

Third Tuesday Meeting Notes
June 17, 2008 6-8 pm

Guests and staff present:

Victoria Wideman, Deborah Schumacher, Steve Schauer, Deb Shortess, Rex Rice, Layne Day, Angela Herr, Marcia Atwood, Crispin B. Hollinsherd, Sheile & Robert Garcia, Carrie Rice, Joshua Bennun, Dan Hobbs, Hank Walker, Sally Lovell, Indi, Sue Sjolund, Derek Christensen, Yvonne Cleveland, Frank Hoffman, Todd Fisher, Mary Jacobs, Dan Goldstein, Cindy Wolpin, Tudi Haasl, Deb Wiese, Mickey McKinney, Liz Lindstrom, Andrea Dahdah, Julie Jaman, Joe Breskin, Ruth Apter, Susan Longlois, Joyhn Barr, George Yount, Nancy Milholland, Kevin Terry, Dave McWethy, Douglas Milholland, Josephine Holmstedt, Trisha Tyler, Tracy Nichols, David Michael, Bev Mustin, Annie Cleveland, Katy Morse, Val Johnstone, Sandra Krist, Deborah Stinson, Linda Smith, Shila Zimmerman, Seth Hager, Marissa Joinson, Rene Tanner, David Dunn, Andrew Redding, one illegible signature and many more than did not sign the sheet.

Board present: Dorn Campbell, Steve Moore, David Goldman, Janet Welch, Paula Mackrow, Richard Wojt, Katherine Baril, Jason Squire, Rick Seppler.

Recorded by: Brwyn Griffin

Called to order at 6:06 pm by board President, Dorn Campbell.

Dorn announced the following agenda items for tonight:

- Strategic Planning
- Policy Governance: Carver Model and Basic Non-profit Model
- Issues that Bring us Together and Divide Us

He stated that the board has no agenda on the table, as to action intended, and he asked the questions:

- How can we govern ourselves and be more effective, and identify issues currently dividing the co-op?
- How can we:
 - 1) Be respectful to each other when we speak
 - 2) We need to be brief because of the number of people here

Richard Wojt asked for clarification on the structure of tonight's meeting and suggested we begin with Policy Governance and then move to Strategic Planning.

Katherine Baril asked that, since Policy Governance is a specific issue that even she didn't understand fully and speculated those present were unfamiliar with, that we simply allow those present to speak to the Board. This suggestion was agreed to by the directors.

The following is my best attempt to capture what each speaker spoke, and any mistakes regarding the content I accept as the recorder. I also apologize for any misspelling of names.

Bev Mustin: Longest continuous employee 26 years. Feels the board is hoping to change the Policy Governance issue and also to go to a more volunteer organization. Our business now is a “business” and things are different than in the past. We need employees that will come to work on time and be willing to be trained. Doesn’t know anyone on staff that would want to have their job replaced by a volunteer. Volunteers are not dependable. New board would like to change our product mix drastically. Our customers want what we have on the shelves and we offer healthy versions of those products.

Joshua Benin #7023 : Store is where I can get healthy organic foods at a reasonable price. It’s not a garden club or a political entity or a large chain. I hope the perception is shared by most members that we have to take the middle path. 1) The co-op has become a sizable entity, and not run by volunteers. We need to pay the staff decently and have job security. The idea of relying on unpaid volunteers is not a sound idea. 2) Management should not become overly extreme. Members should not be seen as clients and should not dictate what employees can do, like wear a bunny costume to work. Sometimes it would be good to remind the management that this is an owner-operated business and if management stays in their position too long, it’s not good. (Joshua submitted his statement in writing, which is attached.)

Doug Milholland: It’s okay with me if the board wants to bring new ideas into the co-op, volunteers of say 5 % of the labor force seems reasonable. Some product shrink is fine. I want this board to feel empowered. If not, you will have a sense of burnout. Please don’t compete with each other to win, but find the wisest path by listening to each other. Conflict can bring a gift: Social partnership rather than social contract.

Liz Lindstrom: Appreciates what Doug just said. I have concern about micro management. There is a whole process by which we hire for their expertise and we have a general manager. Policy Governance provides a tool for good governance, it allow you to set parameters for your manager. Please learn about Policy Governance and don’t throw our history out without consideration. If after study and consideration you discover you wish to change to a new form of governance, then do so. Empowerment of board...the board has a lot to do and micromanagement is not necessary. I do appreciate our Product Selection Guidelines Committee. I’m dialoging with my reps and they are dialoging with their suppliers. There is a lot you can do as a board and I think it is about strategic policy and not operations.

Dorn asked Liz for examples about board micromanagement: Liz replied: Eggs came up at the board level and at the AGM. I am drawing a blank for specific examples, but we have had a long history of the board becoming micromanagers around operations. Board can have a positive relationship with their one employee. Briar has been the most positive and energetic person supporting staff ever, and I hope for that for Briar.

Dorn: Board needs to make a lot of improvements there is no doubt about it.

Steve Moore: Attended CCMA (Consumer Cooperative Management Association) workshops this weekend in Portland. Hasn't been trained in Policy Governance. Ann Hoyt taught a workshop with 140 people in the room, and almost all of those when asked said they used Policy Governance at their co-op.. Can't make a decision whether PG is good or bad because he and the board generally are not informed about this tool. He recommends getting training.

Paula Mackrow: I, along with Ruth and Carrie, have been trained in Policy Governance (PG). Recommends those directors who haven't been trained get trained. I support PG. Boards (in the past) have not learned how to provide a report that is useful. We have not been operating under policy governance for over a year. We suspended everything but the financial reports, and there have been no other reports discussed. Briar has been operating the store without the board's input.

Richard Wojt: I have been going over and over PG, We had it at the county and it worked wonderfully. If you look at page 41 and 42. If there is something we want to accomplish with PG, we have the policy steps written within our policies already. We as a board can make it more complicated than it is. We need to discuss what we want to see through the ends policy, so management knows what direction the board has

Sally Lovell: At June 3rd board meeting Katherine asked for a facilitated discussion with the board regarding what divides the board. Can you address what the issues are that divides this board?

Katherine Baril: This organization is important in the community. We have spent a lot of money with surveys and consultants. Do we get smaller or larger? Do we see ourselves as providing jobs or volunteers? Are we diversified or are we a 70's type coop? Are we organic even if factory organic or are we beyond organic? Worker co-op or job with benefits? Co-op has the real opportunity to be at the forefront of education in this community or implode.

Andrew Redding: PSGC member new to community 1 ½ years. Been to other communities and other co-ops. I have never been to a co-op I have felt as good about, I love it, I buy 90% of my food there, I'm almost there daily, and I love the employees. We are doing awfully well as a beginning, compared to what is out there. I think we can do better, no matter how well we are currently doing. We do need to address issues of where we are going, especially with the changes ahead of us with rising gas prices. We don't want to lose profitability, the level of inclusiveness, etc we must maintain that. I'm very proud of the fact that the workers are begin paid well and getting great benefits and that means a lot to me. Leery of going to a volunteer program. I want the workers to know they have stability, etc. Having some volunteers and some staff creates a two tier system which brings its own problems. Important to have a progressive motion, question bottled water, and still do this while maintaining financial stability and staff.

Ruth Apter: We just had an HR audit. We have a 42% staff turnover rate. Cycling through low-paid positions. There may be room for people in those low level positions to become volunteers at some time in the future. Feels it is important to look into the possibility of this avenue if the viability of the co-op is a question. One thing that disturbs me is that there are a lot of employees here because of rumors. If one or two directors make a statement, it doesn't mean that the board as a whole agrees with this one voice. I strongly encourage the large staff to come on board now and be heard.

Dorn Campbell: Janet's article was not represented as the voice of the entire board.

David Goldman: Board's Board was left as is because we decided it was getting attention and brought forth this crowd. There is nothing on the table for this board. That is partly why we wanted you all to come tonight. So we are already a success.

John Barr: Our co-op has become defined so broadly, we are not sustaining any reason for the new members to support the mission and principles. I would like to see more steps taken to align what is in the store with our mission and principles, like having plastic bags. Why do we have some of the magazines. Our co-op is drifting further and further from our m&p. If I want to go buy some of the products that aren't in alignment with our m&p I can go to another store.

Laura Lawless: Grocery Mgr. Natural Food industry background. We have a really great co-op. We are so fortunate. People basically understand that. We are not broken. We need a strategic plan from the board of policies and issues: low income assistance, nutritional education, farmland preservation. Members don't all think the same. Challenge you to some degree...tens of thousands of dollars spent by board and wasted. We could have a Co-op for farmland equipment. Farmland equipment can only be purchased if we are a viable economic entity.

Julie Jaman: Worker, volunteer, rabble rouser for a lot of years. Read the m&p. It doesn't speak about how to operate as a big business. We began 30 years ago to supply foods unavailable to us in PT. We are at a pivotal point. Are we going to continue to look like the groovy natural foods store, or are we going to get creative and unique to deal with what we are going to be faced with in the future.

Cindy Wolpin: Please figure out a way to have a meeting like this where a lot more people can comfortably participate without having to stand up.

Val Johnstone # 8789: I love my co-op. I've loved it for 10-12 years. I loved it old, and I love it now, and in my naïveté I assumed it would stay this way forever. I began to hear rumors about changes the board was going to make. My concern is the lack of transparency with the board. The questions the candidates had to answer didn't even have anything to do with the issues the board was divided by. I didn't know anything about volunteers in the store, the product selection reduction discussions, etc. I didn't know anything about issues dividing the board and I don't know anything about Policy Governance, but I would like to be better informed as a member. I would not have

supported any candidate desiring to change the board. She asked if the board could change the way the co-op runs, and asked for clarification about whether the board had the power to make changes like that without members input. She was told yes, the board does have that power.

Dan Hobbs: Co-op developer for years. Address the board. You have a hard job ahead of you. We are emerging from adolescence. Very few co-ops made it out of the 70's intact. REI, Land-o-Lakes, Ocean Spray function as co-ops but are very different. Accept the middle ground and work toward next step. You have a profitable co-op here. Hold on to that for dear life. Co-ops return benefits to their members by being profitable. There is often confusion between non-profit and cooperative models. Co-op is not a non-profit. We are trying to keep this operation in the black. New governance models need to be tested based on a business analysis perspective. NCGA (National Cooperative Grocers Association) mentioned. As someone from the Ag community we need this co-op to be profitable.

Paula Mackrow: Could you speak more about how a co-op like this can provide benefits to members, as a buyers co-op vs. a producers co-op, where profit is clearly the motive.

Dan: Benefits and dividends.

Ruth or Julie: How much to we have in our savings?

Sally: About \$900,000

Julie: We haven't divided that up and distributed it?

Briar: We have never been set up with a dividend system.

David Michael: Exclusively buy my food at The Food Co-op. Wildwood Natural Foods background. What is the function of the board?

Richard: Role of the board is to monitor the Ends Policies. Ends Policies were read aloud by David.

Dorn: the m& p and the ends are bifurcated.

Richard: I don't agree. The ends are the way to accomplish the m&p. They guide the GM to achieve goals. We need to meet as a board and discuss what we need to change.

Sally Lovell: One of the topics that divide the board is that it doesn't appear to agree to what their role is.

Unidentified Speaker: Not for profit vs. non profit. In order to be viable we must be profitable.

Deborah Stinson: Profitability and dividend distribution. The dividends that come to members are not in the form of cash, but we get it in the form of value added. We must stay profitable and strong to accomplish...(sorry, didn't catch it.)

Josephine Holmstedt: Staff is critical to the success of the profitability of the store. We are educated and do a vast amount of research. There is a huge disconnect between the board and Briar. The board has one employee, and Briar has 90. None of the board members other than Katherine and Richard have ever reached out to me or recognized me as a viable part of the co-op.

Derek Christenson: I'm here because of the rumors that were started which I am glad the board has cleared up. I have worked in retail grocery for years. This co-op is one of the strongest places both inside and out, I have ever worked with. This store provides the best training I have ever seen in a work place. I come to work with a huge smile and leave with a huge smile. Staff is in favor of volunteerism, but don't jeopardize those who come to work every day.

Dorn: PG doesn't allow the directors to interact with staff.

Mickey McKinney: It's the content of the discussion that PG dictates.

Brwyn Griffin: PG doesn't need to be interpreted literally but adapted to the functionality of the work place. Board members can still educate themselves and talk to staff. The intention is to reduce the tendency of the directors to try to become directly involved in giving direct instruction to the staff; telling them what to do. PG is not prohibiting the board from learning who the staff are and what they do in their jobs. Directors can still be social with staff and can also educate themselves about the staff and the store without violating the intention of PG.

Dorn: Carver is contradictory in his own material.

Marissa : First day in food services. There are models for everything and it must be customized to the need. Take a model and implement with consideration as to our specific needs, concerns, problems and culture. The co-op is both a macrocosm and a microcosm.

Dorn Campbell: At the last board meeting I made a survey, and according to our policies we are required to monitor our own Board performance. The board gave themselves higher marks than those in the audience.

Doug Milholland: If the board can allow this type of meeting to occur more often, we can be even more successful. He suggested the value of active listening. With an active listening process, even great wisdom can occur. Please include us and let us be part of our success. Thanks for "Listen Like Crazy". Thanks for giving Coca Cola the boot.

Hank Walker: I've heard a lot of comments about this good turnout, and the word rumor has been heard a lot tonight. But when board members put comments in writing, it's not rumor. The inflammatory comment (on the board's board) was taken down, then put back up, and it's about not simply what I want, but what we want.

Andrea Dahdah: Years working at co-op. Even if it is an opinion relayed to us as an opinion of even one director it is still coming from the board.resent that it's being referred to as a rumor...it is offensive...it was important enough to us that we showed up tonight.

Janet Welch: asked for clarification about her written document in the Commons and if that article was what everyone was referring to. She was told yes.

Andrea Dahdah: It felt like a doomsday piece saying we should all go back to the horse and buggy days, rather than add a buggy to what we already have. Right now we are all feeling the economic squeeze.

Liz Lindstrom: For me, when I read the article, I was confused and there seemed to be contradictory elements. Mountain People and United Foods severance? Why are you opposed to these operations? Creating more bulk foods in the store? Why in the event of a disaster would having more bulk foods help us deal with this issue? You didn't address the fact that we are a very substantial employer in our community now, and we do need to think of sustainability, but every day I think of the families depending upon these jobs we provide.

Frank Hoffman: In the retail model we....co-op model Mission & Principles. This calls for argument. It contradicts a democratic process.

Dan Goldstein: I hope we don't take too much time dissecting this article. I work at the co-op, and have been a member for ten years. The difference between retail model and the co-op model. A co-op that doesn't pay attention to business, but focuses on philosophy, would potentially lead us to failure. Some volunteer models feel like trying to bring in cheap labor, and we don't need that. Education is important for the employees and membership, and the community.

Jason Squire: Staff and on board of directors. Ran on the board to be a voice for staff. I am stepping down for mental, financial reasons.

We tabled Policy Governance to get thru Strategic Planning. Directors are supposed to be visioning. Co-op is successful despite the board these past few years. We tend to work at things rather than toward things. Come to the meetings. It's nice to hear people that love the co-op. We need to take what we learned from "Listen Like Crazy" and apply it. We just need to do the work. I'm willing to come in to work on Strategic Planning, but not as a board member. I love the co-op, my co-workers.

Deb Shortess: 17 years working with boards of the co-op. Once the board went beyond staff and volunteers and brought on more professional members, they were more effective if they spent some time at the beginning of their terms getting trained and oriented. I don't know how you can make decisions about Policy Governance without learning it and using it first. I don't know how you can move forward on Strategic

Planning without orientation and training. Based upon my observations it's been well worth it for the board in the past.

Sue Siolund: Employee for five years, member for 20. Seen a lot of changes in the co-op. Sustainability of the UNFI deliveries. We need the volunteers on the farms helping get the food to the store.

Joe Breskin: PSGC member. Involved since 1975. Helped PCC start the first store. Unhappy with board process. I would like to see a report generated of the data from Listen Like Crazy where the employee-only sessions are separated from the member sessions. I think this is very important and we have data we need to learn from. It's not a worker cooperative, it's a member-owner cooperative.

Katy Morse: I'm sad that Jason is stepping down from the board and I'm curious how that position will be filled once it is empty. Will another staff member replace Jason?

Briar Kolp: The board can agree to appoint someone by unanimous vote to fill a vacancy. It may be a staff person, but there is nothing saying it must be a staff person.

Bobby Jenusaitus: Thanks to all who came tonight. Support the process. It's going to be challenging. Stay above this us vs. them mentality. We are successful to some degree, and to some degree things are working. Will they still be working in a month or in a year? I'm in disbelief about how things are changing so fast.

Karl "Indi" Nelson: We have had a lot of people leave recently, but they have been for very positive reasons like school or pregnancy.

Briar Kolp: I might not meet your expectations of speaking words of wisdom. I want all those people that started the co-op to hear our thanks, but there are still people doing things like driving to Seattle to pick up supplies. It's still a lot of heart and dedication.

I feel like I'm in the twilight zone. When I'm in the store, everything is so positive, and that is only one part of my life. The other part of my life is the board. And now I hear you talking about how we all need to listen while there are so many people in the room, yet at your meetings, I don't feel that is what you do. I love being in the store because that's where the energy is, where it's positive.

Norma Freed: What I'm hearing is, I think, the challenge of living in a for-profit society and living a cooperative model. We are trying.

Trisha Tyler: Four years in the kitchen. First board meeting. With all respect, I had no idea how dysfunctional this board is. This is like Katrina and you are FEMA. Please get it together.

Linda Smith: This is the nicest of four meetings I've attended of the board. We need to learn how to listen to each other, and have trust. We have an opportunity to lead Port

Townsend in setting examples of sustainability from co-op. What I've heard about is that Briar runs a good show, and the board keeps talking about not knowing what Policy Governance is, yet you've been on the board now, how long? Educate yourselves.

Directors should be involved in long range planning. Not worrying about Briar's job, or other managers jobs. Look at your role and get busy. You should be diverse because we are diverse. Listen to each other. As problems come even faster, you can learn to be a model to this community if you learn to listen.

I haven't heard anyone say Briar is messing up. You are smart and have good discussions. Use 85% rule. If the board used this policy, it could be more effective.

Dorn Campbell: Thanks for coming. I will try to make this board as effective as possible.

Adjourned meeting at 8:27 pm

The Food Co-op
Board of Directors
Third Tuesday Meeting Notes
September 16, 2008
Topic: Board Internal Contract

Board Present:

Dorn Campbell, Steve Moore, Rick Sepler, David Goldman, Richard Wjot

Guests Present:

Charlotte Goldman, Cindy Wolpin, Susan Langolis, Yvonne, Annie Cleveland, Andrea Dahdah, Julie Jaman.

Scribe: Brwyn Griffin

Dorn called the meeting to order at 6:02 pm

Dorn asked those present to give their perspective about the topic “Board Internal Contract” and to speak to what they felt it meant. It was agreed that those board members who proposed this topic, “Board Internal Contract” were not present, and suggestions were made about how to best use this time.

Richard Wjot suggested the directors present take one of the monitoring reports and focus on addressing the questions posed as an exercise.

“How we make decisions was suggested” by Dorn. “How can the board make good decisions with the ongoing absenteeism the board is experiencing.”
(this possible topic prompted the question about what the policy of the Co-op, if any, was regarding expected attendance by the directors at the meetings.)

David offered Article 3, Section 3 speaks about removal of directors.

Dorn: Consensus minus one requires a lot of listening, bridging gaps, and discussion and sustained understanding of what someone else believes, which is difficult to do with so much absenteeism. It takes time to learn to respect other directors. Root word of consensus is consent, oriented to making a decision that is the best for the group given our differences. As a board we don't know each other well, we can read things into what is said.

Richard: Spoke of his lack of concern about whether others on this board like him or not, but spoke of his desire to know that the evidence presented to back up any position on an issue be honored. He stated his frustration with the amount of time discussing the policies without even looking at them or proposing changes. He spoke of the lack of time this board has spent looking at the Ends Policies and working on how to best clarify their use for both the GM and the Board. “How we vote doesn't matter if we aren't voting on things of consequence.”

David asked Richard if he felt he knew enough to run the coop. And asked “what’s the difference between QFC and the Coop” (mentioning the flyer sent by QFC with deals on organic).

Richard voiced his belief that the GM is currently using the ends policies to run the co-op effectively.

Steve mentioned that each board member could have a differing opinion of what the “job” of the board is and mentioned his opinion that the issue is one of being liked vs. being right. The later is what Steve feels occupies this board. Steve brought up the value of each director voicing personal reasons defining the “reason for running for this position.”

Forcing attendance or mentioning that decisions were made without some of the directors’ presence.

Dahdah: Spoke to her definition of the board. Each director elected based upon what was voiced in the elections about what each could bring to the board. Briar and Sally bring information and based upon each director’s previous experience, decisions are made. She didn’t feel it was expected that the board would have the knowledge to “run” the co-op.

Richard said Briar doesn’t even have all that information, which is why she hired qualified managers.

Steve added that the board also brings in additional expertise to oversee the business.

Rick: Trust comes from mutual expectations, a social contract, which comes to expressing and accepting the values of each other. What meaningfully can we do tonight with only 5 directors present?

Procedural expectations can be agreed to in the absence of those directors absence.

Take this evening as an example relative to decision making. If we went to a simple majority, we could have a group of three make important decisions for the board.

Rick: Suggested that the board initiate a policy where if the absence is unexcused you lose standing with a reasonable expectation to show up for at least 20 out of 24 potential meetings or you lose your vote (standing).

Brwyn suggested the board leave time at the end of each meeting to recap the decisions made at that meeting that carried forward, make certain to note the possible absentee factor for the following meeting, make commitments to setting topic, time of meeting, etc.

Rick mentioned that for certain of these discussions we know specific directors have strong feelings Katherine and Paula have both expressed strong feelings about decision making and they are absent.

Dorn: Suggested that the board determine the minimum number of absences allowable.

David: Suggested that it seemed that the directors present were moving toward the topic of “decision making” as something to discuss sooner than November, and suggested moving that topic to the October meeting at the next agenda meeting.

Richard: Suggested that the board doesn’t make decisions well because the board doesn’t know where it wants to go. He felt the board needed to look at the ends policies.

Rick: Suggested that the board initiate a policy that if a director doesn’t attend a specific number of meetings they will lose the ability to block a decision.

Jaman spoke on behalf of Paula’s position in favor of consensus decision making being a philosophical position. She was asked if she was speaking on behalf of Paula.

Cindy asked the board to clarify the intent of the Third Tuesday Meeting with regard to decision making, in other words, can the directors make official decision at the Third Tuesday meeting, and if so, can’t they conduct regular business at these times?

The following were proposed for the agenda on October 7:

- **That the Third Tuesday meetings become regular meetings (with voting possible) held in a more informal manner than the regular meetings (allowing input from the guests throughout the meetings) or:**
- **Enact two regular meetings per month.**
- **If you don’t attend a specific meeting, you “lose some standing” on the issues that were discussed at that meeting and/or lose your opportunity to block**
- **Use last ten or fifteen minutes of each meeting to recap**
- **Minimum number of meetings attended required to maintain your position**

Steve brought up the topic of proxy. David was uncomfortable with proxy due to the potential for discussion and new information that occurs at the meetings (proxy votes may not include the information shared at the meeting).

Discussion of the specific number of missed meetings ensued. Define an excused absence: sickness, etc.

Quorum is defined as five.

Dorn noted that Richard suggested a topic for discussion and the focus was shifted:

Richard expressed his frustration about discussing decision making when in his opinion this board hasn't ever made a decision of consequence, it never talks about the ends policies, what does this mean to us, what are the problems, and then make a judgment as to how they are applied. He read Ends Policy A.1 Prosperous Local etc. to the directors present and asked them "Are we providing this?" Richard feels the GM is meeting these ends in an excellent way based on his experience.

Steve responded that the ambiguous nature of the ends expected by the current policies left much up to interpretation. Words like "fair" leave it so much up to interpretation. How do we monitor ends when some of these expectations are in conflict (for example: fair prices to producers AND fair prices to member-owners) the current ends do not give any targets. They are fairly general statements and must be taken as a whole.

Brwyn pointed out that the board hasn't received monitoring reports for about a year due to their decision to suspend them and there is a lot of information to educate the directors about current events in the monitoring reports.

Steve: next agenda how do we want to run the meetings relative to the input from the guests and staff present. We need to decide how much input from the guests will be allowed.

Steve reported that he spoke with Holly of CDS and she mentioned a list of possible topics for her to address when she speaks the board. It needs to be clarified with Holly as to the cost, if any, for her time.

Meeting adjourned at 8pm

The Food Co-op
Board of Directors
Third Tuesday Meeting Approved Minutes
October 25, 2008
Topic: Board/ GM Relationship

Board Present:

Rick Sepler, Richard Wojt, Janet Welch, Dorn Campbell, Steve Moore, David Goldman

Absent: Katherine Baril

Guests Present:

Susan Langlois, Julie Jaman, Marcia Atwood, Ruth Apter (at 2:30 pm)

Staff: Briar Kolp, Sally Lovell

Scribe: Brwyn Griffin

Dorn called the meeting to order at 1:07 pm.

Steve summarized the topic for today's meeting and a "Round Robin" process was suggested where board members were asked to describe why they ran for The Food Co-op Board. It was agreed that there are pockets of differences between the board members and Steve identified the question to answer as, "What do we agree on collectively?" "By answering this question, we will discover how this board will interact and how we will interact with Briar as GM."

Richard felt that a review of what our policies/bylaws say about the relationship between the GM and the board was important.

Steve and Dorn then read the sections of the Bylaws and policies pertaining to the GM. The board then decided to have each director answer the question, "Why did you run for the board of director?"

Steve: to be out of the day-to-day and be able to see more on the horizon. Strategic Planning with Jean Singer was in process at the time. It's uniquely the board's responsibility to do long range planning. In re-reading the policies, leaving the day-to-day operation to the GM is comfortable to me. It makes it our principle job to do long-range planning. Trust is essential.

Rick: Ran for board to serve the community and a central community organization with which I share values. That the process we use is fair. We serve our members and the greater community. We can have a positive effect for both groups. Education, reasonable choice, we can make effect and it may be profound. Concerns: We need to concentrate on what we want to accomplish.

Janet: Why I ran for the board related to my biggest concerns for the co-op. I see the underbelly that represents opportunities. Over time, with the whole movement of organics and everything else, our role has shifted and become undefined about who we served and how we serve them. In the past we were very mission driven but we have overlaid on top of that that if it makes money but is not aligned with the mission we

should do it, too. As those two ways of doing business diverge, how we navigate that process is what I feel I can bring value toward. Glad we didn't do strategic planning because of the crash of the financial markets; so many of the assumptions about business as usual are no longer valid. The shit has hit the fan and now we can all be on the same page. I want our legacy to be: To look back 10 or 15 years from now and say, "boy at that time I'm glad we made good decisions then. " How are we going to deal with a changing set of assumptions?"

David: I believe the board has all the authority for the organization. The board needs to define what authority we need to exercise and what needs to be delegated. I feel we delegated all of the authority and I believe we need to resume some of that authority. My PSGC involvement was very interesting. Looking at products on the shelf and determining how they related to our values. Ran in '07 and didn't get elected. Became more frustrated with the board process and the board wasn't functioning well. If I hadn't been encouraged to run for the board again, I wouldn't have, but I felt that if members in the community wanted me to serve, I should. That's why I ran. I think the Co-op is the most important institution in town. Most potential for a non-hierarchical institution... Legacy would be to say "I helped create a Real co-op." I feel we have wandered from a true co-op. We have different prices for different members and we could have more volunteer opportunities. We have moved away from basic values. I believe that the members told us just that with their dollars by buying more bulk during the recent Emergency Preparedness special sales.

I believe we are talking to each other and coming to a consensus about what we are going to do together. We are nimble enough as an entity to shift our focus to serve our members. Principles must be essential. I think this is the most important institution in town and I'm concerned that its health survive.

Richard: Communication between this board and the GM: My premise is that the co-op is successful and is operating under the guidelines set up by previous boards. How do we finesse the ends policies to more accurately convey the level of communication we desire between the staff (issues like safety, moving materials in and out of the store, are we going to expand the store, contracts..) we need to have policy discussions that focus on our ends policies and as a board determine how to implement these ends policies. Having some idea of the board's relationship to the GM – we underutilize the manager's expertise and skill, and don't communicate or understand how they balance the ends policies. From the board's perspective we should be asking, "Should we ask the staff to put a greater emphasis on specific ends policies?" We need to clarify what we want the co-op to do. Even people that have relative economic security are thinking about how to cope with our uncertain times (more animals on the land, etc.). I would like to see us define management based upon what we have in place already.

Dorn: I was interested in running for the board out of some degree of despair that the board didn't seem to be functioning very well. I've been interested in the co-op because it's a unique organization because it's a business based upon a democratic plan, rather than owners with influence determined by the number of shares owned. I'm very

interested in participating in this somewhat unique business that is owned by the members and operates on democratic processes. I have seen the erosion of democratic processes in our country and I want to be a defender of the co-op's democratic process. It's not easy to have a business that is run democratically that has democratic processes. Most businesses are run by owners and managers and the employees don't have much say. If we want to maintain democracy in our country we must maintain democracy in our business.

Dorn then asked the board what were some of the concerns they had about the relationship between the GM and the board?

Janet: If I were to link what I've just heard with this topic, I'd ask "do we have a structure in place that would enable us to achieve what we just defined as success? I would say "no." We have had situations where staff and members have come to us and we have said we don't have any say in this. This left a legacy of no trust in the process we use to make decisions. When I look at our policies I don't see anything that enables even the board to make successful decisions.

What's missing is that the structure of policy governance is not allowing us to be nimble. It's very ponderous in terms of the board dealing with a rapidly changing situation.

Richard: This board never gets down to defining specifically what we are dealing with. Should the board look at what we are doing as a co-op relative to what people will need in the future?

Steve: The board can be addressed, but there is no way for us to respond. In the POGO world we could address policies, but it would be far from nimble. Another piece of the equation like the roof is going to fall in, or community concerns about the way something was handled...how we address any of those things as a board is opaque to me. We need another vehicle for interaction, strategizing, etc. to embrace store staff, etc. that is more collaborative and much quicker than what is happening here. This may be because we are trying to use POGO for everything. Mostly that is okay. In more dynamic situations, like the one we have now with the economy, we can't respond quickly enough.

Rick: Asked Steve: for instance, if we take, more people want to go to bulk food because it's cheaper. Even with that question, to execute the change takes time and thought. It's far below the policy level, far below the staff level. What we as a board need to determine is how to gather information from the staff.

Rick wrote on the board a graphic example:

Policy

Board/Manager

Signal strength of policy is high for board and low for GM

Implementation

Board/Manager

Signal strength implementation is high for GM and low for Board.

The two aren't talking and we have a communication issue here on the board. We have to articulate the policy in order for the manager to implement.

David: By definition, Board's are not nimble. We rely on the GM to be particularly nimble. One of the issues in this dynamic is where we know we are in a rapidly changing situation, how does the board apply policy that the GM can implement rapidly? Take the B-4 report for example. If you look at B-4.5 we have a directive (David then read it aloud).

Janet: The B report is what the GM can not do, and manipulating these to include what we want to see is not policy governance in its pure form. I don't believe we can address the specific level until we arrive at a deeper level of trust between the GM and the Board, and sharing the risk that we as a board may be wrong.

Richard: One of the things we do here is we have conversations with ourselves and no one listens and no one understands what each other is saying. If you are interested in seeing to it that all members have the same pricing structure, we need to see to it that we have a conversation about what that will mean to our business with the GM.

Rick: Feels that break down in the system is currently the board asks the GM for the details, they are then provided, and the board ignores the data or discounts that data and then spends time analyzing the data that has already been analyzed by the GM. The friction is political. We need to define how we can ask what for what we need and trust what we get.

Briar: I agree that we need to define how we communicate. We have things that boards other than this one have put down on paper to direct work flow. The current policies already have a lot of information and guidelines, but as a board we don't use them. By nature a lot of the values under which we operate are not measurable. How members communicate what they want, and how the managers or the board define that is not black and white. Specifics and a discussion of "at what cost" must also be considered.

Steve: Key thing for me after watching the board last year (that is pretty much gone this year) an adversarial "attack-train" behavior that brought us a lot of the problems we are currently addressing. Where people are willing to do something for the collective ...keep the co-op viable... We may need to make decisions that will be unpopular with our membership or the staff to keep the co-op viable.

DORN ASK MEMBERS PRESENT FOR COMMENTS:

Julie Jamon: I think (what Rick wrote on the board) depicts the dynamic. Business of trusting the data and believing there is a mutual desire to get there. What's missing is what brings the membership back into the business model. We made a few plunges into that through forums, etc. Quarterly forum would be just swell to get issues that drive policy.

Susan Langolis: I like looking at that seam or thread; when you are looking at the information you get to make the decisions, rather than thinking of it as wrong or right, to define what is needed.

Marcia Atwood: Questions about what is needed is what is missing. The work we do in the store is for all our members, not just a few. The recognition of what we do and how we do it is being ignored over and over again. Defining what the board wants the management to address is critical.

Sally Lovell: POGO is not a block to the strategic planning that the board should be doing. I have been an advocated to the GM that the staff move forward to do strategic planning because we have a leader and we can do it.

Dorn Campbell: When I hear you say “to hell with the board” and that the staff can move forward on strategic planning, to me that means “to hell with the membership.” The Board is here to represent the membership. I think the current policies are unclear about the definition of the GM and Board decision-making process.

Richard: One of the things I have a problem with is that basically we (the board) don’t make enough use of staff. Long term plan of county development by the board of county commissioners was prepared by the staff and presented to the board who listened to the public, and the board evaluated what they wanted changed or adapted. The board gives feedback about what they are willing to accept in the plan and make political choices based upon what the constituents say.

Rick: A city manager doesn’t make decisions; they implement the adopted decisions of the council. Basically, Briar implements what the board determines in policies. The staff could come up with a strategic plan, but the board would need to adopt it.

David: What is the board’s legitimate authority?

A discussion ensued regarding the specifics relative to various assumptions made by those present regarding who can make decisions on behalf of the members.

Janet: We could have the authority but we’ve given that authority away. What exist now are our policies and until those policies change they don’t provide an opportunity...the GM can spend \$900,000 without board approval. The structure that we have right now is “pretty yucky” relative to the accountability train that makes sense. If there is a way of writing an ends policy such that there would be more control, then let’s do so. An example of what may work for me would be to have a limitation on spending such as expenditures over \$25,000 require board approval.

Rick spoke about the longevity of a city managers position average of 5 years because they implement decisions and by that five year term, they have made enough people mad

they move on...the best way for Briar to avoid that is to inform the board about as much as possible to avoid the specific political back-lash.

Briar: We may not be using the same terminology when we talk strategic plan. I just had a meeting with 19 managers to discuss 2009 budget and economic risks. I detailed how decisions are currently made regarding use of space, etc. How do we want to serve our community: Like one big store or many small community markets is a strategic plan. Listen to members from staff perspective and from board perspective. Values are one thing, and actions are another. Then we come together (board and staff and GM) and determine path. Our challenge is how to have our policies reflect our desire to create an environment reflecting the best way to serve our members.

Steve recommended the next hour and 30 minutes be used to determine how the board would like to have systems set up to communicate between the GM and the board to encourage collaboration. He explained that Ends and POGO are not designed to do everything. The Ends would become the Annual Report. What needs to be developed is a work-plan...an organizational ritual "this is what we do every year."

Dorn: Board is out of the loop is what I hear from various sources. Why not have board members attend the work-plan mgr. meeting?

Briar: I don't get a lot of cohesiveness from the board. Having the board members drop-in at managers meetings is not recommended. Creating a specific meeting with a strong intention with the managers is recommended.

Janet: As a board member I don't get enough contact with the staff. Listen Like Crazy was wonderful to sit with staff. Carolee Coulter's presentation to the staff of the survey was amazing to hear, and more board members should have been there.

Steve: Agrees with Briar regarding attendance at the management meetings by the board is incorrect. What Briar is offering is to have a specific meeting set-up between the board and the managers.

David: I think it would be a great idea to get together with some level of upper management that Briar chooses to share information about perceived needs and desires of the members. Pick the data which you are already generating and have a conversation about trends, data from which we may see there is a trend. To the degree the board gets better informed, we begin to take more responsibility and we can take the heat for the decisions made. The authority distribution (maybe taking back some of that authority back from the GM, partly to take the heat off the GM. It is up to us to decide what authority we want to give to operations.

Janet: How do we create a link between what the board hears and what the GM hears.

Rick: There are some things that are below a threshold of what your job is...and we agree the board doesn't need to get involved. Some issues are beyond this threshold and I suggest Briar bring questions to the board regarding these issues, rather than report on what has been done. This may help the GM because it allows the board to give direct guidance. It requires that the board trust that whatever is below that threshold is not for the board to get involved with.

Steve: I know David, Janet and I are sitting on one side of an issue. We are talking about some number of times per year, one or more, where it's designed where GM and management (what do you see happening in the biz climate (suppliers, economics, etc) those sessions could include the board members as well. It's not about coming in and telling the GM what to do, it is a way to get in the loop and get informed. Twice per year, the board is required to attend.

MEMBERS:

Ruth Apter: What info does the board want in the GM report? It could include her bringing in staff for certain topics. What policies need to change or be brought in to create the authority the board would like, for example, GM spending limitations. Reviewing and approving HR policies. I think these are two where the board has abdicated their role. Strategic Planning one of the four legs of this process is being offered by Sally (data needed) Polling membership and finding out what data is missing and needs to come from an outside source.

Julie Jaman: How members play with this? Some issues "pop-up" from this process, you may have a list of issues. Biz plan and Strategic plan are separate.

Brwyn Griffin: Specific intent for the meeting as defined by the board would be helpful.

Sally: Policy B6, B4, B3. Pointed out that there are already in place policies to get information about specific information.

David asked Briar if the meeting with department managers could be arranged. Briar welcomed getting the management team together with the board but not necessarily on a quarterly basis. Briar pointed out that a Strategic Plan ties directly into how much capital you need, so it impacts the business plan and decisions relative to maximizing profits. The discussion then centered on whether to go to a discussion about the facility, Briar added the need to have the board's input on issues relative to the facility, and methods of having the board meet with the staff were discussed.

Briar asked the board members if they would like to come to the cross team meetings already planned for Nov. 6th and they agreed. The meetings are from 8-10 am and 1-3 pm and the board members agreed to sign up to attend either one or both meetings.

David: Maybe we need to have a meeting with the members and the board. We should discuss that idea. Resolving to begin processes that will allow us to move forward relative to authority and we don't have enough information to set those here. The board needs more information. We were aiming to start monitoring reports start-up again in February.

Briar: My concern is we don't have a commitment to the policies that we are monitoring.

Steve: When we fire-up the monitoring reports again, we will be able to identify the area within the policies that we are not in agreement about or that may need to be changed.

The meeting was then adjourned at 3:05 pm

The Food Co-op Board of Directors
Approved Minutes Third Tuesday Meeting
November 20, 2008

Topic: Board Decision Making Process/Board-GM Relationship

Board Present:

Rick Sepler, Richard Wojt, Janet Welch, Dorn Campbell, Steve Moore, David Goldman, Katherine Baril

Guests Present:

Susan Langlois, Julie Jaman, Alex Bryan, Dan Goldstein, Carrie Rice, Victoria Wideman, Joe Breskin.

Staff: Briar Kolp, Sally Lovell

Scribe: Brwyn Griffin

(The board president, Dorn Campbell, stepped down at the executive session on November 4, 2008, and Steve Moore, V.P., is currently Acting President)

Steve called the meeting to order at 6:06 pm.

Janet announced the executive session decisions from the November 2, 2008 meeting: The first motion was Janet/Steve: "Move to accept report B4". 4 in favor, no block.

Consensus Decision 2008-11-06: The board approved report B4.

The second motion was David/Steve: "Moved that the profit/loss summaries be reported to include the previous quarter, the quarter reported on, the same quarter previous year and the year to date. 5 in favor, no block **Consensus Decision 2008-11-07: The board moved that the profit/loss summaries be reported to include the previous quarter, the quarter reported on, the same quarter previous year and the year to date.**

The third motion was David/Janet: "Moved that the staff bonus amounts be broken out as a separate line item in the profit/loss statements. **Consensus Decision 2008-11-08: The board moved that the staff bonus amounts be broken out as a separate line item in the profit/loss statements.**

Steve summarized the topics for today's meeting. Discussion included the possible addition of Board Assistant Hiring Process to the topics and it was agreed.

BOARD ASSISTANT HIRING PROCESS

David, Janet and Briar updated the board on the process –to-date for the hiring of the Board Asst. and the possible next steps: An interview with all board members; select board members, etc. They informed the board they were prepared to make a decision without the full board participation and asked for the board's approval. The sub-committee agreed to make available 4 short-list candidates' application packages at the Clay Street building for interested directors to review, with a summary of the interview notes. Any feedback was agreed to be provided to HR by Wednesday.

BOARD GOVERNANCE SYSTEM

David gave an overview of his concerns about the “consensus minus one” system currently utilized by the board. He feels this process is not appropriate for our kind of co-op and the type of business we do. There was a recommendation to eliminate the process of blocking and some discussion about concerns if “simple majority” were adapted. It was noted that the current bylaws require that the board use a form of consensus to make decisions, and a ten day notice is required to make changes to the bylaws.

Richard stated his concern that when dealing with bylaws there may be unintended consequences due to legal issues unknown to the directors and recommended exploring these ramifications. He also stated he would support majority rule if that change was proposed.

Katherine brought up that blocking was a rare occurrence and observed that the inefficiency of the meeting process was the issue, not the voting system. She stated her belief that there is rarely any situation requiring the board to act so quickly that consensus would be too time consuming, and that the method of how the directors vote is not the cause of past rancor.

Janet agreed that consensus hasn't been the cause of the recent rancor, but felt it has been a source of confusion. The current use of a blend of Robert's Rules and Consensus is cumbersome and confusing.

It was agreed that a quorum of a simple majority would currently constitute four votes (with the current number of seven directors.)

Dorn addressed the issue of fairness in consensus decision making and shared that it required “Friends” seven years to reach consensus about the issue of gay marriage.

Rick supports majority rule.

MEMBER OWNER COMMENTS:

Carrie Rice mentioned that Robert's Rules of Order are written into many bylaws as required and felt that system covered many situations.

Sally mentioned that a past board member, Susan Miller, did a study of past decisions made by the Board. D1.3 of the bylaws was referenced mentioning majority, and Sally voiced her support of maintaining the ability to block. She suggested the possibility of changing the name of “Consensus Minus One” as she agreed it was confusing.

Dan G. said he was not aware of the decision making process the board used currently, and observed that the board appeared confused by what it was too. He observed that consensus was a system designed to force people to compromise, and stated “it would be sad to have the constant vote be 4 to 3.”

Alex spoke about a system called “Dynamic Self-Governance and Decision Making by Consent” or Sociocracy.

Joe B. Mentioned Carver (Policy Governance) has consensus in place to force the board to speak to the GM in one voice. He supports Simple Majority to allow simplification of the ability to speak with one voice as a board.

Richard mentioned that while he was on the County Board of Supervisors, 96 % of all decisions were made by consensus, and they had an agreement that once a vote was taken, they were to speak with that one voice.

Janet made a motion to notify the member-owners of the board's intent to change the bylaws that was then withdrawn, then agreed to draft wording to present at the Dec.2 board meeting.

REPORTING RELATIONSHIP AND FIRING PROCESS OF BOARD ASSISTANT

Steve asked Victoria, as HR Specialist, to comment on this topic. She voiced her concerns that this person who isn't even hired yet is already being set up to be let go. She reminded the board that the co-op already has policies in place that would cover this new hire as well. She asked the board how they would go about firing Briar, and suggested that the system would be the same applied to the Board Assistant.

Katherine suggested creating a personnel committee who would meet with Briar and Victoria. Rick reminded the board they could meet in executive session to discuss any concerns that may arise. Briar reminded the directors that they would need to manage this employee, and not expect the GM to always be reminding the assistant of what was required of her at any given time.

The directors agreed this employee would work at the pleasure of the board, supervised by the Board President who would consult the GM and appropriate staff. On the job description, this employee would officially reporting to the GM. There was uncertainty as to how this new hire will function, and it was agreed to see how things go for a time and revisit the issue at a later date.

GM BOARD RELATIONS

Questions such as: "Who decides the thresholds of spending and autonomy?" "Where is the line that requires board approval?" were discussed. Joe Breskin offered that a simple fiscal limit was not the best way to define limits. Briar offered a document Sally had prepared listing the decisions Briar had made historically, all of her outside activities, and suggested having a discussion at a later date after the directors have had time to review the document.

Rick pointed out that the reason for this discussion was due to the board not having approved a long-term strategic plan, noting that if there were a strategic plan it would be clear if the GM's decisions were in alignment with the plan. Steve disagreed stating ongoing oversight is necessary regardless of how good your long-term strategic plan is, that as a board the directors should be involved. Dorn began to read off the number of large expenses that have occurred without board approval: parking lot contracts, roof repair, remodel of offices, staff bonuses. He felt it was important that the board look at these "big ticket" items and that they get the board "stamp of approval."

Richard felt that these types of decisions could be put into the consent agenda, the board members could read it prior to the meeting and pull anything out they were concerned

about. Janet felt what Dorn and Richard were discussing didn't connect, and that the issue is that the board needs to specify the categories of the thresholds for GM approval.

Steve reminded the board members that Briar had brought all of the expenses mentioned by Dorn to the board as information in her reports, and Briar had asked for the board tacit approval on the items mentioned. He stated this discussion was intended to be a discovery as to the position of individual board members relative to this topic, "how does the board wish to know about these things?" "How actionable should this info from the GM be?" Richard felt the board members were talking past one another and not listening to each other, and that if anyone had uncertainty about how another board member felt, that director should ask.

Meeting adjourned at 8:07 pm

**The Food Co-op
3rd Tuesday Board Meeting
2432 Washington St.
Tuesday, December 16th, 2008
Approved Minutes**

Present

Board Members: Janet Welch, Richard Wojt, Steve Moore, Dorn Campbell, David Goldman.

Staff: Briar Kolp, Sally Lovell

Members: Susan Langlois, Jim Rogers, Joe Breskin, Julie Jaman, Rene Tanner

Scribe: Brwyn Griffin, Cindy Scott

Meeting **called to order** at 6:04 pm by President, Steve Moore.

Dorn requested that the agenda topic “corrective actions” be moved to the top of the agenda.

MEMBER COMMENTS

Jim Rogers – I am concerned about the \$80,000 for the roof and parking lot repair, as well as the board president quitting. Where is the dysfunction in the board, everyone loves the co-op, it could be better, the board is supposed to set policy, we no longer have the elders around, what’s going on? How we can make it better? The resources are underutilized - let’s try and work together. There are a huge amount of volunteers that are not utilized. Policy takes precedence – what are the ideals? If the meetings aren’t going well there should be a facilitator. I love the co-op – I’m just curious about the 3rd Tuesday meeting and what it’s about. The co-op was founded on volunteerism – an opportunity to a New Deal – it’s a hopeful time. Steve asked Jim if he was asking that the board focus on policy, and Jim replied that yes, policy should take precedence, and that if the meetings are not working an ace facilitator should be hired.

Julie Jaman. An e-mail was circulated written by the person who started Craigslist which suggests using the Obama model of organizing communities within communities and utilizing members as volunteers.

Joe Breskin – Noted he sent the e-mail Julie was referring to out to the PSG list. He is excited about working on targets and establishing clear expectations for reporting. It will be very helpful.

Susan Langlois – Excited about looking at metrics. Looking forward to seeing that information.

Sally Lovell – Asked for clarity on the agenda planning meeting date and time. It was decided that the agenda planning meeting will take place at the Annex on Tuesday, December 23rd at 3 pm.

AGENDA APPROVAL

Janet/Dorn moved to approve agenda– unanimous approval. **Consensus Decision 2008-12-10: The board approved the Dec. 16, 2008 meeting agenda as with the corrective actions topic moved to the top.**

UNFINISHED BUSINESS FROM PREVIOUS THIRD TUESDAY MEETINGS

Janet – Feels that we need to define which decision/actions/issues would not go through the monitoring process, but would go through direct communication between GM and board. The board has never really defined which things fall into that category. Policy governance provides an opportunity for GM to operate with autonomy, but there needs to be communication between GM and board for certain decisions. The board would have no involvement in certain decisions. One of the unfinished items: What authority does the board want back?

David – There are policies that we can change to address this issue. I don't want to waste GM time and don't want to be on the receiving end of information that resulted in important decisions that were already made. Would like to see resolution on the board correspondence procedure and he suggested that the correspondence be discussed at the agenda planning meeting, and the V.Pres. and Pres. determines where it would be placed on the agenda. He feels most correspondence doesn't belong in executive session, but feels it is important to review.

It was determined that David's comments were unfinished business from other meetings and not the 3rd Tuesday meetings.

Dorn – Made a comment that he has business similar to what Janet already mentioned.

Janet – I actually see a lot of unfinished business, development of Board of Directors work plan – rewriting policies, unfinished business reaches into details and more specifics.

Joe – The hope was that we would have a detailed example metrics of a monitoring report – at the rate that we are currently going it could be next summer and we are not holding to the original schedule. We haven't resolved the issues that lead to monitoring reports. According to the actual documents, we have no way to monitor the GMs performance.

THE MONITORING REPORT PROCESS FLOW – QUESTIONS AND CONCERNS

Richard – Whether we accept reports is a mute question. What matters is does it include the data we need. We then make discussion topics around the information in the report.

What information is provided to support conclusions, etc.? If there are things that aren't in compliance than we would discuss those things and take board action.

Steve – The word accepted is used and there is more substance to it. Is the interpretation reasonable? Is there enough data? We accept it – the report is in front of us. It may not represent what we want in terms of substance. The word accept has weight, not just in front of us on time. We have the report, but that's before we have read it and formulated a response.

David – What is the point of having a chart with “nonacceptance” – does the chart have meaning? According to the flow chart – the board decides it was adequate or not.

Steve – Perhaps we should change “accept” to “acknowledge”.

Dorn – A couple of things about monitoring reports. What is the purpose of monitoring reports? Is the purpose to monitor GM performance or to let the board know what is happening in the co-op. Examples – remodeling the building that is being leased. I'm not aware of getting any reports, but a lot of \$ spent on it. It states in our policy that monitoring reports are to monitor GM performance. The GM didn't owe us a monitoring report for the remodel as an example and I don't have the information from that project. ENDS policies are very sparse and inadequate. Monitoring on the sparse policies isn't going to give us good results. I see the most important as to inform the board about what is happening in the co-op. There is a lot going on in the co-op that we don't know about.

Briar – There are answers to these questions. Getting financials, staff relations, use a lot of resources to run this business in an effective way. If the information needs to be put in a different format, then we need to figure out what that is.

Dorn – There is lack of specificity in our reports.

Briar – The board needs to accept the limitations the way they are or make changes. Let's clarify if there is information that needs to be specified.

David – We have a conundrum in that we don't know as a board all of the considerations that went into a decision that we don't question. There is no question that operations made a researched decision. Board may feel empowered to ask for more information if we had the authority to spend a certain amount of money. We make much more responsible decisions based on data. A lot of times I feel more like a spectator - why would we ask more questions if we won't be making the decision in the end? Every quarter board gets a B-4 report – how do we know the data/ratios we are getting are correct.

Steve – The Board can change the policy to require the information that we want or need. If we begin to drill on every single policy – hopefully we can also ask the question of what is really important and not require unnecessary info.

Dorn – My concern is that we need to find a method for doing this and rewrite some of these policies to get the information we need. I think we need a committee of the board to make it easier to wordsmith the new policies. The efficient answer would be to form a committee to deal with policies on monitor reports. Briar could be on it to give advice.

Janet – Can we take policies from other co-ops that deal with those so we don't reinvent the wheel?

Steve -We have a policy governance committee – the Vice President and President are the members. Who else should we add?

The proposal – why are we having this meeting tonight? We recommence monitoring reports. We get the first monitoring reports that's due and take it through its process. That then drives the question of how we fix the policy. We are required to do this process and the process exists for us.

How do we move forward from here? What lessons have been learned that we need to take into account?

Joe – Missing a huge opportunity – It would be prudent to review last years monitoring reports and ask those same questions.

Steve – Some weren't turned in and the response was acceptance. The minutes aren't a good resource for what has been done in the past.

Dorn – Another concern I have is if you go into each and every detail of the current policy structure.

Reports are due at certain times, accept it or not. Some things need to be looked at more than once a year and it might be the wrong time. I would like to see reports written in paragraph form so we get a better sense of the reply to the questions in the monitoring reports. Answers to the questions/statements about the questions instead of just the data or metrics.

Steve – If we don't like the frequency or timing we can reschedule – the board makes the schedule of when and how often reports are due. The narrative style is fine, but there has been a lot of discussion about the board needing more metrics. The board needs to collectively decide what we want and the GM will owe us that. We need to stick to one collective voice.

Janet – Keep coming back to a question that Dorn asked. Is the purpose to evaluate the GM or inform the board about what is going on at the co-op? Or to provide the board with the understanding to be able to lead properly? Or so we can act proactively, to steer the ship called the co-op? There are a lot of questions. If we aren't unified in what we think the purpose of the monitoring reports are than we will be in a tug of war. The consultants say – unless you are prepared to disapprove the monitoring reports than it should be on a consent decision and not a topic of discussion. If that is the case than the reports are not intended to inform the board.

Those two needs are not served by a monitoring report. They aren't serving all of our needs, but Briar feels she is giving the board what is expected. It is not the fault of any one person – it is the fault of the system and we may need to make some changes.

What do we need and how are we going to get it?

I need dialogue, information, an opportunity to input, a whole bunch of things. The system doesn't give me everything I need. I will serve the members and the co-op comfortably when I get what I need.

David – We were informed about what was happening, and we didn't object to the parking lot expense.

Steve – We have a monitoring reports system that meets some of our needs, some of this discussion may need to be embedded in the current system. Not all of the decisions are going to be financial. This meeting is about getting at what we need in the information exchange between the GM and the board.

Richard – Monitoring reports give us the information. Janet is talking about the comprehensive plan and that is separate from the monitoring reports.

Steve – The example Janet used would not be in the strategic plan, the bigger picture is that there is a fundamental question about keeping the policy governance together with the monitoring reports.

Can we make them work for us, so we can put this issue to rest and be happy with it?

It's a good thing to have a discussion and get these issues raised so we know what we are looking for.

Steve asked each board member the questions: “What does each of us believe is the purpose of a monitoring report?” “What are we looking for?”

Richard – Monitoring reports are for reporting what the manager has done for each of the limitations on her activity with her interpretation and what evaluation she has made, as well as, monitoring the B's, C's and D's of reporting. We want one to evaluate whether or not there is compliance to the limitations of the GM actions.

If you don't do that then there is no reason for us to be here. If we don't monitor our policies and the interpretation, why are we here? What is being done and how it's being interpreted. Separately from that is the discussion about whether or not it's a reasonable or not a reasonable interpretation. The latitude in interpretation may not be what we like, but may be a balancing act to make the co-op work

Steve - Are you more interested in reading the report to know and assess the way the business is operated or to evaluate GM's performance?

Richard - Reading those reports you can see the balancing act and have a discussion about where we are going.

Dorn – I would like the monitoring reports to be giving basic information about what's happening to the co-op in different areas. The monitoring reports would be part of the evaluation of the GM. There is a problem there, if the GM is writing the monitoring reports and we assess her performance – there is a lack of objectivity. There needs to be something outside of the GM assessment of what is going on. Example – Exit interviews, if the GM is doing the assessment or if a third party is writing this section we would get a different idea of what is happening with the topic of exit interviews. They are a mix to me in terms of reasons. I would like to see some narrative information. Part of an evaluation procedure of the GM, and other issues happening with the store.

Janet – The B policies and limitations policies – the monitoring reports for those would be informing me that the business is being taken care of and that we are not operating outside of a business norm. Policies should be simplified as well as the monitoring reports that pertain to them. If the ENDS monitoring is done in a different way – we talk about what is going on. I'd rather have the conversation be more about the ENDS where we are actually having a discussion. It behooves the board to see other perspectives – a third party perspective could be better. Monitoring reports – Limitations to inform me that the GM is taking care of business and I can focus on other things.

David – I think the monitoring reports should tell us the way we are accomplishing the ENDS policies.

The GM is free to use her judgment to accomplish the ENDS. We changed the policy to say that our interpretation has to be consistent with the mission and principles.

I want them to tell me how we are accomplishing the ENDS.

The board shouldn't be making decisions that aren't in our strategic plan. We need to be well enough informed to make good decisions, but we really aren't called on to make strategic decisions.

Operations have authority to make a lot of decisions. What are the reports doing for us? I want them to tell me we are making the ENDS – they also give us information on evaluation of the GM. Are these measurements on making progress in meeting the ENDS?

Briar – I feel the limitations are in place to set the baseline for the GM in terms of showing outcomes, business practices, giving the freedom for creativity, etc.

The co-op currently has third party assessments in appropriate areas – examples are the HR audit, employee surveys, CPA.

I think the limitations were never meant to be the end all of the relationship between the board and the GM. I disagree that the monitoring reports should be the achievement of the ENDS.

There should be joint strategic planning with the board and operations, and the organization hasn't put in a place holder for strategic planning.

I think the monitoring reports are a critical part of the evaluation of the GM. The information is there – expense controls, good practices, etc.

The policies that are in place were put in by previous board of directors. The ENDS would be a good use of our time. All of these policies can be structured so many different ways and it may not be a good use of time to keep rewriting policies. There are some that could be simplified and some are redundant. Let's roll up our sleeves and get to work.

Steve – The limitations policies by definition are the “fence”– stay in here, don't go out there. A well made fence prevents danger and allows latitude. That's the way we need to look at the limitations. If we need more detail or need more information - then we need to make those changes. Building a fence = writing limitations
The ENDS are where we need to spend our time. We need to get creative about progress.

Will help with the relationship between GM and board. If the only way we have to communicate is with limitations, then it doesn't get us very far.
After assessment of the report that is submitted the board isn't satisfied for whatever reason – let's fix the policies that address what information we asked for.
It helps the board refine the policies, not to criticize the GM and what she submitted. We can only ask the GM for what the policy says. If it doesn't meet our board needs, then we need rewrite the policy.
I believe the purpose of the monitoring reports is to inform us as to compliance and focus on how the important stuff is getting done. They become useful in evaluating the GM, but that is not their primary purpose.

It was agreed that PoGo committee will meet and figure out a plan of action and propose a charter for the January agenda.

Adjourned 8:10 pm