

Adopted Minutes
East End Food Co-operative Board Meeting
February 20, 2017

In attendance:

Board Members: Mike Collura, President; Eddy Jones, Vice-President; Amit Shah, Treasurer; Andrew Ritchie, Secretary; Sarah Aerni; Dirk Kalp; Patrick McHale; William Warnock; Brynn Yochim.

General Manager: Absent.

Board Clerk: Erica Peiffer.

Member Guests: (22) Nikki Fair (?), O. E. Zelmaronica (?), Rayden Sorock, Caroline Tibbetts, Gary Crouth, Greg Sinn, Ann Belser, Faith Schantz, Tom Pandaleon, Joni Rabinowitz, Carol Cutler, Kate Luxemburg, Arianna Garafalo, Bob Buncher, Megan Moffit, Alice Leibowitz, Elizabeth Donohoe, Alan Fuehrer, Sara Ferah, Heather Hackett, Omoye Aikhuele.

Mike called the meeting to order at 7:01 p.m. Mike announced that Caroline Mitchell had resigned from board service. Sarah attended via teleconference to ensure quorum for the vote to seat new directors, at which time her term expired. Amit read our Ends statement aloud. Dirk commended Sarah for ten years of diligent service, including three years as President. Dirk also thanked five other directors from the past year that resigned before their terms ended, including Mark Frey, Caroline Mitchell, Greg Nicholas, Dennis Schauer, and Tina Russell.

Signing Statement of Agreement – Code of Conduct, Code of Ethics

Directors were provided this document for review in the board meeting packet and were asked to sign in agreement. New directors were required to sign before receiving board packet documents and being seated. Brynn made a statement that her roommate is a union employee of the store, but she assured the group that this would not be an issue. Mike recommended there is a form to disclaim potential conflicts of interest and promised to email it. Sarah suggested the appropriate manner to address concern and ensure integrity is to recuse yourself from votes related to perceived conflicts of interest. Dirk explained the definition, and potential risks and consequences, of direct dealing with union employees.

Seating of New Directors

Amit made the motion to seat all present candidates as new directors. Dirk seconded.

Vote: 4.0.0

Selection of Officers

Dirk nominated Mike as President. Mike nominated Eddy as VP. Dirk nominated Amit as Treasurer. Dirk nominated Andrew as Secretary. The full slate was uncontested.

Dirk made the motion to appoint this slate of officers to the Executive Committee. Amit seconded.

Vote: 8.0.0

Amend/Approve Agenda

Discussion: Although unprepared, Mike agreed to speak briefly to the BPE report in Caroline's absence, and promised to send draft reports to all directors via email.

Decision: Dirk moved to approve the agenda as amended. Brynn seconded.

Vote: 8.0.0

Amend/Approve previous meeting minutes

Discussion: Directors reviewed draft minutes of the previous meeting and made corrections for grammar and factual errors which are reflected in the published minutes.

Decision: William moved to adopt the minutes as amended. Patrick seconded the motion.

Vote: 4.0.4

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Board Perpetuation & Election Committee Report/Discussion

Mike reported that the board had received roughly 20 emails with various questions related to the 2016 election, and noted the challenges in responding to such a flurry of inquiries in a timely and efficient manner. Prior to resignation, Caroline had begun to draft responses to the patterns of questions raised in these emails. The full report from CSI investigative firm must be reviewed by the full board before deciding what information can be released publicly. Mike emphasized the board's responsibility to protect confidential information, including the privacy of employees named in the report. Next, Mike responded to questions submitted via email that did not pertain to confidential information -

Why did board hire CSI?

It was determined that no subset of the board had the time nor the expertise to investigate the full spectrum of election concerns. For this reason, and in response to member complaints about bias, the board hired CSI to investigate on their behalf.

Who decided which questions to ask and why?

CSI are professional investigators and the board delegated all investigative questioning to them.

Why did CSI ask questions about ACT?

This was unknown, as the board was not involved in deciding which questions were being asked.

What does the report include?

The full report will not be released until the full board considers and makes a collective decision on this, although the board did release a public notice of the report's conclusion, that the election was compromised due to lack of security surrounding paper balloting.

Was there a specific motion to count paper ballots?

Mike summarized the BPE discussion, and read verbatim the two motions in that section, from the adopted January board meeting minutes. Then he reported that a committee comprised of both board and staff members reviewed of a limited number of paper ballots and it was determined that approximately 20% of this sample could not be validated. To put this figure into context, Mike reported that only 3 ballots could not be validated in last year's election. Based on the conclusion of the CSI investigation and based upon this initial review of paper ballots, the board decided not to count paper ballots and to base election results upon online ballot tallies, at which point a member e-blast was crafted and sent with the announcement of election results.

Orientation of New Directors

Directors reviewed Robert's Rules, tips on conduct for making motions and facilitating discussions. Erica noted that requests for operational support should be funneled through the president, and asked directors to consistently copy the president and general manager on email correspondence. Dirk discussed at length the fiduciary obligations in directing a cooperative corporation, highlighting three primary duties: attention, care, and loyalty. He also explained the meaning of limited liability and the business judgment rule, summing up that the board is the sole responsible entity for the corporation. Next, Mike briefly discussed how to evaluate GM reports, and also noted that each meeting should include a review of D policies on board process. Directors briefly discussed options for a board retreat. Mike agreed to obtain available dates for a formal retreat with a facilitator from CDS, a holdover from last year's contract. Eddy agreed to email a doodle poll of dates for an informal retreat, so that directors

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could get to know each other better. Finally, Dirk suggested key resources for board development, including an example of a past monitoring report, a short article by Ann Hoyt outlining the benefits of policy governance, and a book authored by the creator of policy governance, John Carver.

Closings

Directors reviewed the date of the next meeting and packet submission deadline and procedures.

Member-owners Open Session

Alice Leibowitz made statements casting doubt on the legitimacy of the current board and Mike's account of last year's election totals. Next, she suggested the new board should discuss cooperative principles at the upcoming retreat. Then, she asked a series of pointed questions regarding information contained within the CSI report, to which the only question Mike could answer was to affirm that the ballot box was emptied four times, both last year and this year. Gary Crouse thanked Mike for providing more information regarding the decisions surrounding election results, although he expressed his feeling that clarity and resolution is still needed for members that voted via paper ballot. Elizabeth Donohoe requested the full CSI report released and also requested to know how much the full investigation cost. Heather Hackett noted there is currently only one woman on the board and suggested the board consider targeted recruitment for an appointment to the seat recently vacated by Caroline. Tom Pandaleon pointed fingers at Mike, Dirk and Amit as the responsible party for the lack of female representation on the board. Heather expressed outrage at Tom's manipulation of the intent of her statement, and after a brief spat, Tom proceeded to read from a prepared statement, calling for the board to "give back the co-op to its members." Sera Ferah asked the new board to focus on healing and to protect democracy with transparency and honesty. Joni Rabinowitz expressed distrust of our co-op's management in recent years and in the conclusion of the CSI report, then she again requested that paper ballots be counted. Kate Luxemburg said she wrote twice to board and received no response, then provided a print-out of her emails. She expressed her belief that paper ballots are more reliable than online voting, and asked for her paper vote to be counted. Carol Cutler wanted to know if CSI was present for the review of paper ballots and if they were involved in the decision to discount them, to which Mike replied they were not. Greg Sinn introduced himself as a "casual shopper" who became interested in the democracy of our co-op as a result of interactions with the ACT group regarding the petition they are currently distributing. He displayed a clipboard of papers, which he claimed to contain 600 signatures in support of the petition. He presented the board with the following "two options" – address the issues that inform the history of this document in a way that the petitioners will feel satisfied, or wait until the group obtains a sufficient number of signatures to call a special meeting. He also asked the board to participate in the education that is part of an informed democratic process. Then he hesitated to provide the board with a copy of the petition, until Mike noted it is published on the ACT group's public website. Zoe Mizuho inquired about the Board Perpetuation and Elections Committee, and if resigned members are available for consultation. Mike responded that resigned members will be consulted as needed and that board committees will be discussed at the upcoming retreat.

Adjournment

Decision: Amit moved to adjourn the meeting at 8:47 p.m. Andrew seconded.

Vote: 8.0.0

The Board went into Executive Session at 9:02 p.m. to discuss non-public matters. At 9:53 p.m. Amit moved to adjourn. Eddy seconded the motion. The Board voted 8.0.0 to end the session.

Minutes respectfully submitted by Erica Peiffer, Board Clerk.