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Council Meeting Minutes

June 26, 2017

Facilitator: Rita Ricketson

Notes: Kristi Tate

ATTENDEES:

Council: Alex Brown, Ashley Hill, Steven Farnham, Carl Etnier, Mark Simakaski, Bertil Agell, Scott Hess, Marci Young (by phone)

Staff: Kari Bradley, Lydia Busler (Staff Rep)

Guests: Carl Martin and Paul Erlbaum, Member-Owners

5:35 PM Call to order, introductions, welcome, agenda review: There was discussion of the process for amending the draft minutes. When minutes are distributed the Council members have until one week prior to the next meeting to review and submit suggested revisions.

5:40 Coop Community Comments: Carl Martin opened the discussion with general remarks regarding the recent member survey and reduction in discount to senior members. It is a hard survey to respond to because general members are not connected to the financial health of the co-op and how this change would affect that health. There was a general discussion of sales growth and its role in the co-op.

5:50 Consent Agenda: Equity Refund Requests, June 5 Minutes, HMCCF Committee Recommendation

Scott made a motion to accept the consent agenda, Mark seconded. Carl motioned to table the minutes until next month, Approved
Scott motioned to accept remaining items on the consent agenda and all approved.

5:53 Members at Meetings: There was discussion of member involvement at Council meetings. The Council has various channels for member involvement and a duty to focus on the business of the council at the meetings. Member comments should be contained within the "Co-op Community Comments" sections of the agenda to allow the Council business to continue efficiently. Member comments during other topics will be at the discretion of the facilitator. It was noted that this is a delicate topic and care needs to be taken when explaining to members.

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6:03 Council Visits: Ashley and Marci shared observations from the CCMA conference including:

- CCMA was very well organized
- Exciting ideas regarding recruitment of new board members and elections
- Inspiring to learn of all the new co-ops being formed across the country and interesting to see diversity as they mold to fit their communities.
- Some Council meetings have a 30 minute “safe conversation” or brainstorming without expectation of actions
- Important to create organizational history to benefit future leaders
- The importance of scenario planning to prepare for potential major events

Carl and Bertil reported on their visit to Hanover Co-op including:

- The co-op is 3 times larger than ours and has 4 operating locations.
- Several staff members were on-hand as resources throughout the meeting
- Suggestion to monitor G policies to remind the Council of them and check compliance

These experiences were valuable and the Council discussed creating a process so that new ideas are not lost.

There was discussion about whether Council packets should be paginated single documents, rather than a cluster of loose individual documents. Carl suggested we hold off on discussing/deciding this as we were in a “report phase” of the meeting. Then the sense of the group was to try it once for next meeting and see if Council members like it.

6:20 Business Plan: Kari presented the 2018-2020 Business Plan, which seeks to provide benefits for the business, the employees and the members and broader community. There is also a focus on differentiation and how do we stand apart from competitors. Kari shared additional details on the plans for promotional programs, new products, employee suggestion program, internal communications, professional development and membership activities. Council members asked questions and there were several suggestions including to pursue scenario planning to mitigate store level and departmental level risks.

7:05 Monitoring Report: L6 Business Planning and Budgeting: Kari described a minor revenue-related non-compliance.

Mark made a motion to accept, Alex 2nd. All approved.

There was a suggestion to consider breaking down the sales report into departments for an easier review.

7:08 General Manager Report: Kari shared the timeline for Council elections. The seats of Alex, Rita and Steven are open this year. Equity payments are due July 3. Kari provided update on Labor Negotiations and decision to change credit

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card processor, and briefly discussed possible impact if one particular operator opens a store in Barre.

7:12 Policy Revision: Mark shared his draft language for an update to policy L2. Carl made a motion to table the issue, Ashley 2nd. All in favor. Mark will send out a final draft and this will be on the agenda at the next meeting

7:17 Break

7:26 Technology Update- There was discussion of the potential move to First Data for credit card processing. According to Kari, First Data is EMV-ready, and ready for E-WIC (pending State of Vermont approval). A pilot store has been selected to test E-WIC process, and there is hope that it'll be ready by end of August. The final decision to move is pending a Fee bid from First Data. Ashley mentioned a program she learned about at CCMA that matches WIC or SNAP benefits spent at Farmers' Markets in "Farmers' Market Dollars." Some Co-ops have had great success incorporating this program into their businesses.

7:30 President Stipend The FY2018 governance budget allots an increase to the stipend for the next Council President. The sense of the Council was that the stipend should not be merit-based and should not be used as a means of peer review.

7:45 Report from Staff Representative: Lydia shared a report:

- Discussed contract negotiations from the staff perspective.
- Discussed staff concerns where they see they are dedicated to the mission of the co-op and feel they are doing all that is asked of them but are still told coop is unsustainable, they feel powerless.
- Staff would like more training and development opportunities
- Affordability of goods prohibits some staff from shopping here, though they try to as much as possible.
- Staff would like to feel as if their suggestions are heard and signs that actions are being taken.
- Staff feel they are the core of the co-op and would like to feel secure that there is support and sustainability for them at the co-op.

Following the report, there was a lengthy discussion of the topics.

8:07 Ratification of Union Contract There was discussion of the need for the Council to ratify the labor contract. Policy L2.2 speaks to the Council's fiduciary responsibility. It was noted that the Council is not involved in negotiations and no changes or suggestions can be adopted during Council review.

Carl made a motion to agree the Council should ratify the contract and that the GM should present Council with a completed contract.

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Ashley made a motion to amend: GM provides Council with a summary of the contract in terms of the policies and Council members can request the full contract. Approved

Motion to amend: approved. Main motion: Approved-. All in favor with one abstention.

Kari notes a special Council meeting may be need to be called for ratification.

8:19 Proposed By-Law Changes

Alex moved to advance the proposed bylaw revision regarding the format of member voting requirements for vote at Annual Meeting and Scott seconded.

This was lengthy discussion as to whether the proposed modifications to the voting bylaw are substantive vs. stylistic. Kari will seek the opinion of the co-op's attorney.

Carl moved and Bertil seconded to table the issue and refer it to a committee.

After further discussion, Ashley called for a vote.

The motion to table passed.

Committee members will be Alex, Carl, Paul Erlbaum, Scott, Steven, Ashley and Kari. After discussion, no clear charge was provided.

08:39: Triple Bottom Line Reporting: Kari clarified an earlier discussion. In quarterly financial report, he can also report on metrics related to CO2 emissions. There are different groups examining what items should be included in such a report. There will also be opportunities to report on these items in the monthly GM report. It can also be incorporated in the monitoring report. Marci thrilled to see all that was added in the business plan, and suggested that to meet targets, we need to quantify them. Kari said Business plan includes reduction of GHG emissions/Tons of CO2. Kari affirmed there is a measurable target in CO2 reduction for one year. Given that these are new metrics for us, Kari felt uncomfortable trying to project these out for the full three years of the business plan. CO2 reduction will be related proportionally to sales, and by percentages in the year-end report.

8:44 PM Mark moved, Ashley seconded and the Council voted to adjourn.

Action Items:

- Mark will send out a final draft of his L2 policy proposal and this will be on the agenda at the next meeting.
- Kari will seek the opinion of the co-op's attorney regarding the bylaw proposal.
- The Council will consider creating a process so that new ideas are not lost.