

Breadroot Natural Foods Co-op
Board of Directors monthly meeting minutes
Date: Monday September 21, 2020
Allotted Time: 5pm-7 pm
Location: Zoom electronic meeting

Board Attendees: **Pam Bonar, Lindsey Hays (President), Dowell Caselli-Smith, Curtis Westburg, Anu Shende, Karen Psiaki (Nomination & Recruitment Committee Chair), Kimberly Tilsen-Brave Heart, Dreely Tabor (Treasurer), Jessica Ries (Vice President), Tim Sullivan (Interim GM)**

Additional attendees: Joshua Youngblood (cooperative board leadership consultant), Joel Brock (IT Consultant)

Call to order: **5:02 pm by Lindsey Hays**

- I. Approve agenda (2 min): **Dowell moved to approve agenda as posted. Jessica 2nd. Approved unanimously.**
- II. Approve previous meeting minutes – August 2020 (2 min): **Curt moved to approve August meeting minutes as posted in board packet. Dowell 2nd. Karen had one change on second page of Aug minutes: item #3: Anu made that suggestion. Motion amended to include Pam's correction. Vote: Jessica abstained, remaining members present approved. Motion passed. Also during this discussion, Dowell clarified that an executive session listed in the packet was listed on the wrong date (7/27 instead of 7/28). This clarification was deferred until later in the meeting per the agenda.**
- III. Introductions and ground rules for this meeting (8 min) **Board members and guests briefly introduced ourselves.**
- IV. Board President's statement (8 min) **Lindsey Hays read a prepared statement.**
 1. Review the board's role and fiduciary obligations to the membership. Review key portions of coop bylaws.
 2. Summarize important issues facing the coop including personnel changes and recent member petition
- V. Coop member time (45 min)
Members will be allotted 3 minutes each to make a statement. The board president will manage the meeting and call on/un-mute individuals to speak in an orderly fashion. Another board member will keep time. The board will not plan to respond to member comments at this time due to the need to make time for everyone's statements.

Co-op members who attended the meeting:

**Micki Kennison
Donna Wilkening
Janet Voight**

**Karen Buxcel
Tiffany Knight
John Knight**

Larry Kennison
Curt Voight
Mick Krsnak
Jules Skillman
Maria Thouron
Deb Legge
Taryn (no last name given)
Kris Hewlett
Jen Owens
Carolyn Ness (via Zoom)
Rayelle Ulvog (via Zoom)

Michelle Grosek (via Zoom)
Cori Meadows (via Zoom)
Georgia (via Zoom)
Nancy Hamak (via Zoom)
Anna Chief (via Zoom)
Kris Hewlett (via Zoom)
Jude Welte (via Zoom)
Daniel & Rayna Woodward (via Zoom)
Kimberly Landsman (via Zoom)
Tanya Sanchez (via Zoom)
Rachel Kunzweiler (via Zoom)

Members who spoke:

Nell (Bender) Krsnak
Micki Kennison
Dona Wilkening
Janet Voight
Karen Buxcel
Tiffany Knight
John Knight

Lara Kennison
Curt Voight
Julian Skillman
Maria Thouron
Deb Legge
Jen Owen

At this point the board president skipped to new business in error. New business was addressed before old business.

VI. New business (5 min)

1. Vote to formally establish GM Search Committee **Karen motions to create a GM Search Committee. Jessica seconds. Vote: All in favor. Motion passes.**
 - 1.1. Discuss scope of committee: **Discussed briefly**
 - 1.2. Elect committee chair and select committee members: **Discussion: Lindsey nominates Curt be the chair. Jessica moved to elect Curt as GM search committee chair, Anu seconds. Curt asked for Kim to be a co-chair. Jessica amends the motion to include Kim as co-chair. Vote taken on motion. All directors presente voted in favor. Motion carries.**
 - 1.3. Establish timeline for certifying committee charter and for moving forward with GM search: **Discussion: Curt said that Dowell, Anu and Tim would also like to be a part of the committee. Timeline: Finalize job description then accept resumes. Curt asked what purview does the committee have to do these items. Lindsey said that this new committee would have a forum on freedcamp in order to conduct committee business. The committee would provide project progress at monthly board meetings. Curt says most likely the third week in November as target date for selecting a new GM. Curt said the budget should be \$3600 to obtain new GM which includes travel costs for candidates. Dowell offers a motion to add to the 2020 coop budget \$3600 for the GM Search Committee. Pam seconds the**

motion. Vote: all in favor. Motion carries. Anu asked where the money comes from and how it is reimbursed to committee members. Cochairs will be in charge of how the money will be spent. Tim will be able to help chairs with this.

At this point, Jessica pointed out that we skipped Old Business. Lindsey addressed and moved back to old business.

- VII. Old business (15 min)
1. Review plan for reviewing/updating committee charters, clarifying director & officer roles (5 min): **Discussion: How should we do this. Jessica said she would like to do this in person if possible with covid guidelines. Jessica has started with the orientation overview. Jessica will begin a freedcamp discussion to get input from all board directors.**
 2. HR Audit with Carolee Colter - update (5 min): **Discussion: Carolee does not have this done as of yet but will have it by the end of the month with steps to be taken in regard to HR.**
- VIII. Certify results of board votes that took place via email (5 min): **Discussion: In the board packet is a summary of board decisions made via zoom-based executive session or via email. Lindsey gave a description of this process of summarizing these decisions in the meeting minutes. It was again discussed that the executive session listed as occurring on 7/27 was actually on 7/28. Discussion was had and several versions of a motion were discussed. Final motion offered by Dowell that we certify that the decisions listed in the board packet were made outside of the general BOD meeting (via both email and executive session in Zoom) and that we accept Breann's resignation from the board of directors. Motion was seconded. A vote was taken with unanimous vote in favor to approve the motion. [Note: a list of the board decisions that were addressed here is included as an addendum to these minutes which was updated from the board packet version.]**
- VIII. Committee Reports (20 min)
- a. Executive Committee (5 min): **Discussion: Committee met on 9/16/2020. Karen and Anu attended as guests.**
 - b. Finance Committee (10 min)
 - b.1. Current financial state of the coop: **Discussion: Dreely gave an update. Our financial standing now is looking very good. Year to date sales growth over last year is: 32%. Cash on hand looks good.**
 - b.2. Budget Updates: **Discussion: Jeffrey was working on a 2021 budget when he resigned, however, Jeffrey did not return working documents such as the excel version of the coop budget to the coop, and these were not located on his work computer hard drive when he returned this. Jessica points out that Jeffrey deleted work product documents after he was relieved of his GM**

duties. We had to start over with the budget as an excel file. Tim is working with NCG, using their template.

- c. **Nomination & Recruitment Committee (5 min) : Discussion: Breann submitted her resignation from the board of directors on 9/6/2020. She was looking to be a very stellar part of the board. However, she felt the treatment of the board of directors in online discussions on social media would potentially have a negative affect on her current or future employment.**

IX. GM Report (10 min)

- a. **Introduce interim GM Tim Sullivan: Discussion: Tim provided the board with a “State of the Coop” report which the board reviewed in the meeting packet.**
- b. **Tim discusses interim GM role: Discussion: Goals: Leadership, and healing due to Jeffrey’s departure. Tim has a servant approach to leadership. He feels the staff is in a good place. Anna has joined the staff temporarily. He is working on the budget, sending a draft to the finance committee. Goal setting will be by department.**
- c. **GM monitoring (special report): current state of the coop: Discussion: Tim reports that the coop is in great shape. Sales are 30-40% growth, due in large part to covid. Staff is hard working. They are very good at customer service and friendliness. Jessica shared that she appreciates Tim and the work he has done. Lindsey asked for clarification on the petition. Tim said it was turned in to Lindsey. Lindsey asked for a motion to accept Tim’s GM report. Jessica made a motion to accept the interim GM’s “state of the coop” report as given at the meeting. Dreely seconded. Vote: all in favor. Motion passes. Karen asked about staff wages. Tim sees nothing that is out of balance. He will be giving the board recommendations regarding bonuses before he leaves after he sees the HR review. Anu inquired about the hazard pay given to staff during the COVID-19 pandemic. It was discussed that Jeffrey gave bonuses to staff for hazard pay.**

X. Board Calendar & Education (10 min)

- a. **This month’s board education (5 min)**
 - a.1. **Tim to discuss Policy Governance: Discussion: Tim reported that his coop experience, boards typically have difficulty holding GMs accountable. We want to find flaws and address them. Joshua gave input. Issues came up tonight via member comments. Corrective action becomes tricky. Tim thinks we are making great strides in this area.**
- b. **Discuss and vote whether to accept the board as in compliance with policy C8: Governance Investment (5 min): Discussion: C8 governance investment. Discussed that the board is in need of more training as well as better outreach mechanisms to hear member concerns. CBL 101 with Joshua has been used as**

a tool for board development. Motion by Dowell that the board is meeting the requirements of policy C8 given a reasonable interpretation of the policy, accepting that the board continues to have work to do. Jessica seconded. Vote: all in favor. Motion carries.

xI. Adjourn: **Time: 7:04pm**

Next meetings – will all take place virtually.

- a. Executive committee meeting: Wed, Oct 14, 1-2 pm via phone-based conference call
- b. Finance committee meeting: Mon, Oct 12, 5:30-6:30 pm via Zoom
- c. General BOD meeting: Monday, Oct 19, 5-6:30 pm via Zoom

Due to the Rally, start of in-person classes at RCAS, and surges of COVID-19 cases throughout the country, it does not appear that it will be wise to hold in-person board meetings anytime soon. The board president continues to re-evaluate the situation in our area when determining whether to have virtual meetings. Of course it is best to meet in person but it is not the safe choice at this time.

Attachments:

1. Summary of board decisions made outside of monthly meeting
2. Finance report summary for Sept 2020

Summary of recent board decisions made outside of monthly meetings:

- I. Summary of recent decisions made in executive session via Zoom and certification of votes made via email.
 - A. Summary of recent decisions made in executive session via Zoom:
 - A.1. Executive session 7/28 to discuss employee complaint and next steps:
 - A.1.a) The board resolved to hire a 3rd party professional to conduct an HR investigation
 - A.1.b) The board agreed that the president will ask Jeffrey to complete an updated policy B6 report that addresses the missed deadlines from the last B6 report
 - A.2. Executive session 8/25 via zoom:
 - A.2.a) Motion was made to secure swift and appropriate attorney review of GM resignation letter for recommendations to the Board on how to proceed. Approved unanimously by quorum of 6 board directors present at this meeting. Board directors unable to attend this meeting later expressed support for this motion without dissent.
 - B. Summary of email-based board decisions made since last BOD meeting:
 - B.1. Motion and second given via email communication on August 29th to remove Jeffrey Thouron as general manager effective immediately. Motion carried by unanimous vote of all board directors.
 - B.2. Motion and second given on August 30th that the board approve and sign the contract with Columinate for the hiring of an interim general manager. Nine board directors voted - all in favor. Motion carries by unanimous vote of a quorum of board directors.
 - B.3. Motion and second given via email communication September 1st to remove Jeffrey Thouron from BHFCU accounts and grant Tim Sullivan the same access previously provided to Jeffrey. Also to grant Lindsey Hays and Jessica Ries primary access to all accounts, including signatory permissions. Grant Dreely Tabor view access but no signatory permission. Six board directors participated in the vote, forming a quorum, and voted unanimously to approve the motion.
 - C. Additional activities occurring outside of monthly meeting:
 - C.1. Email sent to all board directors on 9/6 from Breann Mayforth states "In light of current circumstances I request to resign my new position as interim board member."

August Fiscal Results Summary

- A. Sales growth summary
 - a. YTD growth: +34.0%
 - b. 2020 1 st Qtr. growth vs 2019: +22.9%
 - c. July 2020 growth vs 2019: +41.6%
 - d. August 2020 growth vs 2019: +52.7%
 - e. Sept. 2020 growth to date vs 2019: +30.6%
- B. Net profit summary
 - a. 2019: -1.34%
 - b. As of July 2020: +9.1%

Note: Net profit is only accurate when a physical inventory is taken -
Tim plans on this soon
- C. Cash On-hand
 - a. 2019 End of Year: \$131,141
 - b. March 2020: \$206,337
 - c. July 2020: \$255,427
 - d. August 2020: \$365,815
- D. Results Compared to Budget
 - a. In every area that the finance committee reviewed, Breadroot's results are significantly better than the 2020 budget we approved in 2019.