Charter, composition section: strike "*The elected Board Secretary will chair the committee.*"
  - Update C5.5, Directors' Code of Conduct: "*Directors will prepare for and attend all board meetings and trainings. Excused absences require notification of the Board in advance of each impacted meeting or training. Excessive excused absences or two unexcused absences will be considered a violation of the Directors' Code of Conduct.*"
  - Replace C3.5, Agenda Planning with current text of C4.4, Board Meetings: "*The meeting agenda will be determined by the board president or another board member appointed by the president, and may be modified at the meeting by consensus of the board.*"
  - Update C3.6, Agenda Planning: "*The president shall circulate a draft agenda to directors for input within one week after each Board meeting, to be closed and advertised to owners by one week prior to the next meeting.*"
  - Add new C3.7, Agenda Planning: "*Directors will submit supporting materials for agenda items by the established deadline to be included in the meeting packet.*"

**Meeting Agenda (Decision, 5min)**

Agenda adopted as drafted with following revisions:

- Edit to read "May" not "March" agenda.
- Move GM Monitoring to directly after Owner Comments.

**Owner Comments (Listening)**

TB, Owner Liaison

Jesse distributed petition from the staff calling on the board to set higher standards when monitoring its living wage policy. Current wages will block folks from the community from being able to work at the co-op, as rent is rapidly increasing with gentrification of our neighborhood. Audrey stated that the staff would like to reach compliance on living wage policy by July, start of next fiscal year.

Coffee with the Board Report-Back: the gathering was mostly directors-- Sean, George, Celeste, Claudia. Low participation likely due to bad weather. Participants discussed:

- more linkages between owners and board.
- ways to clarify what that the “story” of ownership is, communicating benefits.
- possible events: teach-ins/talks, crafting, public outreach (farmers markets, etc). Talked about the use of the cafe space- CSA pick-up, game nights, knitting club.
- getting input from staff on getting owners to feel that the DPFC is “all of our space.”
- more fully integrating staff’s understanding of what the store is with the ownership’s understanding of what the store is.
- suggestion to interview shoppers.

### **GM Monitoring: B6, Staff Treatment & Compensation** (Decision, 20 min extended to 80min)

SS, President

**Global B6 policy** will be fully reported on in September, following conclusion of a third-party staff survey conducted by CDS.

- **B6.1:** Accepted as in compliance. Flagged for revision: language should reflect management decision to drop “grievance” policy in favor of conflict resolution.
- **B6.2:** To be reviewed in September. (Interpretation accepted.)
- **B6.3:** To be reviewed in September. (Interpretation accepted.) Flagged for revision: “grievance” language should be altered to support new staff policy.
- **B6.4:** To be reviewed in September. (Interpretation accepted.)
- **B6.5:** Accepted as non-compliant. GM will revise Employee Handbook to include GM’s interpretation of this policy and re-report in September.
- **B6.6:** Accepted as compliant. If there is significant data to add from the staff survey, GM will re-report on it in September.
- **B6.7:** Accepted as compliant. GM will research best practices around backing up personnel files and other sensitive documents.
- **B6.8:** Interpretation accepted with one opposed (AY), data insufficient to determine compliance.
  - Discussion: “internally and externally” inequitable- the interpretation doesn’t say anything about living wage. There is a living wage policy (B6.11), but each interpretation should be able to stand alone. There are 2 sub-policies that are kind of overlapping- makes things a bit unclear when we look at them in isolation. Maybe problem is with the policy- not the interpretation.
  - Equality vs. equity: how staff compensation lines up among staff positions, how staff compensation lines up among broader grocery community, and then how staff compensation lines up among living wage.

*Added 10 minutes to the meeting*

- Consensus minus one system allows monitoring to proceed to review of data: Data = internal equity- what are people actually making here relative to each other? We see intended pay ranges but not actual pay- what is the distribution among these pay ranges? What is the avg pay rate based on time of service, gender?
- Would like to see: actual distributions. Data as stands shows intent- we should see actual numbers and data. How are these rates determined? Is there a formula to decide who makes what number?
- Why are top management positions “below average” in salary- are we intentionally targeting this?

- Data insufficient. Finance Committee will meet to hash out longer-term plans with this sub-policy and decide when board will revisit this for follow-up reporting at board level. GM will present a follow-up report on the data in May's meeting.
- **B6.9:** Accepted as compliant.
- **B6.10:** Policy is accepted as in compliance with the adjusted interpretation from GM. Path forward: this will be sent to the Policy Committee- PC will report back.
  - Interpretation doesn't match the data. Interpretation = acceptable with update from GM to include language that says, "after their 90 day introductory period". Data = sufficient.
  - Flagged for revision: employees work as full-time for 90 days without co-op sponsored health insurance- this is in violation of the policy. Policy Committee will work to clarify. Do we amend the 90 day introductory period or amend the policy? There is a problem with the policy.

*Adding 10 minutes to the meeting, take 5 minutes from Operations Report. Future agendas should include much more time for this policy.*

- **B6.11:** Interpretation accepted with two abstentions (AY, EC).
  - Flagged for revision- "single adult" language is problematic. Single adult is always lowest number in living wage calculator. Recommended change: at least "Adult + 1". Could also set a distribution- looking at the Levels of pay grades to gather data (like B6.8). You can't ask for personal info before hiring (dependents, etc). "City of Chicago" is broad- should be more neighborhood-specific- to live and work in Logan Square costs more than in other neighborhoods. Broader questions about living wage in general.
  - Data is sufficient.

*Take 5 minutes out of 30 minute article discussion- added to this.*

- Accepted as non-compliant. Path to compliance discussion: board would like to see some other options- a separate path that is more aggressive- what would a path look like that gets base rate to \$15/hr by August 2019. What does DPFC need to do in terms of sales, etc. Board needs to know what that would look like realistically.
- What are the benchmarks of profit we need to be hitting in order to make GM's projected plan? Could those be sped up?
- GM's plan needs to include multiple paths to increase base wages. Also needs to include data for plan for single adult + 1.
- GM will present secondary path to compliance that shows \$15/hr base rate by August 2019. GM will have these targets set by June board meeting. Finance Committee will be discussing this.

--- **Break.** (10min) ---

## **NCG Spring Meeting Report (10 min)**

SH, GM

GM recently attended NCG Spring Meeting in North Carolina. Theme: Customers as the Heart of the Co-op. Highlights: Sales growth had been in decline across NCG- but turned around in 2016. NCG at large is strong and stable, but 6 co-ops closed last year and 12 more are struggling. NCG called a new member freeze in 2018 to focus on supporting current members. DPFC got a "Growth Star" award!

There is some NCG Consumer Research in the works. Functional Integration- sharing resources like CFO's, common chart of accounts. NCG is rolling out an annual participation report- looking to build a relationship between boards and NCG. First report will be issued June 2018 for 2017 calendar year.

GM presented on expansion at Central Corridor meeting. Next meeting Sept. 2018 in Twin Cities.

### **March Operations Report** (Decision, 20min)

SH, General Manager

Summary: Rolled out needs-based ownership program. Cash position improved. GM will be looking to work with a board member or two on the structure of Team Drive (AY, SS volunteered).

GM will be reaching out to do more interviews for new store manager.

Owner loan team is looking for 3 more callers to join. (15 calls/wk thru the end of May- picking back up in the fall). GM will be starting to work on the floor on Saturdays- can talk more face to face with owners. Continue discussion about owner loans at Finance Committee meeting

GM will correlate basket size and customer count for next month's report.

Questions fielded, report accepted.

### **Board Monitoring: C6, Officer Roles** (Decision, 20 min)

CR, Director

Global C6 policy accepted as compliant.

- **C6.1,2,3:** Accepted as compliant.
- **C6.4:** Accepted as compliant. Noted that board is on path to compliance with all policies. Potential update- fleshing out Whistleblower Policy to figure out how to go about doing that. Escalation Policy as it is stated gets absorbed by Whistleblower Policy. This will be talked about more when the language is clarified.
- **C6.5:** Accepted as compliant. Flagged for revision- part A has been removed.
- **C6.6:** Accepted as compliant. Flagged for revision- Policy Committee with reword this to say something about treasurer checking in with accountant.
- **C6.7:** Accepted as compliant. Flagged for revision- reword (a) "assuring" to "ensuring"

### **Board Study: Ownership** (Discussion, 20min)

CLJ, Director

Summary of article by Brett Fairbairn outlining elements in healthy relationship with owners:

1) Linkage, 2) Transparency, 3) Cognition.

Not separating your economic goals and social goals.

Customers and owners- customers as potential owners.

How could this be shared with staff in an effective way?

Telling story about co-ops, cooperative economy.

Directors participating in Ownership Orientations.

Expanding charter of Election Committee to be Owner Linkage Committee- could be a good place for these ideas.

Board members stepping up to co-op community events in Chicago.

Create a checklist for linkage, transparency, cognition- to take stock of what DPFC is actually doing. One per meeting? Divide up amongst committees?

Cover capital, staff, and other miscellaneous pieces in each of the reviews.

CLJ will share a short article for next meeting- board will go through linkage, transparency, and cognition piece by piece.

### **May Agenda, Announcements (5 min)**

SS, President

May meeting agenda:

- GM monitoring: B1 + follow-ups from B6.
- Board monitoring: C7 (SS)
- Board Study: ownership, continued (CLJ)
- Norms, shifting online communication (SS)
- Annual Meeting: decision on date and location pushed to May. (TB)

May events/meetings/announcements:

- CBL 101 in Kalamazoo, May 5!
- Finance Committee will meet twice before next meeting: to review B6 and prepare B1.

Checkout: noted need to allocate more time to B6 in the future, more realistic agenda planning overall.

Meeting adjourned at 9:05(?)pm.