

Board of Directors Meeting  
**Monday, May 21, 2018**  
6:05pm check-in | 8:59pm adjourn

**Check-in (5min)**

**Directors:** Tony Bezsylo, Sean Shatto, Claudia Richman, Norma Samame, Ed Corcoran, Celeste Levitz-Jones, George Langford, Ally Young. *Planned absence: Rebecca Reynolds.*

**Owners:** Sharon Hoyer (staff), Audrey Sekendur (staff), Meghann Wilkinson (scribe), Brian Solem (facilitator), Paula Gilbertson (NCG).

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

- April Meeting Minutes to be revised before publishing.
- Policy Committee Report accepted with revisions.
- Updates on C4 and C5 reporting accepted.
- Finance Committee Report accepted.
- Proposal to delay B6.8 follow up report passed.
- Final GM review letter for 2017 approved.

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

Adopted without amendments.

**Owner Comments (Listening, 10min)**

No owner comments.

**Consensus Building/Discussion Norms (Discussion, 10min)**

Tony Bezsylo, Director

Addressing B6 monitoring during May meeting: discussion on livable wage sub-policy went well over time, did not result in clarity. Learnings:

- Agenda planning: Allot appropriate amounts of time for these types of foundational topics on the agenda, gauging from years prior.
- Facilitation: beyond timekeeping, group needs active facilitation to be sure everyone is heard and conversation remains focused.
- Education: Learn more about relevant topics before/between monitoring in order to better navigate decision-making. Invite speakers, share readings, etc. Policy committee can lead in reviewing policies ahead of the board's monitoring schedule, not just following up on items flagged during monitoring.
- Exercising unity of voice: meeting time must be used for full board to accept/not accept reports as compliant. Next steps for noncompliance (prescribing consequences or working on a plan of action) can be delegated to a committee and followed up on at subsequent meetings.

**April Operations Report (Decision, 10min)**

Sharon Hoyer, GM

Report accepted. Summary: Sales overall have been tracking slightly below plan, but seeing improvements. Still positioned to roll out a wage increase in July. Mailing of quarterly coupon in end of May and should see increase in basket size in June. No call/no show from inventory service (RGIS) on

Easter Sunday for 50% of the store; this has a big impact on all of the numbers. Q4 inventory scheduled for July 1st. Continuing to interview for store managers. One candidate was brought through a staffing agency- if this person is hired, there will be a fee. GM has been much more involved in operations.

Ownership: 10 new owner share purchases and 1 equity repurchase approved. (Moving forward, GM will submit this information to the consent agenda.)

### **GM Monitoring: B1, Financial Condition** (Decision, 45min)

Sean Shatto, President

Global B1 policy report not accepted; data insufficient to determine compliance. (Due to missed inventory count, numbers are inaccurate and report is based on a forced margin. Paula holds concerns around claim of profitability, will forward letter she sent to GM to the full board.)

Path forward: GM will re-submit full B1 report next month to reflect impact of missed inventory, with draft numbers clearly italicized. Financial Condition for Q4 will be monitored in August. Board will work through sub-policies now in order to adopt revised report in next month's consent agenda:

**B1.1:** Data insufficient to determine compliance.

**B1.2:** Interpretation accepted with revision: *GM will revise the word "profitability" in the interpretation to "income"*; data insufficient to determine compliance.

**B1.3:** Interpretation accepted; data insufficient to determine compliance. GM will provide more detail on plan to increase owner equity.

**B1.4:** Accepted as compliant. {1 abstention: NS}

**B1.5-11:** Accepted as compliant.

**B1.12:** Accepted as compliant. Flag: Is there a policy needed or language acknowledged elsewhere about GM managing external errors such as the inventory company not showing up?

--- Break. (15min) ---

### **Board Monitoring: C7, Committee Principles** (Decision, 20 min)

Sean Shatto, President

Global C7 policy accepted as noncompliant.

**C7.1:** Accepted as compliant.

**C7.2:** Accepted as compliant. {2 abstentions: TB, AY} Lack of clarity voiced regarding HR Committee acting without full board approval in handling GM review and contract renewal. HR Committee will revisit its charter and the calendar, SS will revisit the contract approval process and share reflections back with board.

**C7.3:** Accepted as noncompliant. Committee charters are scheduled to be reviewed and updated early in new board cycle; this hasn't happened. In adopting next year's Annual Calendar, board will consider either recommitting to current schedule or aligning with C7 review.

**Board Study: Ownership** (Discussion, 30min)

Celeste Levitz-Jones, Director

Discussion on the concept of Economic Linkage—the means to mutual benefit:

- Member coupons, discounts, member appreciation // other discounts
- Patronage rebate
- Member events
- Donations policy // Sponsorships // Community alliances

We know the benefit the owners provide to the organization-- what is the benefit we provide to the owners? Do we know *why* people are becoming owners? Harness to build the narrative.

When was the last time we re-evaluated the equity buy-in? How was that decided, and might it change?

What are some of the metrics that would indicate owner satisfaction, participation? (Owner Bonus coupon redemption, voter participation, attendance at annual meeting, loan campaign, basket size of owners vs shoppers, % fully vested owners, \$ local sales, etc.) Board could start asking for different types of data in the operations report to deepen understanding, contribute to storytelling.

Increased engagement: owner decision-making about Pickle Nickel donations, directors becoming more active with strategic partners, new ideas about Annual Meeting, more platforms for owners to connect with each other and with directors, revamping orientations so that new owners are well-educated spokespeople about the co-op, evaluating data from comment cards.

**Action Items, June Agenda, Announcements** (10 min)

Ally Young, Secretary

June meeting agenda:

- GM monitoring: B2 (SS) // Board monitoring: C8 (CLJ)
- Board Study: ownership, continued-- on topic of Transparency (CLJ)
- Approve board budget (EC)
- Decision on annual meeting date and location (TB)
- Check-in on director intentions for upcoming term (SS)
- Election Committee discussion on charter updates (TB)
- HR Committee charter update (SS). Committee will meet, determine if agenda time is needed.

June events/meetings/announcements:

- Finance Committee will meet to prepare B2 for next meeting.
- DPFC was on cover of Cooperative Grocer Magazine! Check out article on expansion.
- LSNA call to action: rally for affordable housing (support of teardown ordinance), 5/22 at 6:30pm @ Spaulding entrance of 606 trail.

Meeting adjourned at 8:59pm.