



Board of Directors Meeting
Date: November 13, 2023
Time: 6pm

Time	Topic	Information/ Action	Presenter
6:00pm	General Business Introductions Agenda Review Review Tasks from October Meeting Review and Accept October Meeting Minutes Member Comments (2 minute limit)	Information Information Information Action Information	Manny Manny Lizz All Manny
	General Manager Update GM Update B1 - Financial Condition B2 - Planning and Budgeting B3 - Asset Protection	Information Action Action Action	Brian M. Brian M. Brian M. Brian M.
	Committee Updates Member Engagement Committee GM Search Committee Finance Committee Policy Committee	Information Information Information Information	Alex / Felicia Manny Arnie Barbara / Delfina
	Action Items Revised B3.9/B8 Revised D3 & D4 SNFC Strategic Plan Columinate Contract Committee Chair Appointments Board Member Committee Appointments	Action Action Action Action Action Action	Barbara / Delfina Barbara / Delfina Manny Manny Manny Manny
	Closings Announcements Review Board Calendar Review Tasks & Assignments Check-in: How the meeting went	Information Information Information Information	All Admin All All
8:00pm	Closed Session Personnel		BOD

October Meeting Min p.2
 Policy B3 Recommendation p.5
 Policy D3 and D4 Recommendation p.8
 Board Calendar p.11



Board of Directors Meeting Unapproved Minutes

Date: October 9, 2023

Convened: 6:06pm Adjourned: 8:26pm

Directors Present: Manny Leon, Barbara Mendenhall, Brian Pimentel, Arnold Sowell, Alexandria Jang, Prasanna Regmi, Delfina Vargas, Felicia Thomas-Hill, Jeneba Lahai(left after seating new Board member), Bernadette Brogden

Director(s) Absent:

Staff Present: Brian Munn (IM GM/Store Director), Tyler Burch (HR Director), Angela Borowski (Finance Controller), Nova Weatherwax (Merchandising Director)

Members and Guests Present: Members attending via ZOOM

Notetaker: Elizabeth Ortiz Meeting Facilitator: Manny Meeting Chair: Manny

PRELIMINARIES

Introductions took place.

Agenda Review:

Motion to approve October agenda - Barbara

Second - Alex

Agenda approved

Tasks from previous meeting reviewed

Tasks reviewed

Approve Minutes of Prior Meeting:

Motion to approve September meeting minutes - Brian P.

Second - Prasanna

Minutes approved

Member Comments:

There were a number of member comments that were submitted prior to the meeting.

Barbara has already spoken to one member addressing their comments.

There are multiple comments that are related to operational matters that are being sent to staff to follow up.

Manny thanks everyone for their comments and suggestions and states that they will be taken into consideration moving forward.

Muriel joined the chat via zoom to elaborate about her comments. Manny states that staff will follow up soon.

GM Update:

Brian M. spoke about the farm visit on October 22nd. Lizz is working with Full Belly to see if we will be able to tour their farm, and will have a definite schedule sent out soon. We will meet at the store at 9:30am and leave the store around 10am.

Brian states that he just got back from Seattle where he had the opportunity to visit some of the PCC stores. Also had the opportunity to speak with GMs from other Co-ops.

Informed the Board that the Co-op went through a wage increase for union staff members on October 6th.

Holidays are coming up, we will be closed on Thanksgiving, there was a huge increase in staff morale by doing so last year. Christmas Eve the store will be closing early, Christmas Day the store is closed, New Years Eve the store will be closing early at 9pm and New Years Day the store will open a little later at 9am.

Food service kiosks are being moved out into early January. The kiosk is an ordering system so people can walk up and order food, there will be an option to order on phones.

Brian stated that he was very happy with the turnout of the Annual Meeting. He was able to speak with multiple members and thought it was a successful event.

Brian P. asked about the patio project. Brian M states the patio is open and just a few issues that have been fixed.

Brian M. gave an end of the FY recap.

Committee Updates

Member Engagement Committee

Brian P. stated that there is a Member Engagement on Nov 8th, that will be a great time for members to meet the Board.

General Manager Search Committee

Interviews are this week for the three candidates, the Board has been provided with interview packets. Zoom option for interviews is available, however, it is stated that recording is not available.

Tyler (HR Director) will be providing notes from staff in the closed session.

The date of the closed session is Friday October 20th at 5:30pm, in person with a zoom option. An Invitation will be sent out by Lizz.

Election Committee Report

Laura Kerr (Election Committee Chair) states that the Election report is provided in the Board packet. This report provides information on election participation as well as the outcome of the election.

The Election committee also made two recommendations for the next election.

There was an election challenge, the Election committee submitted a summary and recommendations to the Board of Directors based on the challenge.

Motion to approve the Election report as submitted in the Board Packet - Barbara

Second - Brian P.

Motion approved

Action Items

Seat New Board Members

Jeneba was thanked for her service on the Board and Bernadette was welcomed onto the Board of Directors.

Elect Board Officers

Motion to nominate Manny Leon to serve as the Board Chair - Barbara

Delfina seconds

8 in favor/1 abstain

Motion passed

Motion to nominate Alex to serve as the Vice Chair - Manny

Barbara seconds

Motion passed unanimously

Motion to nominate Barbara to serve as a Co-vice Chair - Delfina

No second

Motion failed

Motion to nominate Brian P. to serve as a Co-vice Chair - Felicia

Second - Delfina

1 in favor/6 abstain/2 objection

Motion failed

Board Meeting Schedule

Motion to have all Board meetings in person with a zoom option for travel, illness or other reason - Manny

Second - Arnie

Approved

Columinate Contract

Manny states that in the Board packet there are the two options for the Columinate contract, the Regular CBLD or the CBLD Complete.

Motion to accept the new contract with the CBLD Complete package - Alex

Second - Brian P.

Alex withdraws her motion

Motion to have the Finance committee evaluate the potential consulting expenditures - Barbara

Second - Brian P.

Approved

Draft Ends Policy

Delfina states that at the last Board meeting the Policy Committee brought to the Board a revised Ends policy. There was input from one Board member since then.

Motion to have the Policy Committee bring the final draft of the Ends policy to the November Board Meeting - Delfina

Motion withdrawn

Ends Policy final revisions said to be brought back in the November Board meeting.

Board Office Hours

Manny put together a list of details for Office Hours, this can be found in the Board packet.

Board Directors discussed details for Office Hours.

A Google Form will be sent out by Lizz to collect availability from all Directors.

Discussion Items

Director Orientation

Ad Hoc committee revised the Board Orientation powerpoint. This week they went through this with the new Board Director, Bernadette.

Bernadette gave feedback on the orientation process.

November Retreat

Save the date, November 3rd and 4th for the Board retreat. Agenda will be coming out soon.

CLOSINGS: Review Tasks & Assignments

Announcements

None.

Tasks/Assignments

1. Policy Committee - Ends policy in November, policy B3.9/8, policy D3 and policy D4
2. Closed Session Calendar invite/Zoom session
3. Executive Committee - Election changes discussion, November retreat, calendar changes
4. Finance Committee - plan meeting

ADJOURN MEETING TO CLOSED SESSION

Motion: Alex

Second: Brian P.

8 in favor/1 absent

Motion approved

Respectfully submitted by,

Elizabeth Ortiz

Board Administrator

Policy Committee Recommendation on GM Interpretation of Governance Policy B3. Asset Protection

Following the July 2023 Policy Governance revisions, in the first quarterly Executive Limitation Report on B3. Asset Protection, the GM interpreted Item B3.9 (highlighted below in B3) to only address communications plans about Co-op emergency situations being communicated to the Board rather than also requiring that the GM have crisis communication protocols (e.g., communications procedures/plans) on what the Board and Board members should do in crisis situations. This language was adopted directly from the Columinate Policy Governance Template Policy B3. Asset Protection, as was the entire B3 (see Columinate Template language below). However, we did move the language into a separate numbered section while the Template had it as a subsection to B3.8 Not allow damage to the Co-op's public image.

During Board discussion about crisis communications protocols for the Board not being included in the GM's report, it was suggested that the language be removed from B3. Asset Protection and placed in B8. Board Logistical Support.

The Board subsequently requested that the Policy Committee provide a recommendation on moving the language about crisis communication procedures for the Board of Directors into Governance Policy B8. Board Logistical Support. The Policy Committee has reviewed the request and notes the following.

Columinate staff who worked on the Policy Template informed us that the language in B3 is intended to communicate the following:

- Just like the Co-op would have other plans for how to handle emergencies, the GM is responsible for making sure that the Co-op has crisis communications plans.
- Because the Board is a part of the Co-op (not separate from the Co-op), crisis communications plans should include specific protocols for how the Board (and individual directors) will be informed and what they should do.
- The Board would know what the crisis communications plan is because they would see it at least once per year as part of monitoring this policy.

Hether suggests that our options are to have the Board and Brian M. agree on a reasonable interpretation of our policy B3.9 that includes the points above, or revise the language in B3.9 to clarify that.

The Policy Committee recommends 1) that the language remain in Policy B3. Asset Protection as previously approved by the Board and as an important element in protecting the Co-op's public image but 2) possibly also adding reference to these procedures in B8. Board Logistical Support (see sample wording highlighted below in B8).

As noted in Brian M's current interpretation, Co-op staff and Board should be aligned in all situations, as well as the Board sometimes being responsible for responding to crises. As was experienced in a prior situation involving a Board member's statements creating a crisis, the Board

must sometimes develop its own crisis communication response but needs GM assistance in determining how to best do that. Per the B3. Asset Protection policy, the GM's responsibility is to operate with crisis communication plans for staff, provide those crisis communications plans to staff and the Board per his current interpretation of the Policy and also provide crisis communication protocols for the Board.

The Policies discussed above:

Policy Type: Executive Limitations
Policy Title: B3 – Asset Protection
Adopted/Revised: April 1, 2011/July 10, 2023

The General Manager shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The General Manager must not allow:

1. Equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Deposits or investments to be unreasonably risked.
5. Data, intellectual property, or files to be unprotected from loss, theft or significant damage.
 - a. Improper usage of members' and customers' personal information.
6. Purchasing that is uncontrolled or subject to conflicts of interest.
7. Lack of due diligence in contracts and real estate transactions.
8. Damage to the Co-op's public image.
9. Operating without a crisis communications plan that includes communication protocols for the Board.

Policy Type: Executive Limitations
Policy Title: B8 – Board Logistical Support
Adopted/Revised: April 1, 2011/ July 10, 2023

The General Manager will not allow the Board to have inadequate logistical support. The General Manager must not:

1. Provide the Board with insufficient staff administration to support governance activities and Board communication.

2. Allow the Board to be without a workable mechanism for official Board, officer or committee communications.
3. Provide inadequate information and notice to Co-op members concerning Board actions, meetings, activities and events.
4. Allow insufficient or inaccessible archiving and/or an online system for working on Board documents.
5. Provide inadequate crisis communications protocols for the Board.

Columinate Policy Governance Template:

Policy Type: Executive Limitations

Policy Title: B3 – Asset Protection

Last revised:

The General Manager must not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The GM must not:

1. Allow inadequate insurance for facilities, equipment, and business interruption.
2. Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow deposits or investments to be unreasonably risked.
4. Allow inadequate security of premises and property.
5. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
 - a. Allow improper usage of member-owners' and customers' personal information.
6. Allow purchasing that is uncontrolled or subject to conflicts of interest.
7. Allow lack of due diligence in contracts.
8. Allow damage to the Cooperative's public image.
 - a. Operate without a crisis communications plan that includes communication protocols for the board.

Policy Committee Recommendation re Revision to Governance Policies D3 and D4

See marked up versions of D3 and D4 below with proposed revisions. We recommend that the revisions not be approved by the Board. We understand the need for checks and balances with the Board responsible for monitoring its policies and holding the GM accountable. We think those checks and balances already exist.

When the Board has a problem with GM interpretation of a policy, it might indicate that the policy should be revised with the Board needing to be more specific in expressing its limitations but not expressing means. Or a discussion might be sufficient to let the GM know why the Board has problems with the GM's interpretation, which the GM can address in updated or future reports. Also see the note inserted in the draft about the prior language in D4.

If these remedies do not resolve an issue of interpretation and the GM still provides what they think is a reasonable interpretation but that the majority of the Board does not think is reasonable, what recourse does the Board have? It can choose not to accept the report, which will affect the GM's evaluation.

The proposed phrases about the GM "provides reasonable interpretations to the Board" indicate that every GM interpretation might need pre-approval by the Board prior to submission of GM reports. That could bog down operations and be contrary to the intent of policy governance.

Stating that the Board has final say in approving any interpretation implies that the Board can directly instruct the GM in how to accomplish the Ends. It is a contradiction of the general idea that the Board sets policy expectations and leaves it to the GM to meet those expectations within the stated limitations and reasonable interpretations. It is a move from the Board defining policies to the "level of detail at which it is willing to accept any reasonable interpretation by the [GM]" into the realm of "prescribing board-chosen means - which would enable the [GM] to escape accountability for attaining ends". (see pg. 3, Carver & Carver 2009, *"Implementing Policy Governance and Staying on Track"*)

The Board has the responsibility to review GM interpretation of policies. That process should be sufficient to resolve disagreements about the reasonableness of interpretations with the periodical Board review of Executive Limitation Reports, the ability of the Board to revise policies going forward and the right of the Board to not accept a GM report based on interpretations it does not consider reasonable.

Proposed policy revisions:

Policy Type: Board-Management Relationship
Policy Title: D3 – Delegation to the General Manager
Adopted/Revised: April 1, 2011/July 10, 2023

The Board delegates authority to the GM through written Ends and Executive Limitations policies.

1. As long as the GM ~~uses-provides any~~ reasonable interpretation of the Board's Ends and Executive Limitations policies, the GM is authorized to establish all ~~relevant~~further policies, practices and plans for the Co-op. The Board has final approval over all reasonable interpretations provided by the GM.
2. The Board will respect and accept the GM's choices as long as those choices are based on reasonable interpretations of Board policies.
3. If the Board changes an Ends or Executive Limitations policy, the change only applies after the change is approved.

Policy Type: Board-Management Relationship
Policy Title: D4 – Evaluating the General Manager
Adopted/Revised: April 1, 2011/ July 10, 2023

The Board will systematically and rigorously monitor and evaluate the GM's job performance compared to expectations set forth in Board policies.

1. The Board's policy monitoring process is the foundation of our annual evaluation of the GM.
2. The Board will acquire monitoring information by one or more of three methods:
 - a. Most commonly by internal report, in which the GM discloses interpretations and compliance information to the Board;
 - b. Periodically by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or
 - c. Rarely by direct Board inspection, in which a designated director or committee assesses compliance with policy.
3. The Board will accept that the GM is compliant with a policy if the monitoring report includes a reasonable interpretation, including clear metrics and benchmarks, and adequate data that demonstrate accomplishment of that interpretation.
 - a. The Board's standard for compliance with a policy will be ~~any~~any reasonable interpretation provided to the Board by the GM. The GM's interpretation does not need to be an interpretation favored by individual directors ~~or by the Board as a whole.~~ The Board has final approval over all reasonable interpretations provided by the GM.

{Please note: the prior Policy Governance version included the following language: The Board is the final arbiter of reasonableness but will always judge with a reasonable person test rather than with interpretations favored by individual directors or by the Board as a whole.}

4. In evaluating non-compliance, we will consider the severity, implications and trends, as well as the GM's explanation and plan to achieve compliance.

5. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.
6. The Board's annual evaluation of the GM, based on a summary of monitoring reports received from July through June will be completed by July 31.
 - a. The Board will establish a GM Evaluation Committee in January to consist of Board Officers and other interested directors. The Committee will prepare a plan for GM Evaluation that follows this policy.
 - b. In June of each year the GM Evaluation Committee will review a summary of monitoring reports received during the previous 12 months.
 - c. The GM Evaluation Committee will invite the GM into a conversation to share other relevant information and clarifications.
 - d. Based on the review of reports and the conversation, in July the GM Evaluation Committee will present an evaluation letter to the Board for approval. The final approved letter will be presented to the GM by July 31.

Jan. 2023		Feb. 2023		Mar. 2023		April 2023		May 2023		June 2023	
Board Education & Development	Colum. CBL 101 1/27, Board/ Manager Relations 1/17, Board Compensation 1/26	Explore Policy Gov. 2/13	Finance Training for Directors: Session 1: 3/06 Session 2: 3/13 Session 3: 3/20 Session 4: 3/27	Diversity 4/6, Financial Statement Audits 4/11, CBL 101 4/15 Register for CCMA before April 14th	GM Compensation and Evaluation 5/17	CCMA June 8-10 in Sacramento, CA					
Board & Member Engagement Opportunities	Member Quarterly Article & Board Notes Due		Call for Board Candidates Run For the Board Forum March	Member Quarterly Article & Board Notes Due 03.27 Candidate Nomination forms & Election Info Online	Deadline For Nominations Com. To Submit Candidates For Board Approval May 30 Spring Fling May 13 Member Engagement Event May 25						
Required Agenda/ Packet / Executive Session Items	Patronage Refund Decision Election: Policy, Info Packet & Schedule Updated	Nominations & Education Committee Plan Approvals 6 Month GM Evaluation Preferred Shares Dividends Decision				June 12: Vote on Nominations Com. Candidate Recommendations Ballot Measure Certification Deadline Final Candidates Approved for Ballot					
GM Limitation Monitoring Reports	No Reports	B1 – Financial Condition & B3 –Asset Protection		B4 – Member Rights/Responsibilities, B5 – Consumer Treatment, B6 – Staff Treatment & Compensation	B1 – Financial Condition B3 –Asset Protection A – Global Ends	No Reports					
Board Process Monitoring Reports		C3 – Agenda Planning & C4 Board Meetings	C6 – Officers' Roles & C2 – The Boards' Job	C – Global Governance & C1 – Governing Style	C7- Board Committee Principles & C8 – Governance Investment	D – Global Management Connection & D1 – Unity of Control					
Co-op Community Happenings		Member Days February 1-28			Member Days May 1-31						

July 2023		August 2023		Sept. 2023		Oct. 2023		Nov. 2023		Dec. 2023	
Board Education & Development	Virtual CBL 101 7/15 Board Presidents' Roundtable 07/30 Board Retreat 07/28 & 07/29		Explorations in Gov. 9/12(session 1) 9/19(session 2) 9/26(session 3)	Director Orientation CBL 101 10/21	Director Orientation Nov. 3-4 Board Retreat						
Board & Member Engagement Opportunities	Member Quarterly Article Due 06.22	Member Engagement Event Aug 3rd Member Quarterly Article Update	Annual Meeting and 50th Celebration Sept. 30	Call for Committee Members	Member Quarterly Article Update Member Engagement Event Nov 8						
Required Agenda/ Packet Items/ Executive Session	Treasurer gives Bay area CPI to Finance Com. Chair	Board Budget (by August 31) ENDS Policy Review GM Annual Review & Compensation Discussion	General Election Call for Board Officer Interest	Seat New Board Members Elect Board Officers Call for Committee Chair & Member Interest	Board Committee Chair & Member Appointments						Co-op Member Committee Appointments
GM Limitation Monitoring Reports	No Reports	B1 – Financial Condition and Activities, B3 – Asset Protection	B7 –Communication to Board, B8 – Board Logistical Support & B9 – Emergency General Manager(GM) Succession	No reports	B1 – Financial Condition and Activities, B2 – Planning and Financial Budgeting & B3 –Asset Protection						B – Global Executive Constraint
Board Process Monitoring Reports	D2 – Accountability of the GM & D3 – Delegation to GM	C5 – Directors' Code of Conduct									
Co-op Community Happenings		Member Days August 1-31	Farm to Fork Festival 09/22 & 09/23						Member Days November 1-30		

Calendar items with date to be determined: CA Center for Co-op Development Conference

Register for Columinate Training: <https://columinate.coop/events/>