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Council Meeting Minutes
August 28, 2017
Time: 5:30 - 8:58
Facilitator: Steven Farnham
Note Taker: Michael Dougherty

ATTENDEES

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

Staff: Kari Bradley, Jay Wisner, Lydia Busler (staff rep.)

Guests: Aaron Temkin, Eric Jacobson, Tom Kester, Jose Aguayo, Paul Erlbaum (arr. 6:14, dep. 6:37)

5:30 Call to order and introductions

5:34 Community comments- Steven shared a comment from a customer about the deli not having enough vegan options.

5:35 Consent agenda- **Rita moved to accept the consent agenda. Scott seconded.** Kari reviewed the amount of equity refunds and new members since the last report. Steven noted that some motions on the previous minutes do not include a second. The group agreed to "let sleeping dogs lie." **Motion approved.**

5:39 L2.5 policy revision- Mark reviewed proposed updates to the L2 staff treatment policy. **Scott moved to accept the changes. Rita seconded.**

Marci asked how the GM would use his discretion in assessing staff dissatisfaction. Carl and Bertil asked Mark for clarifications on the language. Kari noted that responding to how much people "feel valued" can be difficult to measure. Alex clarified that this can include some redundant language because this is the global statement of the policy. The group discussed whether using the language "widely shared" was too vague or deliberately vague. **Rita moved to call a question. Carl seconded. Motion to stop debate approved (1 nay). Motion to accept changes approved (1 nay).**

5:58 Annual meeting/member voting bylaw revision- Carl asked to wait on this agenda item so a committee member can join.

5:59 Contract negotiations- Kari gave a summary of the tentative agreements: a one-year trial of an additional step in the grievance process, discipline policy updates, and the creation of a professional development committee.

6:02 Monitoring report- Kari noted L5 and L7 have a longer lookback - in that window, the Co-op is in good shape but has challenges with sales and net income. Mark asked

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for clarification on the insurance policy, third-party administrator, and tracking use tax. Bertil asked for clarification on some sales and inventory statistics. Steven asked for clarification on safety trainings. **Mark moved to accept the monitoring report. Carl seconded. Motion approved.**

6:14 Annual meeting/member voting bylaw revision- **Carl moved to present the bylaw changes to the members at the annual meeting as presented to the council. Mark seconded.**

Carl shared the committee's report and provided options: the mailed ballot language needs to stay, or language presented to members needs to explain that new changes are "not substantive." Alex said the committee agreed that this language does not belong, but believes members will understand the need to remove it as "housekeeping." Steven noted that this policy has not been followed in the past.

Carl moved to present the bylaw change to the members using language similar to the memo ("The changes presented...validity of the ballots.") Bertil seconded. Amendment approved by voice vote (2 abstentions).

Original motion approved.

Carl reviewed the second portion of the committee's memo, on changing "member" to "owner" and removing "in good standing" language in the bylaws. **Carl moved to present these language changes to members at the annual meeting. Scott seconded.** Alex noted that in article 7, section 2, "in good standing" should remain. Eric noted that a definition of "member in good standing" is a requirement of nonprofit status. **Motion approved (1 abstention).** Paul talked about the committee's "wish list" for bylaw updates including clarifying whether other business can be approved at the annual meeting and fixing typos.

6:37 Annual meeting agenda topics- Kari summarized: Alex will moderate. The agenda is meant to keep the meeting to two hours. Reports/Q&A, bylaw changes, and a presentation on food waste are the main blocks of time. **Mark moved to accept the annual meeting agenda. Rita seconded.** Carl said he mainly hears from attendees that there is too much talking and not enough participation - he suggested community comments should take a half hour. Alex suggested other areas to shave time from the agenda. **Carl moved to amend the motion to specify that community comments are expanded to 30 minutes and authorize the committee to revise the agenda accordingly. Bertil seconded. Amendment approved.**

Original motion approved (1 abstention).

6:50 Financial Report- Kari presented the financial report. Net income before tax and patronage refund is about \$163k, over \$93k above budget. Financial review starts tomorrow. Marci asked whether management has assessed risk on credit card fees and suggested providing information to customers on the most cost-effective way to pay.

Kari noted improvement on balance sheet metrics. Prepared foods grew 8.5% this quarter. The department is still taking a loss, but the trend is positive. Looking back to 2013, the store's gross margin is up 2 points, counter to the industry trend.

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Prepared Foods: Growth of 8.5%, Improvement of Gross Margin over last year of 10.5%, Personnel Costs steady, Operating Expenses (Supplies) below budget, Department loss of \$6000.00 for the quarter (Down from \$42k the same quarter prior year). Annual loss of \$169,000 - down from loss of nearly \$600,000 4 years ago.

7:12 GM report- Kari said the “hot new product” for the year is CBD oil. The Co-op is averaging over \$2,000/week in sales. The website is being updated.

7:18 BREAK

7:30 GM report follow-up- Kari updated the group on switching credit card providers: the Co-op is waiting on payment from a class-action suit with the current vendor. The new processor is being certified as an eWIC provider in Vermont.

7:35 Review procedure on guests at meetings (moved up in agenda)- Steven reviewed a set of procedures on guests participating in council meetings, which was discussed in the last meeting. Alex suggested adding guest introductions to the procedure. Rita noted that it's helpful to know when guests are thinking about running for council. The group agreed to enter the procedures into the minutes (see below), including Marci's addition that guest slots are “allotted at the beginning and end of the meeting.”

7:41 Monitoring governance policies- Alex said the current pattern is that the GM reports on L policies to the council. The group would have to decide whether the council should discuss one or more G policies at every meeting in order for the council to monitor themselves. Rita questioned whether this was the best use of the council's limited time. Mark asked whether a discussion of G policies would be appropriate for the retreat. Mark volunteered to produce a report modeled on the L policy report.

7:53 Council self-evaluation- Alex collected self-evaluation surveys and will have a report on the results at the next meeting. The group agreed that the survey was well written. Remaining surveys should be submitted by Friday.

7:56 Staff rep report- Lydia reported on a high incidence of staff injuries. Positions are not being filled, resulting in overworked staff and understocked shelves. There is a staff member interested in serving on the council who is concerned about losing union representation. Scott would like to see written confirmation from the union that this person would lose coverage. Kari will request the information before the deadline to submit a council application. Steven asked if the types of injuries Lydia is referring to would count as “widely shared concerns” - Lydia said yes. Steven then asked Kari if he agreed. Kari replied that he was uncertain if it meets the standard of “widely shared.” To which Steven responded that this is just the sort of situation where it would be better to define what “widely shared” means, so as to avoid widely spread disagreement. Steven noted that Washington Electric Co-op goes 300-500 days without an injury - maybe it would be worth consulting with them on safety.

8:17 Committee reports- The Finance Committee met to review the 401k plan. Scott encouraged council members to join the committee.

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8:22 Forming a ballot committee- Kari said two council members are needed to make up a committee to count ballots the day after the annual meeting. Carl and Ashley volunteered. Scott and Rita will be alternates.

8:25 - Marci noted that during #12, the group did not discuss a system for capturing new ideas. Alex proposed that during the wrap-up, the group discuss:

1- Action items

2- Communication items

3- Calendar items

4- Evaluation- Steven noted that at the retreat, the group uses a “parking lot” for items that don’t need immediate action but should be considered.

8:30 Wrap-up

Action items:

- Kari will report on Co-op’s system for use tax compliance.
- Carl will create a redline version of the “member” to “owner” bylaw proposal for internal use.
- Carl will check statutes for a potential requirement for “member in good standing” language.
- Kari will enter Council’s treatment of meeting guests guidelines into the draft August minutes.
- Mark will prepare a G policy review for the next meeting.
- Everyone will turn in Council self-evaluation forms by Friday.
- Alex will include G policy reflection and Council self evaluation on agenda for October Council meeting.
- Kari will request clarification from employee union leadership about status of bargaining unit members serving on Council.
- Kari will schedule ballot counting session for November 3rd with committee members.
- Kari will invite Bertil to next Finance Committee meeting.

Communications: none

Calendar items: none

Evaluations:

- Carl said revising the L policy using a written draft went smoothly.
- The Bylaw Committee meeting did great work in a short time.
- Scott said it was valuable to bring in a volunteer to that committee.

Other Business- Ashley mentioned the expansion at the Middlebury Co-op, including a prepared foods expansion.

8:34- **Scott moved to adjourn. Ashley seconded. Approved.**

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Treatment of Visitors at Council Meetings

Space permitting, visiting co-op members at Council meetings may join Council at the table to eat, but at the commencement of the business portion of the meeting (05:30 PM), they'll be expected to remove themselves to the "gallery" (outer row guest seating not at the table). Visitors should be asked to introduce themselves.

For the benefit of courtesy to the guest(s), for the record, and for the recording: At the start of the business portion of the meeting, the facilitator should acknowledge guests, (thank them for joining us), give them the opportunity to introduce themselves, and explain why they've joined us. The Facilitator then explains that guests should endeavor to limit their participation to time allotted for community comments at the beginning and end of each meeting - they may speak at other times during the meeting at facilitator's discretion, and said discretion should draw from a sense of other members of the council.