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Council Meeting Minutes

April 3, 2017

Time: 5:30-9:23

Facilitator: Ashley Hill

Note Taker: Michael Dougherty

ATTENDEES

Council: Alex Brown, Rita Ricketson, Scott Hess, Ashley Hill, Marci Young, Steven Farnham, Carl Etnier, Mark Simakaski, Bertil Agell

Staff: Kari Bradley, Stephani Kononan (dep. 8:30), Tim Wingate (dep. 8:30), Michal Duffy (Staff Rep.), Mary Mullally (arr. 5:50)

Guests: Ed Fox (dep. 8:30), Peter Turmelle (dep. 7:20)

5:30 Co-op community comments- Steven and Michal received customer comments on the solar array. A customer gave feedback appreciating the removal of the "Feminine Care" sign and noted that the plan is to replace it with "Personal Care".

5:35 Consent agenda

Rita moved to accept the consent agenda. Mark seconded. Motion approved.

5:37 Shopper survey- Kari reviewed the results of the shopper survey. Satisfaction level has not changed much from prior surveys, except on the pricing question. Lower prices were also the top response to the question on what factors would cause respondents to increase their shopping at the Co-op. This year's survey asked about the council for the first time. Scores were 3.8-3.99. The remaining steps are to analyze comments, share with staff and members, and use this information to inform business planning.

Alex noted the improvement in customer service numbers. Ashley suggested that the effort to increase advertising pricing could have had a negative effect, by making prices more visible. Kari discussed pricing techniques. Marci asked whether there were opportunities to increase "basket size" for shoppers coming to the Co-op less frequently. Alex asked whether we plan to do something about pricing perception. Bertil said customers he's questioned cared more about the Co-op shopping experience than price.

Kari said prices are generally comparable with Shaw's, but less so with Hannaford. Prices are comparable to most other co-ops. Steven gave examples of items that are less expensive elsewhere. Scott said he typically responds to comments about pricing with an explanation of how the Co-op treats its employees.

6:00 Competitive landscape- Kari asked for suggestions for Terry Bowling's competitive landscape presentation. Scott suggested competition with grocery chains. Alex suggested using our unique product mix to compete with other stores. Michal suggested customer perception - how we can differentiate ourselves without seeming elitist.

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6:03 Business plan strategy- Kari discussed the Co-op's history with respect to growth. In recent years, the trend has shifted from discussion of how to manage the Co-op's growth, to how to counter the Co-op's declining sales growth rate. Marci suggests the Council look at what an Exit Strategy for the Co-op might consist of. Alex suggested if necessary the priorities should be examining profitability and consolidating the product mix. Rita suggested exploring more transitional organic products and some eco-friendly non-organics.

Carl brought up the physical limits to growth in this location. This year's survey had more comments about crowding than previous years. Bertil suggested introducing something new to counter the Co-op reaching maturity. Steven suggested that at a certain point, the Co-op will likely have reached every customer it could in this region. Tim said if sales continued to decline, the business would have to right-size to its sales. Kari added that the Co-op grew at times when the population of the region was stagnant.

Mark asked if we could track what percentage of our revenue goes to the non-financial bottom lines. Kari said they're interwoven - for example, employee salaries affect both the financial and the social. Michal asked whether innovative strategies could offset sales growth decline, like online sales or delivery. Scott noted low engagement rates and suggested increasing engagement through better kitchen demos or classes. Marci said she often gets feedback that the Co-op grew too fast and agreed that we should brainstorm innovative solutions to improving the store.

Alex suggested that we distinguish between organic growth, meaning the basic level of growth necessary to keep the store profitable, and imperial growth, which involves taking market share from elsewhere. Ashley brought up My Web Grocer, a Vermont company that connects customers to grocers. Carl added Onion River Sports and Small Dog Electronics as local companies that do many of their sales online.

Ed said Hanover Co-op's customers trust their Co-op and want to shop there, but also said they want prices to be lower. Tim emphasized that our Co-op's finances are stable, but it's important to have these conversations. Staff has explored many of the innovations that the council has brought up.

7:20 BREAK

7:32 Monitoring report- Kari reported one noncompliance: this the second year that the member equity share has not been reviewed by Council. Alex suggested orienting workshops and educational efforts around outcomes related to the Co-op's mission, such as specific behavioral changes. The recent workshop topics did not relate to the list Central Vermont Medical Center report of the most severe local health issues. Michal clarified that community workshops are created by self-selecting members and not staff.

Rita moved to accept the monitoring report. Marci seconded. Motion approved.

7:40 GM report- Kari said sales were down 0.25% in March. Weather has been a factor. Stephani talked about the Earth Day celebration, which is also a member appreciation day. This year there will be a book, clothing, and media swap with remainders given to Central Vermont Solid Waste Management District. April is also PoemCity in Montpelier,

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which the Co-op sponsors. Kari said replacing the produce island has been postponed until February 2018. Marci suggested encouraging member participation in the Corporate Cup. Scott asked about the cost of vision insurance.

7:52 Potential reorganization- Kari explained why he is interested in exploring a potential reorganization to a multi-stakeholder or “solidarity” co-op, whereby the employees would have a different ownership stake including seats on the Council. Such a change would require a bylaw change. Kari is presenting the idea to union leadership. Alex asked whether this is specific to council seats or whether management positions could also be reorganized. Scott suggested that creating these new equity levels could create division. Mark asked whether vendors would also be eligible, and whether there would be additional incentives for buying in. Alex noted that the Co-op does not need the equity - what is the problem this would solve?

The group discussed how the council could do more to encourage staff to run for open seats. Michal said staff are not typically aware that they can or should run for council. Kari noted that staff may be less likely to devote more time to the Co-op compared to volunteer council members. Steven added that having senior staff positions join the council could shift the balance of input away from lower level employees.

Alex suggested that steps could be taken to address employee concerns about disconnection with the organization without involving council reorganization. Bertil said keeping employees engaged is a management responsibility. Steven said the relationship to the union and union leadership should factor in.

8:25 Staff rep report- Michal reported that arbitration did happen but no decision has been made. Ashley shared a positive customer service experience. The Green Team will be participating in the next all-staff meeting before participating in department meetings. Marci requested an update on an earlier idea to set up a bottle redemption area.

8:30 Nominations committee- Nominations committee did not meet.

8:30 GM evaluation - Alex said surveys to staff, council, and management will be released in early April. On the council survey, Rita discussed the wording of the question regarding “all operational issues” - the group agreed to remove “all.” Mark suggested adding a “don’t know” option to the matrix. Alex noted that the point of the survey is to evaluate these categories based on council members’ perceptions of the GM, not necessarily direct experience. Alex will change the word “neutral” to “wild card” and expand the prompt to indicate the sources of info affecting the questions. Council members should complete it by the deadline. On the staff survey, the group agreed to keep the form as presented.

8:58 Communications committee- Steven said the committee evaluated its goals and methods, discussing why the committee exists, whether to continue producing videos, hosting events, and gathering feedback. The question of whether another panel in June is more urgent. The group generally favored it, but noted that last year’s had participant attrition and sound issues. Ideas for this year’s include focusing on local vendors, discussing discounts, and/or asking questions to council members. The committee will help publicize it once the content has been decided.

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9:15 Facilitation schedule/CCMA- Kari said the calendar has been updated to reflect that some council members opted in to the facilitation role this year. Three council members are budgeted to go to CCMA. Six are interested. The group agreed to send the two council members who haven't attended: Marci and Ashley.

9:20 Wrap up- Marci suggested clarifying the status of the Environment Ends committee.

Rita moved to adjourn. Carl seconded and the Council voted to adjourn at 9:23pm.

Action Items:

1. Kari will report on dental and vision insurance expense
2. Kari will check on eligibility of members to register for the Corporate Cup race.
3. Kari will check on stacking of employee and Council discounts in the event that an employee is elected to Council.
4. Alex will distribute survey forms for GM evaluation
5. Kari will report on the number of views to 2017 Council videos.
6. Kari will respond for staff on the suggestion to encourage drop off of bottles to support Give Change effort.
7. Kari will respond as to where in the income statement the staff incentive for filling out the GM survey will be attributed.