



## **Board Meeting Minutes**

**August 17, 2023**

### **Board Members in Attendance**

Kate Cox, Jim Hutcheon, Linda Myers, Trudy Springer, Andie Giron (via Zoom), Joanne McCaughan, Harry Levine, Tanzania Ertel

### **Other Members in Attendance**

Jeni O'Connor, Jennifern (via zoom)

**Facilitator:** Jim Hutcheon

**Notes:** Max Crabapple

**Agenda:**

- Agenda Review
- Previous Commitments
- Member Comment
- Staff Report
- Committee Reports
- Change to 'Code of Conduct'
- Board Retreat Check-In
- Annual Meeting
- Elections Check-In
- Board Expense Process (proposal)
- Board Expense Coordination (proposal)
- Discussion of Communication (deferred to next meeting)
- Policy Governance, with Joel Brock
- Commitments
- Meeting Evaluation
- Executive Session

### **Agenda Review**

A bit of reconfiguration to the routine in order to accommodate hosting Joel Brock (via zoom) later in the meeting. All agree the agenda is satisfactory.

The July meeting minutes are supplied in the meeting packet, but they will not be considered for approval during the meeting.

## Previous Commitments

Harry will find out if JM Morris workers are unionized - *no*

Harry - follow up with BPC - what policies/updates have been made in light of the 2022 Co-op Index findings – *in process*

Harry coordinates BoD elections tabling; Harry & Andie co-coordinate Aug 11-19 – *in process*

Tanzania will table on Saturday, Aug 12. – *she tried!*

Kate and Harry will work together on re-writing a draft of the staff survey proposal to bring to staff for feedback. – *withdrawn at this time*

August 6 is the deadline for the Fall issue of the Table – Tanzania will write something - ??

## Member Comment - none

## Staff Report (according to Max)

Overall, we're doing great.

**1. Business is good.** Financially, the stores are both showing high weekly growth sales, and have ~ 8.5% 12 months average growth. We have substantially more customers coming into both stores compared to 2022, while showing about the same average basket size. The intentional tightening of the national economy to slow inflation hasn't slowed purchasing, and we're continuing to ensure we offer products at a wide variety of price points.

**2. Projects.** We're on track with the Westside 3-sink remodel, and will now be starting the Eastside flooring project in early October in order to keep construction to one store at a time, reducing potential stress for both customers and staff.

**3. Starting the 2024 Budget.** We've started our 2024 budget process, with overall budget goals and the timeline making up a good portion of our August collective meetings. It's an amazing process, with (almost) all hands on deck and learning happening at every level. We see better budgeting coming from seasoned buyers' input, and better buying practices as a consequence of deeper knowledge and integration of whole-store financial forecasting.

The deepest financial conversations have centered on wages, as many of our newer staff are having a hard time affording life in Olympia. The national housing crisis is amplified by the ongoing regional growth that skews median housing costs away from, and out of reach of, the median income. The housing shortage is affecting different people differently, and we're seeing that variety of perspectives in how we talk about wages.

**4. Policy work.** The other big agenda item at the August collective meeting was continuing work on our staff handbook, particularly updating and revising the section on Accountability Systems. Annual evaluations for all staff are rolling along, and with plenty of new staff, both collective-

track and flex staff, our evaluations and training teams are busy while all departments are buzzing with fresh energy.

**5. Comings and goings.** We've said goodbye to two long-time employees, including the beloved Martha Chubb, who helped start the deli, and Pat Maley, who's transitioned seamlessly from a year-long sabbatical to working full time as a mental health therapist. Additionally, two newer employees have departed, one for an unexpected dream opportunity, and another upon not being in place to join the collective after 18-months as a collective-track staff member.

## **Committee Reports**

The **Board/Staff Relations Task Force** has consented to seeking help from outside the co-op to try and help us address the conflicts that exist between the staff and board. After considering several options, we have decided on The Center For Dialog and Resolution and we are currently in contact with them to try to finalize a plan for moving forward with this work. Their website can be viewed here: <https://www.centerforresolution.org/>

We have also been discussing ways for the board to show appreciation and support for the work that the staff does and for our two groups to have better opportunities to connect and get to know one another.

*Discussion* ~ Jim would like to organize a campaign on behalf of the board to hand-write letters of appreciation for the staff.

Joanne would like to see it as a two-way street, for staff to write letters of appreciation to the board.

Trudy would rather see that \$5000 spent as a monetary thank you to the staff instead. (She's encouraged to bring a proposal for that if she'd like that to happen).

**Member Relations:** Joanne reports they talked about the Annual meeting quite a bit. The Annual Meeting will be September 23 at Percival Landing. All board members are encouraged to come! There's a plan to ask Tanzania if she would be willing to give the Board Report at the Annual Meeting. Jim will be emceeding.

There was a survey in the spring, and there will be a report in the next Table, and Kate will bring that report to the September board meeting.

**Finance Committee:** Kate will write a report for the board; she will bring that to the September meeting.

## **Proposed Change to C5 Policy Number 8**

**Rationale:** The Board consented to the block of C5 policies at their July 30 Board retreat. During the discussion, concerns were raised regarding policy number 8. The group agreed to

consent to the policy but to revise and refine it. The current policy is vague and imprecise. The proposed amendment will help to clarify the procedure for requesting resignation of a director in violation of code of conduct policy. This change also removes the incorrect reference to the bylaws.

**Current text:**

8. Any director who does not follow the code of conduct policy shall either:
- a. Resign, if requested to do so, in keeping with the OFC Bylaws.
  - b. Or can be removed from the Board by a  $\frac{2}{3}$  majority vote of the Board.

**Proposed amendment**

8. Failure to follow the code of conduct policy may result in early departure from the role of director in either of the following manners:
- a) Resignation. If requested in writing by a majority of the Board of Directors, a director will resign from their position;
  - b) Removal from office. If a director refuses to resign, they may be removed from office by a  $\frac{2}{3}$  majority vote of the Board.

*Discussion:* confirmation that any unbecoming conduct would be addressed first with direct communication, and not by jumping into this process. This process would not be the first opportunity for a director to hear someone else has a concern or problem with their conduct.

What about a unanimous vote, or rather unanimous -1? The board has already consented to a  $\frac{2}{3}$  vote. 'Majority' is a sticking point; changing 'majority' to ' $\frac{2}{3}$  of the board' is accepted.

Question: what's the process to get to the written request. Would this require outside meetings?

A preference is expressed for an individual vote, with discussion at the time, and to have no policy to lay out any process ahead of time. Counterpoint is brought up: there is need to have policy about this.

The Board considered if this should be a consensus-based decision. It's noted there are extreme situations that are better served by alternate methods for decision making. The covid-task force, and some terminations, as examples, have relied on alternative decision making. An extreme situation that is outside of acceptable conduct can require a process that is outside of our typical processes.

**Proposal: the Board amend C5 Policy Number 8 as follows:**

8. Failure to follow the code of conduct policy may result in early departure from the role of director in either of the following manners:
- c) Resignation. If requested in writing by a  $\frac{2}{3}$  majority of the Board of Directors, a director will resign from their position;
  - d) Removal from office. If a director refuses to resign, they may be removed from office by a  $\frac{2}{3}$  majority vote of the board.

**Block: 0**

**Stand aside: 2 (Joanne and Trudy)**

**Consent: 5**

**CONSENT**

Joanne spoke to her stand aside: she would prefer there be no policy for this process; additionally, despite having previously consented to a 2/3 vote, she wants to see unanimous -1.

Trudy spoke to her stand aside: despite having previously consented to a 2/3 vote, she wants to see a consensus-based decision. She sees this as 'consensus when it's convenient.'

### **Board Retreat Check-In**

10am-4pm at the Harbor House at Percival Landing, there should be ample parking. Columinate consultant Jade Barker will be there. Kate sees the goal of the retreat as passing the entire policy governance register.

There's a Google doc of the full policy register. Kate will finish some editing and will email the link to the google doc. The other board members will look over the document ahead of the retreat.

There's a request to focus on connections with the community, as the first retreat was focused on internal rapport. There's a desire to put on events in the community, build community partnerships, and move forward with Board work. If there are sections, or the entire packet, that are actually ready to be adopted, sure let's adopt those, but also, we should move forward to working with the community. Answer: the only section the Board Development Committee has not really looked at is the Ends.

What about scheduling a third retreat that is fully focused on strategic planning for later this year or early next year? There's a desire to not overpromise what we can get done at the September retreat.

There's an idea to do some wish casting on Ends at the end of the retreat with Jade; it could be one way to get the Ends work started – getting policy work done, and starting the seeds of strategic planning.

There is support for a future retreat focused on strategic planning.

One Board member notes that they may not have the capacity for 6 hours of policy work at the retreat; 4 is more realistic.

What about an opening and closing portion?

### **Annual Meeting**

Tanzania is open to delivering the board report, and would need to work with someone well ahead of time, as her schedule coming up is less forgiving. Kate will work with Tanzania to get something on paper sent to the board for feedback/consent.

### **Board Elections**

Word is out that Flex Staff may be running for the Board.

One Board member says Flex Staff on the Board must give up their position on the board if they become collective staff.

Another Board member thinks it's cool they're even interested in running for the Board! She welcomes them.

A different Board member also welcomes them; the fact that there's interest is very cool and gives her hope that we can work more harmoniously in the future.

An additional Board member is also in support of this. Hearing others concerned about them becoming staff, he'd like to point out that there would be no problem with that either.

Harry notes the by-laws make it very clear who can run: any member.

### **Board Expense Process - Proposal**

Max is bringing this in light of a recent, and substantial, Board expenditure that wasn't brought to the Board or a Committee of the Board for approval. In the past, Board members have benefitted from shared expectations around communicating openly about Board expenditures and building consensus, but it seems that was more implicit than explicit. We've come into a situation where shared agreements may be more helpful.

Proposal: All new Board expenses over \$100 will be pre-approved by consent of the Board.

*Discussion* – one director thinks \$100 is a little low, and suggests \$1000.

Are other examples of expenditures that weren't approved of ahead of time? Other than Linda's example, has this happened? Individual people and groups have been tasked with spending the Board's money on a basically pre-approved basis, like for the Annual Meeting. The Board's annual budget says how much can be spent, and the expectation is there – they spend that amount on that event, etc. But something like what's happened recently, no one in the room has an example of that.

Someone suggests changing it to \$250. There is general agreement on this.

There's a recommendation to take out "pre", so it's just "approved" – this has support all around.

**Proposal: All new Board expenses over \$250 will be approved by consent of the Board.**

**Stand aside:** 0

**Block:** 0

**Consent:** 8

**CONSENT**

### **Board Expense Review – Proposal**

Proposal: All Board expenses will be coordinated with a staff bookkeeper as a point person. This bookkeeper will make available all Board expenses to be reviewed as needed.

*Discussion* - Harry doesn't understand this language; it's unclear. He doesn't understand what this is, or what this is about. Max says it's in response to the email thread he and Tina were part of, saying they wanted her to be the point person for Board expenses.

Kate would like more time to consider everything about how the board makes the budget and would not consent to this proposal at this time.

Max withdraws the proposal. Max would like feedback from Harry and Kate to improve this proposal.

## **Policy Governance, with Joel Brock**

Joel was a board member at People's Food Co-op when they transitioned to Policy Governance. People's staff operate with a staff collective, similar to OFC. Joel describes the before and after of instituting Policy Governance as night and day. Having everyone understanding their roles, even when not everything was in compliance. It was a palpable difference. The staff person in the role of reporting to the board was empowered and inspiring. Every decision is made to further your ends, so even cleaning the basement can be an impactful thing when it's in support to your ends.

Policy Governance is not an 'out of the box' solution, so we took the liberty to change what we needed. We didn't have a General Manager, so we made a new job description. We called it "the Link" because they link the collective management with the Board. The Link assembled the reports at the request of the Board. They weren't writing the reports, for example, the HR person would write HR-related reports, but the Link would get the report and put it into the packet. If the Board needed more information from someone on staff, the Link would get that information for the Board.

Policy Governance made it clear who does that. The Board holism thing - speaking with one voice - some [on the Board] misinterpreted that as we couldn't speak for ourselves, so we amended this as we *can* speak to anyone on staff or part of the co-op, but first we'd announce what hat we're wearing, e.g. "I'm coming to you as a member-owner, and I'm noticing the grapefruits are running low," so the staff person doesn't think the Board is coming at them about the grapefruits.

Q: We're finding this will be difficult for the staff. Do you have articles or references for staff to read? I heard it was over years, and how many people did you lose?

A: **We included staff in every step of the process.** There wasn't any group working on this that didn't have staff on it --- there may have been one subcommittee on board internal policies without staff, but otherwise, everything included staff *\*with\**, so it wasn't happening *\*to\** them.

And the Link, that's the main staff person that's going to be affected by this at all. On a day to day level, it's not going to impact or make extra work for others. The reports, those will be on a calendar, and can be planned ahead. The Ends statement is really the only impact that can

ripple out to every aspect of the staff's work. It didn't make more work, but rather made it easier to make decisions that support the Ends.

Q: Did the Board and staff make a process for that, with the committees? Could you talk about the process?

A: There were a couple big parts, like the policy register -- take what's on Columinate, download it, and edit it to reflect your community; that's one group's work. The Ends statement, that's a lot of work. There was another group that was tasked just with addressing all the changes needed for the policy register just based on not having a GM.

Q: Did you sit down and make that process, and say this is how we're going to get this done?

A: Oh yes, someone more organized than me mapped this all out, made a timeline, there were some newsletter articles, even though most members weren't trying to learn all about Policy Governance.

Q: About the Link - do you foresee that could be taken care of a group of people and not one person?

A: Sure, I could see that. What we figured out later on was that our own policies said we had to have a succession plan for leadership, and so that meant we had to create the Link succession team. This meant we have bench depth, we have resilience, and we have a situation where the Link can take a vacation.

Q: Would it be important that the Link succession team are all staff people, not board members?

A: Correct.

Kate notes she has the most current copy of the Policy Register from People's, and will get a job description for the Link and share these so the OFC Board can see how they've worked with this.

Q: Can you share post-implementation? Did that improve the relationship between the staff and board, and do you feel it improved the relationships within the board?

A: Yes, and yes. Previously, there weren't any guard rails. No one knew where their authority began or their accountability ended, and looking back on it, it was really fraught. There were rumors, like 'the Board's mad at me about....'; things weren't out in the open and defined. And my experience with Policy Governance was the opposite: I knew what was expected of me, I knew what I was supposed to do as a Board member. There was some trepidation, some worry about things changing for the worse from the staff, and none of that really panned out, from my experience. I was a very relaxed Board member, and I think the staff felt that too -- the Board is a minor player, and the staff are there 40 hours a week, running the co-op; that doesn't really change under policy governance, it just takes some of the guess work out of things and makes it clear what the roles are; that the board is a supporting player, there to support the staff to run the co-op and give them the support they need.



Q: How much did you tweak the document from Columinate? It's been difficult to know if we're changing it too much; if we're making it out of sync with Policy Governance.

A: We changed it a lot. It's a living document, and we never stop making changes. But we may have spent too much time tweaking the language before we really started, and we did well tweaking it once we got going. Don't be afraid to change it a lot and make it yours.

Q: Was there a lot of turnover in terms of staff? Were there changes in job descriptions? How did it impact them?

A: I'm sure there was some turnover at that time, but how much was related to Policy Governance? I don't think that was a factor. The Link position, that was one person who was affected by the implementation of Policy Governance. Some staff produced reports, that was different, and then it was on their calendar. The staff needed to put more labor hours in the budget in order to do the work required by Policy Governance. We had extra money in the budget to pay for staff to do that reporting. Other than that, the impact on the staff was minimal in actual practice.

Kate notes that when she shares the People's policy register, fellow Board members will see the history of changes and what the changes have been. Front and center it shows the last date it was updated. It was implemented in 2007, and they've implemented various policy changes.

Joel notes that another component of the reporting is that in addition to compiling the data, they get to interpret the policy. They get to report on their interpretation. This is key in thinking about the staff empowerment / disempowerment angle. The Board gets to say, 'yes that's what I meant' or not.

Q: Could you give an example if there was any sort of controversial interpretation or pushback from the Board about interpretation of policy?

A: We definitely rejected some interpretations. We rejected whole reports; that's part of the process. I know there was controversy.... but I can't remember a good/real world example. There was something around the 'board holism' thing, if people could even talk to other people, so our solution was as I described.

Q: There is some trepidation from staff. So, did the Board decide to go for it, and give it to staff for feedback?

A: It wasn't that sort of process because staff were involved on the inside from the outset. We didn't get to a final point with a Policy Register where we then asked staff for feedback, because staff had already been part of the process before that point. The Ends policy was written with heavy input from staff and others. It may have been put before the membership, in fact. The Board did operate with consensus.

Joel is happy to have Harry contact him with further questions.

Joel would like to hear how it's happened that the staff are not into it; is it a messaging issue?

His top observation is: Invite the staff in. It was key to our success. Really, as early as possible.

Kate notes that Elinor, the president of the Board at People's, is also very willing to work with us, too.

## **Commitments**

- Harry will follow up with BPC and find out what policies/updates have been made in light of the 2022 Co-op Index findings. (carried over from July commitments)
- Someone (who!?) needs to give the Board Report at the Annual Meeting -- Sat, Sept 23. [Kate committed to working with Tanzania to get something on paper for Board feedback/consent.]
- All board members are encouraged to come to the Annual Meeting!
- Kate will bring a Member Relations Committee report (coming from a spring survey) to the September meeting.
- Kate will write a Finance Committee report for the Board and bring it to the September meeting.
- Kate will finish some editing and will email the link to the full policy register (the Google doc the Board Development Committee has been working on). The other board members will look over the document ahead of the retreat.
- Max will solicit and incorporate feedback from Harry and Kate for the Board Expenses Coordination proposal (listed above as Board Expenses Review proposal)
- Kate notes she has the most current copy of the Policy Register from People's, and will get a job description for the Link and share these so the OFC Board can see how they've worked with this.
- Harry will share info on Columinate's upcoming webinar series on Policy Governance & make it available for staff to attend.

## **Meeting Eval**

We stayed on time.

I enjoyed having Joel; I think it's a good use of our time to learn.

I'd like to give some energy and fireworks to the positivity that Joel brought; thanks to Linda for tabling and finding Kate, and to Kate for bringing Joel. There's a lot of positivity there.

**Next meeting:** September 21, 2023, 6-8:30pm

**Next facilitator:** Harry

*~ Executive Session*