



Board of Directors Meeting
Date: August 10, 2020
Time: 6pm

Moderator: Mark Goehring

Time	Topic	Information/ Action	Presenter
6:00pm	Preliminaries Introductions Agenda Review Review tasks from July meeting Review and accept July meeting Minutes Announcements	Share/ Listen Review Review Review/Decide Share/ Listen	Mark Steven Stacie All Steven / BOD
6:05pm	Member Comments (Submitted in Advance)	Information	Stacie/ Mark
6:10pm	General Manager Report	Information	Sean
6:15pm	Committee Reports BCDNC Engagement & Education Policy Committee Finance Committee Election Committee	Information Information Information Information Information	Steven Kim/Delfina Barbara Charles Joseph
6:20pm 6:35pm 6:45pm 7:00pm	Discussion Topics C5 – Board Code of Conduct Board Budget Orientation Workshop Proposal Board Retreat Dates	Information Information Information Information	Barbara Charles Mark Steven/ Mark
7:05pm 7:20pm 7:25pm	GM Reports B1 – Financial Conditions B3 – Asset Protection B10 – Endorsement of Public Policy	Information Information Information	Sean Sean Sean
7:30pm	Closings Review Board Calendar Review Tasks & Assignments	Review Review/ Add/ Edit	All Admin

The Board will meet via Zoom Webinar. To attend the meeting you must **pre-register in advance** using the link below.

https://us02web.zoom.us/webinar/register/WN_6pXWaAg-QkGoMboT4YWukw

Attendees must be a Co-op Member or household shopper. Registrations will be verified prior to approval. Once an attendee is approved you will receive a confirmation email with instructions on how to join the meeting as well as a link to submit questions or comments to the board in advance.

Attendees must register by 4pm on August 10 to be pre-approved to attend the meeting. All comments and questions must be submitted at least one hour before the meeting.

Submit questions in advance here: <https://forms.gle/KykCdMSxwKgGAMvw8>



Board of Directors Meeting Unapproved Minutes

Date: July 13, 2020

Convened: 6:00pm Adjourned: 7:35pm

Directors Present: Delfina Vargas, Kim Glazzard, Steven Maviglio, Barbara Mendenhall, Glenn Carnahan, Zina Kotko (arrived late)

Director(s) Absent: Charles Fitzpatrick

Staff Present: Sean Eakins (GM) Tyler Burch (HR Director), Nick Adams (IT Director), Jennifer Cliff (Marketing Director), Angela Borowski (Finance Controller)

Members and Guests Present: Sign in Sheet located in Board Admin Binder

Notetaker: Stacie Larkin Meeting Chair: Delfina Meeting Facilitator: Mark Goehring

PRELIMINARIES

Introductions took place.

Agenda Review

Motion to approve agenda - Steven

Second - Barbara

All in favor

Agenda approved

Tasks from previous meeting reviewed

No Tasks from the June meeting were recorded.

Approve Minutes of Prior Meeting

Barbara gave some language edits:

Under member comments the first sentence add "reading" to the comments

Under board decisions the motion to accept the BCDNC report and the motion to accept the slate of candidates those candidates "are" approved instead of "will be " approved, and include all the candidate names.

Motion to accept with the proposed edits - Delfina

Second - Steven

Vote: All in favor

Announcements

Welcome to our new GM! Thank you to Tyler Burch who has served as the interim GM for 9 months

Member Comments

2 comments were submitted. Both are operational in nature and have been forwarded to the GM for response.

GM Report

Sean Eakins gave a brief update on operations.

Committee Business

BCDNC

Report Included in packet. Update - two of the approved candidates have chosen not to move forward with candidacy. (Richard Abruschi and Beth West)

Engagement & Education

Report included in packet.

Policy Committee

No written report this month. Committee will include some items about free speech for the next board meeting.

Finance Committee

No written report.

Report included in the meeting.

Election Committee

Report included in the packet.

Discussion Topics

BCDNC proposal

Steve gave an overview of the proposal submitted by the Nominating Committee. Proposing an additional candidates night, with the option of live streaming or making these events available on social media.

Election Committee Proposal

Joseph Boniwell gave an overview of the proposal from the Election Committee which was formulated due to the Board directing the committee to develop alternatives to physical in person tabling by candidates. These events would be optional for any candidates to participate and interact with the candidates in a more casual format. The proposal is 3 virtual tabling dates.

Several Board members made comments about this proposal.

Joe gave an overview of two other proposals submitted by the committee - one on signature gathering and one about campaigning off co-op property.

The board discussed these two items.

Board Decisions

Motion: That any candidate who submits signatures to be put on the ballot should send them electronically (instead of giving hard copies to the Board-Admin) - Barbara

Second: Delfina

In Favor: Kim, Delfina, Glenn, Barbara, Steven

Opposed: none

Motion passes

Motion: That the board affirms the ability of co-op members to use the public sidewalk for public speaking of their choice, and that we strip the specific language limiting campaigning in "view" of the co-op. - Barbara

Second: Glenn

Discussion:

In Favor: Barbara, Glenn, Steven, Delfina, Kim

Motion passes

Motion: To have two candidate events, as proposed by the BCDNC - Barbara

Second - Kim

Discussion

Vote: All in favor

Motion passes

Motion: I move that in-person candidate campaign tabling be eliminated for the 2020 election and the Co-op provide optional virtual opportunities for candidates to interact with Co-op members as described in the Election Committee Report submitted by Joe Boniwell. This would be done using a web-based video platform (such as Zoom) with advance signup by candidates and members. The Co-op will schedule three opportunities (one in July, two in August) for members to meet with candidates in real-time. The schedule will be publicized in advance by email to members, on the website, in Co-op social media pages and posted in the store. These are in addition to Meet the Candidates Events set up by the Board Candidate Development and Nominations Committee. -

Barbara

Second: Kim

Discussion: no further discussion

Vote

In favor: Barbara, Glenn, Kim, Delfina

Opposed: Steve

Motion passes

Motion: to take up the proposal to allow for petitioners to be placed on the ballot without gathering signatures. - Kim

Second: Zina

Discussion: Delfina expressed the opinion that this topic was discussed in June and the board has already decided this topic. Zina made a comment that there have been no accommodations for gathering signatures due to covid.

Mark Goehring: Does the board want to take up this topic at this time?

Vote

In favor (of further discussion): Zina, Kim

Against: Barbara, Steven, Delfina

Abstain: Glenn

Motion fails. The board shall not take up further discussion of this topic at this time.

Auditor for 2020

Glenn gave an overview of our auditors, and the proposal from the Finance Committee which is to keep the same audit firm.

Motion: To engage Wegner for the Co-op 2020 Financial Audit - Barbara

Second: Steven

Discussion: none

Vote:

In favor: Barbara, Steven, Glenn, Zina, Delfina

Opposed: Kim

Motion passes. The Co-op will engage Wegner CPAs as the 2020 Auditors.

GM Monitoring Reports

B4 - Member Rights and Responsibilities

B5 - Staff Treatment and Compensation

Motion to accept the B4-Member Rights and Responsibilities monitoring report - Barbara

Second: Glenn

Discussion: One board member had some issues with the report and data presented in the report.

Vote

In favor of accepting the report: Barbara, Glenn, Zina, Delfina, Kim

Opposed: Steven

Report is accepted by the board

Motion to accept the B5 -Treatment of Consumers monitoring report - Barbara

Second: Steven

Discussion

Vote

In Favor: Barbara, Glenn, Kim, Zina, Delfina, Steven

Opposed: none

Report is accepted by the board

CLOSINGS: Review Tasks & Assignments

Tasks/Assignments

1. Election Committee to amend the Election Code.
2. Stacie will add zoom meetings for candidate tabling.

ADJOURN MEETING

Motion: Delfina

Second: Barbara

Vote: All in Favor

Respectfully submitted by,

Stacie Larkin

Executive Assistant

SNFC Committee Reports

BCDNC

The Committee did not meet this month. However, we coordinated with the Board candidates for an article that will appear in the Monthly Quarterly and on the Coop website that includes several of the questions we asked during our interviews as well as other information. Please see this information at: <https://sac.coop/election/>

Member Engagement and Education

No report submitted.

Policy

Draft C5 Policy included in packet for review.

Finance Committee

Draft Board Budget included in the board packet.

Election

The Election Committee Chair and Board Admin hosted the first of 3 virtual candidate tabling events on July 31. These events will be recorded and posted to the main election page. Additional events are at noon on August 14 and 11am on August 29. Members may sign up to attend these virtual events on the Co-op website sac.coop/election/.

The Election packet is currently in progress.

GM Search

The GM Search Committee held two "Coffee with our GM + Board" Zoom meetings during July. More than 40 members and staff participated. Our new GM introduced himself and fielded a variety of questions. They included inquiries about membership, environmental practices, co-op values and other issues. Thank you to our GM and Board members who participated in the two sessions and staff who assisted with logistics and marketing the sessions.

Policy C5 - Directors Code of Conduct

We each commit ourselves to ethical, professional and lawful conduct. As board directors, we are accountable for our fiduciary duty to the Cooperative, acting unselfishly as trustees for the benefit of the Cooperative as a whole.

1. **Duty of Care.** Every director is responsible at all times for acting in good faith, in a manner which they reasonably believe to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A director's duty of care shall focus the director on ensuring the adoption and adherence to policies developed by the board as a whole.
2. **Duty of Loyalty.** Directors must demonstrate unconflicted loyalty to the interests of the Cooperative's members. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other boards or staffs, and the personal interest of any director acting as an individual consumer or member. A director's duty of loyalty requires discretion regarding conflicts of interest and treatment of confidential information.
 - a. There ~~will~~ **shall** be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled by the Cooperative to assure openness, competitive opportunity and equal access to "inside" information.
 - b. Every year (once the new **B**oard is seated), every director ~~will~~ **shall** sign the Code of Conduct Agreement form and will verbally report to the whole board all actual and potential conflicts. Every director will immediately report any subsequent actual or potential conflicts to the whole board.

At the same time, all ~~Board members~~ **directors** ~~will~~ **shall** submit to a background check to verify suitability for board service. Such background checks to include the following disqualifying checks*:

- i. Bankruptcies more recent than 10 years (only to preclude the director from holding a position with signing authority)
- ii. Felony convictions
- iii. Misdemeanor convictions involving financial issues or dishonesty
- iv. Other convictions or pleas involving crimes that would cause issues (for example: sexual assault.) The full board to vote on the particular conviction, should a dispute arise.

*footnote: Given the impossibility of listing every potential violation, the board must take a good-faith decision as such matters arise.

- c. When the board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
 - d. A director who applies for employment at the Cooperative shall first resign from the board.
 - e. Any director who is also a paid employee (as provided for in Section 8.01(e) of the bylaws) has the same duties and responsibilities as any other director and has the additional duty of clearly segregating staff and board responsibilities. Any director who is also a paid employee shall resign from the board if, and when, their employment ends
3. Directors may not attempt to exercise individual authority over the organization.
 - a. When interacting with the GM or employees, directors must carefully and openly recognize their lack of individual authority. Any direction by an individual director is of the same authority as any other member of the Cooperative.
 - b. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any individual director to speak for the board except to repeat explicitly stated Board decisions.
 4. Directors shall respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving board service. Executive session matters, attorney-client privileged communications, and commercially proprietary matters are confidential
 5. Directors shall prepare for, attend, and participate fully in all board meetings and trainings.
 6. Directors shall support the legitimacy and authority of the board's decision on any matter, irrespective of the director's personal position on the issue. Directors shall not campaign against board-sponsored measures. Formal expression of dissenting viewpoints shall be conducted according to any process determined by the board.
 7. **Disciplinary Action.** Any director who does not follow the code of conduct policy shall be subject to these disciplinary measures, which may result in being requested to resign from the board.
 - a. The following preliminary remedies are available to the board:
 - i. A director, member, or staff of the Cooperative may bring a concern regarding director misconduct to the president. If the accused director is

the president, the concern may be brought to the vice president who shall act as backup to the president.

- ii. The president shall exercise judgement and common sense to resolve accusations of alleged misconduct. This responsibility is delegable.
 - iii. Prior to pursuing any formal action, the president shall meet with the accused director and any accusers or witnesses. The form and scope of meetings is at the prerogative of the president, or the president's delegee.
 - iv. If the president (or the president's delegee) finds that misconduct occurred, the president, or the president's delegee, shall communicate in writing the nature of the misconduct to the accused director. A director may be asked to refrain from further misconduct and encouraged to seek help from fellow directors, former directors, or organizations that provide support to the board. The purpose of any help should be to gain understanding of the conduct, encourage behavioral changes, and learn how the director might follow the Code of Conduct.
 - v. Pending resolution of an act of misconduct characterized by a confidentiality breach, the president may exclude the director from confidential communications regarding the matter at issue. This action is appealable to the whole board, which shall provide a response to the appeal.
 - vi. Pending resolution of an act of misconduct characterized by a conflict of interest, the president may exclude the director from voting and deliberating regarding the matter at issue. This action is appealable to the entire board, which shall provide a response to the appeal.
 - vii. Repeat occurrences of misconduct may be brought to the whole board, which may reinforce prior actions or impose additional measures to address the director misconduct. The director alleged to have committed the misconduct shall be afforded adequate procedural protections, including advance notice of each accusation in writing, evidence against the director, and the opportunity to be represented by counsel. Any remedial action decisions shall be communicated to the director in writing.
- b. Upon exhaustion of available preliminary remedies, the board may pursue final action remedies. These disciplinary matters may be conducted in executive session. Final action on any disciplinary matters shall be recorded in the minutes of the board. These shall include, but not be limited to, the following:

- i. Regarding acts of misconduct characterized by a confidentiality breach, the board may vote to exclude the director from confidential communications regarding the matter at issue for up to the duration of the remainder of the director's term.
 - ii. Regarding acts of misconduct characterized by a conflict of interest, the board may exclude the director from voting and deliberating regarding the matter at issue for up to the duration of the remainder of the director's term.
 - iii. Requiring the director to attend any appropriate training or professional counseling appropriate to the misconduct.
 - iv. Prohibiting the director from serving as an officer or chair of a committee.
 - v. Directing the nominations committee to decline to recommend nominating the director as a candidate to serve an additional term.
- c. As a last resort, the board may request a director who repeatedly violates the Code of Conduct to resign by a 2/3 majority vote.
 - i. Board shall call an executive session (including the general manager, board legal representation if requested, and personal legal representation if requested by the accused director) to review the evidence. An outside investigation may also be undertaken by the board. If it is documented that a director has not complied with the Code of Conduct, the director may resign from the board voluntarily or the remaining directors may request the accused director to resign by a 2/3 majority vote of the remaining directors. There must be documented evidence for the board to take a 2/3 majority vote.
 - ii. Board decisions regarding requested resignations or removal shall be communicated to the Cooperative's membership.
 - iii. A director is subject to removal from the board for any reason authorized by law. A director's violation of the Code of Conduct is not a basis for suspension or expulsion as a member of the Cooperative. Status as a director does not prohibit a director from suspension or expulsion from the Cooperative for any reasons applicable to Co-op members as provided for in the bylaws.

	Jan. 2020	Feb. 2020	Mar. 2020	April 2020	May 2020	June 2020
Board Education & Development	Board Retreat Part 2 January 30	Co-op Café February 29		CA Co-op Conference April 26-27		CCMA, June 4-6 Sioux Falls, SD
Board Engagement Opportunities	Member Quarterly Article Due 1/9 Charles		Quarterly Meeting Monday Mar. 9	Member Quarterly Article Due 4/9	Quarterly Meeting Thursday May 14	
Required Agenda/ Packet / Executive Session items	Patronage Refunds Preferred Shares Dividends	Election Schedule		BCDNC plans & Candidate Packets		GM Evaluation process Ballot Measures
Executive Limitation Reports	No Reports	Global Ends B1 & B3	No Reports (Quarterly Meeting)	No reports	B1	B6 & B3
Board Process Monitoring Reports	C6 – Officers' Roles	C3 – Agenda Planning & C4 Board Meetings	No Reports (Quarterly Meeting)	C – Global Governance & C1 – Governing Style	D4 – Monitoring GM Performance	C7- Board Committee Principles & C8 – Governance Investment
Co-op. Community Happenings		Member Days February 15-23			Member Days May 1-31	

	July 2020	August 2020	Sept. 2020	Oct. 2020	Nov. 2020	Dec. 2020
Board Education & Development			CBLD Sept. 12	Director Orientation	Director Orientation	
Board Engagement Opportunities	Member Quarterly Article Due 7/16		Quarterly Meeting Wednesday Sept. 9	Member Quarterly Article Due 10/16		Quarterly Meeting Dec. 12 Member Quarterly Article
Required Agenda/ Packet Items/ Executive Session		Board Budget (By August 31) Call for Officer Interest ENDS Policy Review	General Election GM Annual Review & Compensation Discussion	Seat New Board Members Review 2020 Calendar Elect Officers	Discuss 2020 Retreat dates Appoint Committee Chairs	Financial Audit Board Appointments (ECOS, TPC)
Executive Limitation Reports	B4 & B5	B1, B3, B10	B7, B8, B9	No reports	B1, B2, B3	B
Board Process Monitoring Reports	No Reports	No Reports	D -Global Management Connection & D1 Unity of Control	D2 – Accountability of the GM & D3 Delegation to the GM	C5 – Directors Code of Conduct	C2 – The Boards' Job
Co-op. Community Happenings		Member Days August 15-23	Farm to Fork SBF Autumn Equinox – Sept. 19		Board Retreat Nov. ?	Member Days December 12-20