



Co-op Conversations

March 4, 2019

Summary Notes Submitted by Martha Whitman

[This session was attended by special invitation from the Board of Directors. Members were identified who were highly engaged with the 2018 Bylaw vote process, and were specifically invited to give feedback]

The desired outcomes for this Conversation were:

- Illuminate the common ground of all participants
- Hear the areas of concern regarding bylaw changes
- Share the board's current engagement plan, get feedback
- Take a step back and put attention on building trust

We touched on all outcomes and based upon my observation and the highlight comments below, we made significant progress. In no particular order and without everyone completing this assignment we received the following useful feedback.

Please share one highlight from your experience here tonight:

- The meeting was well organized. The participants were able to speak and share.
- Effective at team-building
- Having the co-op conversation for member input. Thank you Board, thank you Martha
- To engage with governance at co-op!
- Hearing some of the data...and would have liked to hear the other categories. Fired up conversations...expressing concerns
- Openness to comments
- Appreciate being invited and given a voice. I hope the board is listening.
- Hearing the concerns
- Allowed for dialogue
- I like the big Post-It idea for questions and concerns
- Board members open to input. Not defensive.

- I believe the board is interested in listening to the concerns of members regarding the bylaws. Thank you
- I appreciate Chris' honesty and openness
- Listening, caring, openness of board members
- Soliciting concerns and capturing/reflecting them back
- I appreciate the board making the effort to listen to concerned members. In addition, putting into place a process that will be more engaging.
- I was called on when I raised my hand.
- Getting together with people who truly care about the co-op.

Below are the member comments on specific bylaw sections. This was a successful exercise because the board now knows with some detail what the issues are, members had time to write down all the concerns, and now the board is better able to address them. To make the information easier to digest I didn't repeat similar comments. (As not everyone labeled the Post-it by section number I couldn't completely organize this list by section order.)

1. 1.02. concerned with the elimination of focusing on natural foods. Would prefer to make the focus on keeping and promoting organic and non-gmo items. Why remove words of "cooperative ideal" and "natural food", should add "organic" and "non-gmo". Why was the name and purpose to promote organics, cooperation, education, and anti-discrimination removed?
2. 2.02. The current bylaws seem more than adequate. The proposed change seems to be able to be unfairly manipulated.
3. 2.05. 10 year limit seems to eliminate experience for the board. Why change the term limits, could leave as it is at 3 consecutive terms. Sometimes an experienced hand needs to come back.
4. 2.08. Phone meetings. If meetings are held by phone how are members involved? How would these meetings work? Zoom?
5. 2.09/2.10. No transparency for special meetings and executive sessions
6. 2.10. # of board members. Increasing board members make it more difficult for everyone to meet regularly with any frequency (i.e. once/month). A larger board would become less effective and more bureaucratic. What areas aren't covered with the 7 we already have? I like having 9 members, more experience.
7. Meetings by phone or email – how can those be open to members?
8. Active member not defined
9. Quarterly meetings. Why are you wanting just one? Doesn't that decrease member participation? Means members would have 75% less time to find a way to participate. Need more opportunities to engage. This move seems to indicate the board wants less interaction, not more.
10. Board meetings. What is the need to reduce the number of board meetings?

11. Why are you restricting member participation on committees?
12. Nominations by the members. How many signatures are necessary to qualify for 3% of members? Too restrictive, would curtail member involvement. 95 days before an annual meeting seems onerous. How does that relate to the election timing?
13. So many uses of "for any cause" seems too broad.
14. Article V, Section 5.03. why should the management of the co-op be vested in a CEO? Why is the CEO president of the co-op? What are the responsibilities and limitations of the officers he/she appoints?
15. 5.04. why should the CEO nominate other employees as officers of the board? Besides the claim that, as employees, officers can't participate in the process of setting GM compensation of the CEO, what else distinguishes these officers of the board from the board? What are the specific responsibilities between the two groups? For instance, are both votes counted the same? Do officers weigh in on monitoring reports or board policy?
16. 6.06. Removing any member for any reason promotes distrust and could allow the board to eliminate open discussions. Need to keep "justifiable reason" in the bylaws. Any reason to terminate membership doesn't seem appropriate.
17. 7.02. Why eliminate the Board from calling a special membership meeting? Removing the Board weakens its ability to govern.
18. 7.05. proxy voting, even if approved by the board shouldn't be allowed, particularly if employees are CEO-appointed officers of the board.
19. 7.06. Major transactions governing the sale, lease, etc. of assets should be approved by the members and not the Board, particularly if employees are CEO appointed officers
20. 8.01. Shares outside of CA!!! Shares by non-members!!! What's the rationale for non-members buying shares? They may influence the co-op management.
21. Article VIII. Why the proposed change from GM to CEO/President
22. Article X, section 10.01. the timeline for annual audits should be provided here. This section should also stipulate when members actually receive a summary of the audit.
23. Article XVII, Section 17.01. Why are membership shares issued to and owned by persons who are eligible or are members? What constitutes eligibility? Can eligibility requirements change? Who can change them?
24. Why would an electronic signature be sufficient for a vote but not for a petition?
25. Article XXII, Section 22.02(b). Why are proposed amendments which do not require member voting under the law approved by a 2/3rds majority of the board? Who decides the requirement of what requires member voting and what does not?
26. Finances. Why remove member vote for issuing shares or taking on debt?
27. Too much specificity can reduce board's ability to adapt to take specific context of situation into consideration.
28. Retaining, in writing, core value of furthering co-op ideals seems to be missing.

I don't think there are any surprises in their feedback regarding last year's bylaw proposal, but still important for them to have been able to voice their concerns in a way where they felt better heard. I consolidated where I could to make it easier to utilize this data.

1. There was no red-lining or option to not entirely re-write the bylaws and articles of incorporation.
2. The members must retain our ability to hold both the board and management accountable. The 2018 proposal would have greatly weakened our power to do so.
3. Is it possible to proactively solicit input from younger co-op members? And members from different/variable socio-economic-cultural life background?
4. Board was defensive. Yes, it's their responsibility but the process would have been smoother and more successful if it was open.
5. Members tried to voice concerns, but board didn't listen, except at CDS (Brian) meeting
6. Always hoped a full re-write would shift to "owners" or at least "member owners".
7. Pro bylaw electioneering happened inside the store. Anti-bylaw electioneering was restricted. Removal of con arguments from the ballot, ballot was very pro.
8. Member input was not collected in advance of the writing of the proposed changes. Too late to do anything but oppose. The bylaws were presented as a completed product. How could it be construed that membership input was not an integral part of the process?
9. Trust was broken with the past bylaw process.
10. Need a clarification of which bylaw changes are required by federal, state, local law.
11. Not enough notice or explanation of reason for bylaw changes. Too many changes with too little notice.
12. There needs to be an 'every year' discussion of bylaws so that members have a base on which they can make bylaw decisions.
13. The process should have designated which bylaw change was mandated by changes in state co-op law. Any changes not mandated by state law should be designated as such and explained why the changes are needed.
14. Members and employees were told if bylaws weren't passed the SNFC would go under in 6?8? weeks. Didn't happen – so were folks deceived?
15. Outside legal was hired to work an outcome. What is behind the push, who is behind the push?
16. Not all members have computers, written notices must be timely.

Miscellaneous comments

1. The prior board had their thumbs on the scales of the election and did not heed the election committee decisions.
2. The general manager has too much power. We want him to have accountability to the members.

3. Create a focus membership review group to work with board to accomplish revision of bylaws for 2019.
4. When the member newsletters were made quarterly, the board meeting and member meeting became more important.
5. Atmosphere is more business-like, less personal and welcoming.
6. What about the non-members? How are you going to control them?
7. Most patrons are only concerned about shopping here, they get scared when confronted by this threat of dismissal. Secret societies and the like enforce these tactics
8. Is the co-op a cover for some other business happening here?
9. Make sure future co-op conversations include a diversity of people to represent the membership (various races, people with disabilities, etc.) we were mostly white/Caucasian and mostly older!
10. Not covered: acknowledgment of the indigenous land on which the co-op and its suppliers sit and our responsibility to the peoples of this land.
11. The member attended board meeting should/can be used for explaining proposed changes to bylaws.
12. Board meetings are not meant for member engagement, quarterly meetings are.
13. I really wish the board would take this year to get the co-op bylaws into legal compliance before taking on the entire revision.