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Council Meeting Minutes
March 6, 2017

Council members present: Steven Farnham, Alex Brown, Scott Hess, Rita Ricketson, Carl Etnier, Ashley Hill, Marci Young (facilitator), Bertil Agell, Mark Simakaski
Employee Representatives: Kari Bradley, GM; Michal Duffy, Staff Representative; Tim Wingate, CFO; Ravi Nielsen, IT Manager
Also present: Michael Levine, consultant

1. **Welcome, agenda review:** The meeting was called to order at 5:30pm by Marci Young. Kari said later in the meeting he will raise a topic for next month's agenda.
2. **Co-op Community Comments:** 5:33 pm Mark noted that people are hitting the support posts of the carport. He has heard requests from patrons for a re-design.
3. **Consent Agenda:** (minutes of 2/6 meeting) 5:36pm Steven and Bertil both noted that their names were spelled incorrectly in the February minutes. Steven also requested a correction in his comments on discounts. He will e-mail the correction to Kari. Marci noted that corrections should always be e-mailed to Kari. **Scott moved to approve the minutes as corrected and the equity refund request; Steven seconded. Approval was unanimous.**
4. **Retreat Follow up:** 5:37 pm With regards to the council's goal to monitor the co-op's triple bottom line, Alex raised three items for further exploration: the competitive market place, management response to the sales downturn, and the idea of either a discussion or committee (or both) on increasing customer loyalty. Steven said he would like for the council to take up these items in the full group then move to a committee. Kari said it would probably be May or June before it would fit in the agenda. Scott raised the possibility that the customer loyalty question was a management discussion rather than a council committee level discussion. After comment, it was determined that the topics will be on the agenda as soon as feasible. Rita, Ashley, and Mark agreed to form a committee to focus on recruiting members to be on the council. Alex will participate as needed. Carl and Steven volunteered to form a communications committee and again Alex will lend her assistance as needed.

Discussion followed regarding council meeting facilitation. Consensus was that council members should opt in to moderate on a rotation schedule. Kari will e-mail the Council members to affirm they opt in. The new rotation schedule will begin in April. Kari will update committee rosters and poll communications and nominations committee members to set meeting dates.

5. **Discounts:** 6:04pm Kari and Michael Levine provided a brief overview of the first round of the Co-op Conversations regarding member discounts. Extended discussion ensued regarding the viability and future impact of senior discounts. Insufficient data is available for accurate

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projection of the financial impact of options presented. The conclusion was that if a change were to be made, it would need to be evaluated as to impact on membership and sales. Further discussion revolved around need-based discounts. While no conclusions were reached, everyone agreed that the discussion was worthwhile and the ideas generated were worthy of further consideration by management. Alex and Steven submitted written comments to Kari.

6. **eWIC**: 6:41pm Ravi Nielsen and Kari updated the council on the status of efforts to enable the Co-op to honor eWIC benefits. They outlined three options which each have serious drawbacks. Council members and management agree the eWIC program is an important feature in the Co-op's ability to serve the community. There was discussion of ways to support low-income customers until the appropriate technology solution is identified and installed. Once the technology piece is resolved, the Co-op will honor the eWIC program.

7. **Financial Report**: 7:14pm Kari presented the second quarter financial report. Gross sales were approximately \$300,000 short of budget for the quarter due to a sudden downturn in November and December. He reported that there was a net loss, the first since 2008. Kari reported on potential responses in the event that sales do not rebound. Tim and Kari said January sales were up and February sales were flat (year to year comparison). Alex asked about communication to staff about the impact of the loss and Kari talked about missing the employee gain share can function as a motivator.

8. Break 7:36pm-7:47pm

9. **Monitoring Report**: 7:47pm Kari submitted compliance reports for L5 (Financial Condition) and L7 (Protection of Assets). **Scott moved to accept the reports. Carl seconded the motion.** Mark asked about shrinkage. Kari said the Co-op does not have reliable and specific information but believes it is accounted for in pricing. Marci and Steven pointed out typos in the reports. Alex questioned the connection between positive public image to increased sales. Kari qualified that a decline in sales might indicate a lowering of public image. Steven commented on safety training. **The report was unanimously approved.**

10. **GM Report**: 8:03pm Kari reported the following items: On March 16 the Co-op will participate in an event at Kellogg Hubbard Library involving a series of short films about local food movement. The Co-op is transitioning to a new payroll and timekeeping platform in the next few months. Workers compensation insurance renewals are expected this week. The number and dollar volume of claims has gone down, which should be reflected in the premium bids. Patronage refund notifications will be mailed the week of March 6. Steven asked if there were an electric option connected at terminal that could preclude mailing costs. Although not a separate agenda item, Kari and Scott asked if there were any questions about the finance committee report. **Steven moved and Alex seconded to appoint Mark to the Finance Committee; at 8:15 pm it was approved unanimously**

11. **Staff Rep Report**: 8:18pm Michal reported that two pending arbitrations have taken a toll on staff morale. In addition, there is a perceived sense of disconnect between staff and management, as well as distrust. Staff suggestions do not seem to be received by management. The Green Team continues to focus on increasing recycling rates and decreasing waste.

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12. **Wrap up:** 8:23 pm ACTION ITEMS: Kari will send out a scheduling poll for new committees. He will request meeting facilitation opt-in and create a rotating schedule which will begin with the April 2017 meeting. Kari will add discussion of loyalty and co-op model to the agenda for May or June.

13. **Council or Community comments:** 8:24 pm none

14. **Other business:** 8:25pm Kari is interested in planning a co-op conversation with members and employees about the “solidarity co-op” model where ownership is shared between employees and consumers. Council expressed interest in further discussion, although to have a determination in time for the 2018 plan might not be feasible.

15. **Adjourn:** 8:30 pm **Mark moved to adjourn, Rita seconded. The meeting adjourned by unanimous approval.**

ACTION ITEMS:

Kari will send out a scheduling poll for new committees.

Kari will request meeting facilitation opt-in and create a rotating schedule which will begin with the April 2017 meeting.

Kari will add discussion of loyalty and co-op model to the agenda for May or June.

Kari will send Council background materials regarding solidarity co-ops.