

SILVER CITY FOOD CO-OP
MEETING OF THE BOARD OF DIRECTORS

May 17, 2017

614 Bullard St.

Approved Final draft

Meeting called to order with a quorum by Karen Strelko at 4:35 pm. Board members in attendance: president, Karen Strelko; vice president, Jean-Robert Béffort; treasurer, Gail Rein; secretary, Jennifer Johnston; Carmon Steven; and Nancy Coates. Others in attendance: BIT (board member in training) and member-owner, Laurinda Anderson; member-owner and scribe, Janna Mintz; Assistant Manager, Mike Madigan; General Manager, Joe Zwiebach; member owners, Robert Fischhoff, Sharon Bookwalter, Dean Jarosh, Betty Mishuk, Jeffery Scott, Joni Kay Rose, Kathleen Wigley, Jacque Cusick, Hasani Kudura; staff members and member-owners, Dougan Hales, Kim Barton, Jess DeMoss; household members and others, Bob Susz, and Nellie Mclerie. Karen Strelko facilitated the meeting.

I. Welcome

- A. Check In.
- B. Approve Agenda – approved by consensus with amendments
 1. Typo in paragraph II. C, change D.1.to III D.1
 2. Add paragraph II.G.
- C. Member Comments (10 min available)
 1. Sharon Bookwalter, member owner thanked board members for their volunteer service. She would like all members to have access to staff policies online and she would like member-owners and board members directly involved with the general manager when staff policies are written.
 2. Joni Kay Rose, member-owner. Voiced concern about a longstanding employee and member-owner who was terminated and the police were called. She questioned management’s decision and course of action. The president of the board suggested that she meet with Joe or Mike to get questions answered, however personnel matters are confidential. Board explained how cooperatives are managed and the relationship between the board and the management. There are procedures and policies regarding employee grievances. Co-op has not had a single employee file a grievance against management in last five years.
 3. Hasani Kudura, member owner: Voiced concern that the Co-op has problems. Wants to have a group session for member-owners to express themselves that isn’t limited due to other board business. Voiced concern about the ramifications and possibility of a lawsuit being charged against Co-op if the board isn’t taking its responsibilities seriously. She also wanted to know who would pay for such legal costs. Believes the Co-op needs dramatic change and employees need rights. Considering running for the board. Question about meeting about finances. She wants a meeting. Board response: the members can

request a special meeting with the Board by getting 10% of the membership to request it by petition.

4. Jeffery Scott, member-owner: Concerned about serious personnel issues and feels member-owners feel like they can't speak up honestly. Doesn't want to hear about procedures, wants to deal with the substance of what is happening. Said he might be willing to get more involved. General manager responded saying that most of the policies preceded him. However, he believes personnel issues were dealt with appropriately in the case of the employee termination. The police were called only to witness the proceedings and keep all parties calm during the termination. He is willing to improve policies and procedures, and get more people involved. He will share information as it's legally available to release.

5. Laurie Anderson, Board Member in Training, member owner: Noted that only 99 people voted in the latest board of directors' election. 100 valid votes are needed for a quorum. We have 2200 members. Support democracy; vote. Would love to see lots of people running for the board slots! And what if 500 people vote? If you are member, and you feel like you aren't being heard; get involved, vote, run for the board. Make it a democracy.

Board comment: Board values members and encourages active involvement. The Board will address concerns, but it takes time to get consensus to get back to the membership. Encourages engagement with committees. Board cares and is listening.

6. Sharon Bookwalter, concerned about legal proceedings and its context. She thought there were legal proceedings initiated against the former staff member. Board confirmed that is not correct.

General Manager comment: There is documentation of why the termination occurred, and conflicts related to the employee were documented, but there has never been a formal grievance filed against staff members. The few incidents filed have been related to conflict resolution and handles under that policy.

7. Jeffery Scott, member owner: He stated concerns about transparency with the Co-op and that the confidentiality of personnel matters may be part of that. He wonders if the situation could have been prevented if other issues/problems in the Co-op had been addressed better and sooner.

General Manager comment: Joe takes full responsibility for what happened, and is confident that he did the right thing. Was not retribution in any shape or form. He had to document the situation over time. He values the members and staff taking an active role and providing input, but has difficulty getting input from staff and members. Believes we can work out issues. The problems that happened are not unusual and conflicts do happen in businesses.

D. Kudos and Appreciations - none

E. Directors' Comments and Announcements - none

II. Old Business

- A. Approve April board meeting minutes – Five Board members approved version 4 of the April meeting minutes by consensus, one stands aside.
- B. Acknowledge and accept Mackie Reid & Company 2/21/2017 review of the Co-op’s financial statements for 12/31/2016 and 2015 – acknowledged and accepted by consensus.
- C. Approve Finance Committee’s recommendations for application of Net Savings (See III. D 1, below). Approved by consensus.
- D. Acknowledge invalid April 2017 Board of Directors Election – Acknowledged
 - 1. (Per bylaws: Article III.3.4 Quorum) “...for any vote of the member-owners, a quorum necessary for decision-making shall be 5% of the active member-owners or 100 voting active member-owners, whichever is less.”
 - 2. Number of valid ballots received during the election period: 99
- E. Approve new 2017 Board Election Calendar
 - 1. Discussion ensued on improving the election process.
 - 2. Basic outline of the 2017 Board Election Calendar is approved by consensus.
- F. Appoint interim board member(s) Board appoints Carmon Steven for a term of two months as an interim position until a new board is seated, invoking Article 11.1 interpretation. Approved by consensus.
- G. Proposal to amend Silver City Food Co-op Certificate of Equity language. Change all instances of “member of record” to “member-owner”, five approvals, one stand aside.

III. Committees

- A. BME Committee notes
 - 1. Request board approval to include Staff Communication Agreement, Conflict Resolution Policy, and the current Grievance Procedure into the board binder (with concern coordinator materials) for reference purposes. Approved by consensus.
- B. ROD Committee notes
- C. MC Committee Notes

MC proposes hosting a “Conversation with the Board” meeting to present/discuss the financial status of the co-op with interested member/owners, interested staff, management, and board members in attendance. The topic covered will be the financial condition of the co-op and it will be presented from various perspectives. See MC notes for details. Approved by consensus, Meeting set for Wednesday, May 31, 5:30 pm.
- D. FN Committee notes
 - 1. FN requests the board approve this statement: “Because the Co-op had a net loss for FY 2016, there is no net savings to allocate.” Approved by consensus above in paragraph II. C.

2. FN identified three basic options the board could take regarding 614 and FN recommends the board make an explicit statement how it intends to proceed, particularly in light of the operations “good news” pointed out in the 614 discussion topics summarized in the FN notes. Board discussed three options from FN meeting notes. No decision due to lack of a quorum.

3. FN notes that whatever its decision, it is critically important that the board clearly and quickly communicate its decision and the rationale for it to staff and member-owners.

Adjourned at 7:25 pm due to lack of a quorum. The rest of the agenda was tabled.

Respectfully submitted by Janna Mintz, scribe.