

# **Breadroot Natural Foods Cooperative**

## **September 2020 monthly Board of Directors meeting minutes**

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); absent: Elliott Warshaw (excused due to work schedule)**

**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 2<sup>nd</sup>. Approved unanimously.**

II. Approve previous meeting minutes – August 2020 (2 min): **Curt moved to approve August meeting minutes as posted in board packet. Dowell 2<sup>nd</sup>. 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 board 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).**

III. Introductions and ground rules for this meeting (8 min) **Board members and professional guests assisting with the meeting briefly introduced themselves.**

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)

Coop members were allotted 3 minutes each to make a statement. The board president with the assistance of the two consultants managed the meeting. Speakers were called on in an orderly fashion with one of the consultants keeping

time. The board did not 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 and who publicly identified themselves:**

**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**

**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**

**Dowell Caselli-Smith made the last statement. Dowell is a current board member, a past president and a long-standing co-op member.**

**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. Discuss scope of committee: **Discussed briefly**
  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 present voted in favor. Motion carries.**
  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 [edited to add: Freedcamp is a file-sharing website that the board uses to conduct its business] 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 within COVID-19 CDC 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 of Columinate - 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 Mayforth'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.]**

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)
  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.**
  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 could potentially have a negative effect 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-19. 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)

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. The CBL-101 introductory board training course with consultant, 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.*

*ATTACHMENT 1: 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:
    1. Executive session 7/28 to discuss employee complaint and next steps:
      - a) The board resolved to hire a 3rd party professional to conduct an HR investigation
      - 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
    2. Executive session 8/25 via zoom:
      - 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:
    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.
    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.
    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:
    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."

*ATTACHMENT #2*

**Board responses to member questions from the September meeting**

**Some of the questions below were explicitly stated. Others are summations of issues raised by the members who either asked questions when they made statements, or posted questions in the chat box available at the September 21<sup>st</sup> Zoom Board meeting.**

*“Where is the petition?”*

\*\*\*The board president has physical possession of all known copies of the petition. The board will notify the petitioners if they gain enough signatures to force a special meeting with the express intent of removing all board directors, as is listed on the petition. The former interim GM, Tim, removed the petition from the public facing part of the store as he felt it was misleading. Members are welcome to circulate petitions at places other than in the store. The board must work on behalf of all members, and a misleading and divisive petition being available at the till or publicly posted in the store is not in the best interest of all members. Additionally, there was not a point person designated for the board to correspond with regarding the status of the petition. Members who have asked the board president directly via email about the status of the petition have received a direct answer.\*\*\*

*“Why was the membership not consulted prior to the BOD accepting Jeffrey’s resignation?”*

\*\*\*The board of directors was elected by the membership to make decisions on behalf of the members - not to consult members before making decisions. The board has made previous decisions such as signing a new lease or taking out loans without receiving outrage from members. These decisions are outlined in the board’s meeting minutes. The board has not previously heard from members not on the board who want to be informed of decisions the board is considering and has rarely had any members express interest in attending board meetings. It is not customary even for coops to consult the membership before making decisions that the board feels are in the best interest of the membership. Furthermore, Jeffrey resigned with an inflammatory and accusatory resignation letter. HE did not give the board the chance to work things out before he resigned. Most people who have been managers understand that once someone puts in their resignation, the relationship and trust is nearly impossible to rebuild and it is almost always best to accept a person’s resignation. That was true in this case. \*\*\*

16:49:36 *“We heard you have appointed people to the board who are not even co-op members.”*

\*\*\*Every board member including the 3 recently elected members and the most newly appointed are members of the co-op.\*\*\*

16:58:57 *“Why was a board member, Dowell, allowed to have the last word?”*

**\*\*\*Dowell Caselli-Smith is a long-term co-op member, and a long-standing board member. He volunteered to make the last comments so that the Board could briefly summarize its position while also responding in the moment to some of the issues raised by the members who had spoken before him. The Board did not receive any requests from the members as to which order they wanted to speak in. Going forward, please communicate your request to speak first, last or anywhere in between so that if possible, the moderator can best accommodate everyone. \*\*\***

17:01:17        *“The Board does not follow Roberts Rules of Order at its meetings. In fact, we are told that they regularly disregard Robert’s Rules of Order.”*

**\*\*\* The Board makes every effort to follow Roberts Rules of Order at its meetings to the best of our ability. You are welcome to review the minutes of the monthly BOD meetings available on the website and provide us with feedback. We are always learning and improving!\*\*\***

17:01:55        *“ A feeling of being in the dark: We’re not getting enough details. We’re concerned we’re not hearing the truth.”*

**\*\*\* The BOD is committed to work in the interest of the co-op and its members. The BOD is as transparent as possible within legally permissible limits.\*\*\***

Taryn was not given time to speak as she signed in too late. She was asked to send an e-mail.

**\*\*\*Taryn was late to the meeting and therefore missed the member speaking time which ran 5 minutes over. The monthly BOD meeting held the third Monday of each month starting at 5pm. The BOD values and appreciates all member owners’ comments and suggestions and encourages active participation. \*\*\***

17:06:06        *“Regarding the amount of time made available, billed as 45 minutes.”*

**\*\*\*In order for the BOD to give their full attention to the member owners during their respective speaking times, the BOD had a third-party moderator keep the time. Each member was allotted 3 minutes speaking time and the total time was billed at 45 minutes. The actual member time given was 50 minutes. The Board had other regular scheduled business to discuss for the remaining meeting time\*\*\***

17:13:25        *“Which board members are present?”*

**\*\*Every board member attended the meeting with the exception of Elliott Warshaw, as he had to work. An account of all members present is listed in the meeting minutes.\*\*\***

17:24:23        *“We request that the secretary account for the attendance of all that are present.”*

The Secretary will account for all present in the minutes she presents after the meeting.

**\*\*\*The secretary will post the minutes of the meeting to include all member owners who wished to be identified and the BOD present. These minutes will be posted after they are reviewed and**

approved by the Board at its October meeting. That is the usual procedure for finalizing minutes of our meetings. \*\*\*

17:26:40        *“We want to know which member owners were present at this meeting. We cannot see any of them, only the board members”*

\*\*\*The members who signed in and wished to speak will be identified publicly in the minutes after they are approved during the October meeting. There were others who signed in that were watching/listening and did so privately. Members do not have to identify themselves and the Board will respect the wishes of those members who were present but wished to remain private. \*\*\*

17:28:27        *“Please include, in the board meeting minutes, all present at this meeting. Thanks!”*

\*\*\*The secretary will post the minutes of the meeting to include all member owners who wished to be identified and the BOD present. These minutes will be posted after they are reviewed and approved by the Board at its October meeting. That is the usual procedure for finalizing minutes of our meetings. \*\*\*

17:29:33        *“Why was the board willing to meet with the staff in person, when they are unwilling to meet with the membership in person?”*

\*\*\*For the sake of organizational unity and the smooth continuation of store operations, the interim GM *requested* that the board attend a staff meeting. The Board is not “unwilling” to meet with the membership. The Board met with the staff in person because we were able to do so safely within the CDC guidelines. (6 feet/masks required). We very much look forward to meeting again in person for our monthly meetings when it is safe to do so. \*\*\*

17:47:59        *“We have been ignored via email correspondence.”*

\*\*\*Emails sent during an active BOD meeting will not be answered during that time. All emails have been and will continue to be answered as soon as possible. If you do not receive a prompt response from messages sent to [president@breadroot.com](mailto:president@breadroot.com), feel free to contact the interim general manager, Garland McQueen, and have him follow up to ensure you receive a response. \*\*\*

17:50:52        *“Are staff members getting demoted?”*

\*\*\*The BOD does not make hiring or reorganizing decisions regarding staff other than the General Manager. The interim GM will be making staffing decisions until a permanent GM is hired. \*\*\*

17:31:08        *“What are Curt's credentials to do a search for a replacement GM?”*

\*\*\*Curt successfully searched for and ultimately hired 60 people in his previous role as an owner of a software company. \*\*\*

17:32:30        *“Does Curt have any grocery experience? Does Curt know what the day to day duties of a GM are?”*

\*\*\* Thank you for your interest! The Board would love to hear member-owners' opinions and input on what qualities and skills our new GM should possess. Currently we are working closely with the interim GM, the staff and our combined 100+ years of business experience to search for our new GM. Members are encouraged to view the diligently crafted job posting on LinkedIn and Indeed. Additionally, a copy of the job posting is available for viewing at the co-op.\*\*\*

**Financial Questions:**

17:35:57        *"What's the projected financial situation if you keep paying lawyers and interim GMs?"*

\*\*\* An unfortunate series of events put into place by our previous GM catapulted the co-op into unfamiliar territory in an already chaotic time. This resulted in the board hiring expensive consultants in order to ensure the short- and long-term success of the coop. The BOD is actively looking for our new permanent GM and hope to have a permanent placement within the next three months. As is evident in our financial reporting, the coop is in a very good financial position.\*\*\*

17:38:13        *"Why the board did not have its own copy of the budget?"*

\*\*\*The Board does have a copy of the budget. However, when Jeffrey resigned his position as GM, he deleted intellectual property of the Co-op's including but not limited to all working copies (excel files) of the budget. Upon this unfortunate discovery, the interim GM worked with NCG to produce a new and improved working copy of the co-op's budget. \*\*\*

17:57:06        *"How many board members have done the training that is available?"*

\*\*\*Every board director has reviewed written training materials from CBL 101 and receives ongoing education each month. In addition, 5 members of the BOD have received an additional 4+ hours of specialized training covering board basics and financial training for directors. \*\*\*

17:59:27        *"As defined in the policy, What is your definition of 'liberal training and retraining?"*

\*\*\*Every BOD member has taken and can re-take any online courses available offered by Columinate, the training and consulting resource body for the National Cooperative Grocers Association. The BOD has also had several small group trainings for newer board members and other board members who wished to participate. \*\*\*

18:03:12        *"We don't think you met a reasonable interpretation of that policy you just read. Why did you vote 'yes' to approve yourselves?"*

\*\*\*These policies and the question of whether we have met them to a "reasonable interpretation" is not up for a vote by the members. This is an exercise of internal self-assessment. A mirror to see where we are strong, where we need improvement and how we can/should move forward for the next year. Thank you for your valued opinion. The BOD is always looking to learn and improve. \*\*\*