Facilitation: JennyL Minutes: Gayle Vibes/Celebration: Clean-up: n/a Scribe: n/a

Attended by:

Board Members: Naoki, Eleanor, Chris, Will

CM/Staff: Rachel, Amina

Member-Owners:

Guests: n/a

COMMITMENTS:

	COMMIT MADE	DIRECTOR(S)	DUE DATE	COMMITMENT
1	4/23/19	Rachel	6/20	CM will clarify and explain 8.6, allocation of net loss, in time for the 2019 patronage decision.
2	9/24/19	Eleanor , JennyO	6/20	Share policy reflection on 2.2 with Board.
3	3/24/20	JenB, Rachel	6/20	Discuss resources and documents that are needed for new Board members and generally plan the orientation. Jen B. will coordinate
4	12/3/19	Kahadish Rachel	6/20	Kahadish—Rachel will make the refund happen for the person whose membership was terminated once they provide an address.
5	5/26/20	Rachel	6/20	Rachel: When get CPA report, bring 2.4.12 graph and chart back to the Board.
6	5/26/20	Rachel	6/20	Rachel will follow up with NCG and other co-ops to create a new operational definition of 2.3.1 that explains why 0.5% net income is adequate, or redefines adequate net income, including potentially without a set number.
7	5/26/20	Eleanor	6/20	Eleanor will bring up the topic of 2.4 wordsmithing at the next Board work session and put it into a Google doc for Amina and Rachel to comment on.
8	7/23/19	CM Link	?	CM Link will bring the topic of names on bank accounts back to the Board when Finance Team has another eligible person. [Update 5/26/20: Amina has now been accepted to

		CM!]

DECISIONS:

DECISION: April minutes approved as revised. (Will and Chris abstained)

DECISION: Eleanor Escafi is approved as the new President.

DECISION: Report 2.4 accepted as written, with request for 2.4.12 graph and chart back

to the board when hear back from CPA. (Two yes, two stand-asides.)

DECISION: 2.3 report accepted as submitted.

NEW COMMITMENTS:

Rachel: When get CPA report, bring 2.4.12 graph and chart back to the Board.

Rachel will follow up with NCG and other co-ops to create a new operational definition of

2.3.1 that explains why 0.5% net income is adequate, or redefines adequate net income,

including potentially without a set number.

Eleanor will bring up the topic of 2.4 wordsmithing at the next Board work session and put it into a Google doc for Amina and Rachel to comment on.

MINUTES APPROVAL:

DECISION: April minutes approved as revised. (Will and Chris abstained)

AGENDA REVIEW:

• Do COVID review while waiting for quorum, then proceed.

Member Owner Forum:

• n/a

1) C19-Related Update From CM

Sponsor: Rachel Purpose: discuss

- No new updates since packet. Answer from front-end team to question about % of people wearing masks in the store: One said 98%, rest said 99%. Most people who were told they needed to wear a face covering just left.
- Another thing worth mentioning: This is not for sure, but we might talk about increasing open hours to longer. New Seasons will be doing that starting in June. Working on hiring new staff. If get enough staff, might go back to being open on Thursdays. Might also

have early hours for more at-risk people.

- List of questions:
 - Chris: Do you feel that the hours were affecting sales?
 - Naoki: Do you have any update on how we're doing in terms of sales? We had a lot of growth in March, and then April was down.
 - Chris: Great idea to have hours for people who are not able to wear masks.
- Rachel: Hard to figure out exactly what's affecting sales. NCG says it was reallt hig =h all over because of panic buying, then sales dropping off. I feel that limiting the number of people in the store is affecting sales more than the hours. People aren't doing massive buys anymore. Some have insecurity about where their money will come from. Need to think about whether increasing hours will impact the numbers. Sales for first quarter were 19.25% higher than last year, but April negative 8.84%, May more than 10% negative.
- We do have a bit of a cushion, but if it stays negative like this, we may have negative sales for the year. Currently we're still in the positive, but that will go down.
- Naoki: Last month we heard about how staff is getting exhausted. Any update on how workers are doing?
 - Rachel: Something I might not have said: We've moved into having a more regular schedule. Still somewhat tenuous, but we have more of a set schedule. Going back to that is helpful to people. Padrice says that people are still really tired, and still doing customer service is more exhausting than usual, but moving back to set schedule and having people on leave coming back, people are more settled and mood is better. It's been awhile and we're settling into the current plateau of what's happening. More stable.
- Much appreciation for staff handling all of this!
 - Chris: When I go to the store, it seems very calm and competent. You're doing great!
 - Rachel: Still trying to figure out curbside.

2) **Board Leadership Changes**

Sponsor: Eleanor Purpose: decide

- We would like to formally recognize that Jenny Owen has stepped down from the board, and because she was the president, that left us without a president. Eleanor will step into the President role. We checked and do not need to appoint a new vice president.
- Gratitude to JennyO for her service to the co-op as both staff and board member.

DECISION: Eleanor Escafi is approved as the new President.

3) Monitoring IMR 2.4 Business Planning and Financial Budgeting

Sponsor: Rachel

Purpose: decide

- Naoki: Great layout, easy to read and follow. Made my job easier!
- Amina: Glad to hear formatting is working! I spent a lot of time on that. We will keep trying to send them as PDFs. This report is about how we are doing planning and business plan. We adopted a business plan since last time you got 2.4. In compliance with everything except #12, and we're still waiting to get final numbers.
- Did anyone come unprepared? No.
- Anyone find operational definitions unreasonable? No.
- Inadequate data?
 - Chris: Policy 2 projections include fairly optimistic numbers that are not in line with what we're seeing, even not counting COVID. Having challenges accepting these sales predictions as credible.
 - Chris: Labor percentage shown as declining, long term 23%, Are these on track to match business plan?
 - Naoki: 2.4.7: Challenging to assess since data only had 2019, no prior years
 - Amina: Previous versions of this report only had one previous year, but we can add more years.
 - Amina: Why we thing projection is doable: We don't think it will be easy, but we have been seeing that winter is a strong fourth quarter, and we're rebuilding sales team. NCG is still recommending that we plan for that. There are 2 sets of projections, one with warehouse and one without.
 - Rachel: Labor percentage: One reason to work on that is that when we talked about a possible location for a second store, we found that we couldn't because labor percentage was too high. We have to work on getting that lower as well as having sales growth higher. Last year's budget was first time we budgeted 0% sales growth--effort to focus on net income rather than sales growth. Moving into 2020, we tightened things up; now let's try to have sales growth. We were doing great until COVID hit. Changed a lot about how things are merchandised, how things are put on sale.
 - Rachel: We can't rewrite the budget just because situation changed; we have to try to use the dynamic features of it.
 - Chris: This hit all the points, but don't feel connection between this plan and the long term plan. If we continue with these labor projections, it doesn't seem we will be able to hit the sales forecast.
 - Rachel: Three-year projections are not our budgets. We will take those numbers from the business plan and make the budget for each year.
 Projections are rough; we will be looking at the business plan, not the projections, when we reach year's budget.
 - Amina: We know that we need to be profitable to do our development projects.
 - Naoki: Projections show labor percentage that is really different from budget. Is it fair to say that there will be adjustments each year to get to the projection?

- JennyL: Temp check: Two say adequate, one in between, one still looking things up.
 - Will: Some fundamental issues in how policy is written and the interpretations.
 - Chris: Rescind earlier comment; misunderstanding.
 - Will: Flaws from policy and they way they're written throughout the whole process cannot be resolved quickly. I will stand aside since I don't think the policy is coherent, so CM could not make a reasonable interpretation.
 - Chris: For me, what would make these numbers more appropriate would be if there were a specific plan to achieve them. Seems unlikely that these numbers are realistic.
 - Will: These are projections that we're aiming toward, but they will be adjusted after each year based on how things have gone.
 - Rachel: Budget is structure for how to move through the year; adjustments can be made.
 - Eleanor: I feel that the more aggressive targets are where CM has been putting a lot of energy.
 - Chris: I think I will end up standing aside. I just don't feel these are realistic numbers. 2.4.2 requires credible projections of revenue; I do not believe the projections are credible.
 - Proposal: Accept as written, wait for CPA report, then bring 2.4.12 graph and chart back to board. Two yes, 2 stand-asides. Passed.

Rachel: When get CPA report, bring 2.4.12 graph and chart back to the Board.

DECISION: Report 2.4 accepted as written, with request for 2.4.12 graph and chart back to the board when hear back from CPA. (Two yes, two stand-asides.)

4) IMR 2.4 Policy Reflection

Sponsor: all Purpose: discuss

- Chris: Pretty straightforward, should be able to look at the proposal one item at a time. Two places to choose if we like A or B better; two places to decide to include or not include, and possibly one other place to discuss.
- Naoki: In my experience, doing policy reflection on the fly is really heard. Can we discuss, first of all, how we feel about how the current policy? Context: This item came from last time we had 2.4, when we noted that the size of the policy was disproportionate to what Columinate recommends. This is an attempt to streamline what we have to be more like Columinate's but with a People's flavor.
- Eleanor: I agree with Chris that we can step through it and make those 4 specific decisions. Also would like Amina's take on this: Does it seem easier to report on? Does it make things simpler yet get richer information? Limit work for CM to do the report?
- 1.1: Primarily a wording choice. Proposed alternate wording. "Risk-incurring situation"

is not clear; change to show projections that avoid the situations we don't want to get into.

- Second line is the version we want.
- Rachel: Worried about having that word "projection" in there; it's not the same as budgets and plans, and don't want projection to be assumed to be budget or plan.
- Naoki: I worry that we are spending a lot of time on wordsmithing. There are bigger issues.
- JennyL: Yes, wordsmithing and these kinds of debates are really best for committee work. What about bringing it to the Finance team, etc, and working it out with them? Naoki, do you want to talk about what the bigger issue is?
- Naoki: To me, if you go back to the original policy language, my rationale is that I can read below here and I don't know if it makes sense to do this today, but would like to see if the rationale for rewriting it makes sense.
- JennyL: Anyone else having larger-picture need around 2.4, especially someone who might not join that committee to work on it? [None.] Curious: Would this be a good work session item? [Yes.] It seems like the small group is going to involve most of you anyway. Can someone take the lead on bringing the CM into this conversation?
- Eleanor: I can do that. Rachel and Amina, what would be the best way to involve you in that? Would you want to just see our final proposal after wordsmithing and get your feedback?
- Amina: Fine with me, maybe via Google doc. Maybe also one of us coming to the session.
- Rachel: CM Links haven't actually been to any of the board work sessions.
- Amina: I prefer the Google doc method.
- Eleanor: Okay, we'll work on it and send you both the Google doc.

Eleanor will bring up the topic of 2.4 wordsmithing at the next Board work session and put it into a Google doc for Amina and Rachel to comment on.

ANNOUNCEMENTS:

• People's was nominated for 2020 Best of Portland!

5) Monitoring IMR 2.3 Financial Condition and Activities Q1

Sponsor: Rachel Purpose: decide

- Chris: Great to see all the numbers on one page!
- Naoki: Pretty amazing that we have increasing ratios throughout.
- Rachel: Want to make sure people understood note in email that numbers are draft. It's not that they're not accurate, it's that RFS spreads out taxes over the year, etc.
- First two months were great, then March got blown out of the water because of the COVID mass buying so we sold much more volume without more labor.
- Questions?

- Chris: Can you summarize general impact of warehouse?
 - Rachel: Those are for 2.4, but we asked for projections both ways so we can consider both.
- Naoki: The 0.5% net income: why did we set that, and why do we think it's the right number.
 - Rachel: At the point that started being used, our sales per square foot were at the highest they've ever been. Having a greater amount of net profit seemed like we could make expenses and have some left over given the volume of what we're moving. I do have a commitment to talk to NCG and other GMs about their thinking about that. Definition does need to be expanded to explain why we're saying that's adequate. We talked about having it higher for the budget for this year, but we decided to have a conservative budget that we can try to so better than. I do agree it needs to be articulated.
- Eleanor: Leaning towards accepting. Thank you, Rachel, for talking to Miles to get the background behind the situation.
- Naoki: Agree.
- Chris: Will accept if we get that commitment into the commitment chart.
- Will: Looks good.

Rachel will follow up with NCG and other co-ops to create a new operational definition of 2.3.1 that explains why 0.5% net income is adequate, or redefines adequate net income, including potentially without a set number.

DECISION: 2.3 report accepted as submitted.

6) IMR 2.3 Policy Reflection

Sponsor: all Purpose: discuss

• No need for changes.

7) Monitoring IMR 2.0 Global

Sponsor: Rachel Purpose: decide

• <deferred>

8) IMR 2.0 Policy Reflection

Sponsor: all Purpose: discuss

<deferred>