

Breadroot Natural Foods Co-op
Board of Directors monthly meeting MINUTES

Date: Monday October 19, 2020

Time: 5:03pm-6:35pm

Location: Zoom electronic meeting

PRESENT: Lindsey (pres), Jessica (VP), Dreely (Treas), Dowell (taking minutes), Karen, Anu, Kim, Elliot,
Curt Westberg STAFF: Garland (IGM), Jen (Tech and Bookkeeper)

I. Approve agenda _Unanimous

II. Approve previous meeting minutes – September 2020--Unanimous (Elliot abstained), and re-approve August 2020-Unanimous

III. Introductions and ground rules for this meeting --*Intr Garland McQueen (IGM)-fr Clemson, SC “glad to be here.” BOD intro selves to him.*

IV. Board responses to member comments from last month’s meeting

1. Motioned to dispense with oral reading as all BOD have read. All in favor. Motion passed. Comments to be added to minutes. Thanks to BOD members who helped with this.

V. Coop member time

No members present on the mezzanine. Karen spoke as a co-op member. She is concerned that we should not put all financial information into the public record. Businesses need to maintain confidentiality of financials and plans as competitors might exploit info. Suggests we restrict access to co-op membership. Elliot notes competitors can just join to get the info. Noted for further discussion at another time.

VI. Old business

1. Review plan for reviewing/updating committee charters, clarifying director & officer roles--Jessica put on Freedcamp for discussion. Agreed to start in January. Lindsey notes that Joshua will be providing some information on this. BOD retreat also postponed to January.
2. HR Audit with Carolee Colter--Garland got a copy today and is working with her to implement needed changes in Employee Policy Manual.
3. Certify results of board votes that took place via email --Unanimously accepted.

VI. New business

Welcomed Garland McQueen, our new interim GM

VII. GM Report

1. Updates from Garland: state of the coop, staffing, open positions, preparing for holidays, new ordering system to save 20 hours a week, linking to more NCG resources, preparing budget for approval, \$1,000 awarded from NCG to pay for professional development being drawn down, refining Weekly Sales Report (WSR) to link to POS system.
2. No formal Policy Register GM report this month as Garland just started.

5:32pm-Curt Voight joined the meeting via iphone.

VIII. Committee Reports

- a. GM Search Committee--Curt W reports the job posted on Linked -In and Indeed.com. Garland posted on NCG Magazine today. Have 25 resumes so far. Anu constructed a scoring grid being used to rate and discuss Wed. Garland has two employees to participate in interviews and selection and he will be sitting in on them as well. Garland has provided suggested questions to use.
- b. Executive Committee--Met by phone last Wed. all present. Recommend not adding interim board members but wait for Spring elections. Recommend rescinding board action on masks and referring to IGM. *BOD votes to rescind old motion on masks and to give the decisions to the IGM. Unanimous except for Kim Abstaining..*
- c. Finance Committee (15 min)
 - 1. Current financial state of the coop is great--sales are up 46.5% over last year and costs are being contained. Cash on hand continues to increase. Likely to have profits to disperse as patronage. Wagner CPS is doing our taxes and will advise on this. Karen asked about the status of PPP loan, its inclusion in cash on hand, and plan for repaying. Garland says it is in cash. Kim says paperwork due to gain forgiveness. Jen says paperwork in order. Garland says 85-90 or even 100% will be forgiven.
 - 2. Approved 2021 budget. Garland reviewed with Tim and NCG. He thinks it is pretty solid. He feels like 12% growth over the tremendous growth from March on this year is too much. Has used 7% instead year over year by December. Curt, Karen, and Elliot make comments about improvement of having conservative estimates, month over month data reports. More discussion of coordination with QB and board budget. *Unanimous vote to accept the projected budget.*
- d. Nomination & Recruitment Committee--Karen reported on interview with Curt Voight and prior application from Elizabeth Cook Lynn. Acknowledges Curt's presence at this meeting via iphone from the cab of his pickup. He indicates he is ok with interim appointment or waiting until spring elections to BOD. Karen will make a recommendation at the next (November) meeting of BOD.

X. Board Calendar & Education

- a. This month's board board education
 - 1. Lindsey reminded board members to be sure and review the very informative and important key financial indicators article here: <https://columinate.coop/key-financial-indicators/>
- b. Board policy review
 - 1. Evaluated board's performance regarding policy category D: Global BOD-Mgt--Discussion of GM's discretion in responding to individual board member's requests for information (contingent on GM's available time and priorities). Karen asks if BOD can delegate committee chairs to access more information. Lindsey agreed that can be done.
 - 2. Evaluated board's performance regarding policy D1: Unity of control--After discussion motion to confirm that *"The BOD is in compliance with policies D and D1."* *Unanimous.*
- c. Discuss board budget for 2021--Garland points out it is included in the budget approval above. Includes CBLD complete advising package (\$9,250). Lindsey asks for explicit approval of this expenditure. Moved and seconded. *Unanimous agreement with this use of the board budget.*

XI. Adjourned at 6:35p.

Next meetings – will all take place virtually.

- a. Executive committee meeting: Wed, Nov 11, 1-2 pm via phone-based conference call

- b. Finance committee meeting: Mon, Nov 9, 5:30-6:30 pm via Zoom
- c. General BOD meeting: Monday, Nov 16, 5-6:30 pm via Zoom

The board president continues to re-evaluate the risk of COVID-19 infection and public health guidance 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.

Addenda to Oct 2020 minutes:

- **Board responses to member questions from last month's 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!"*

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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, 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. ***

- **Summary of board decisions made outside of the regularly scheduled monthly meeting:**

- On Oct 10 and Oct 12, 2020 the board made the following decision via email. Evidence of the email vote will be filed in Freedcamp.

Jessica stated: "I move that the board give Garland McQueen access to Breadroot Natural Foods Coop's BHFCU accounts with the same permissions as was previously given to Tim Sullivan, effective on 10/12/20. I also move that we remove Tim Sullivan from our BHFCU account beginning Tuesday 10/13/20." Curt seconded the motion. Subsequently, Dowell, Elliott, Curt, Karen, Kim, Dreely, Anu, Jessica, and Lindsey voted yes. Pam was out of town during the vote but expressed her support for the motion subsequently. Motion passed, and Danette Eckholm at BHFCU was notified on 10/14.