

APPROVED



Council Meeting Minutes
December 5, 2016
Time: 5:30 - 7:47pm
Facilitator: Rita Ricketson
Note Taker: Michael Dougherty

ATTENDEES:

Council Members: Mark Simakaski, Bertil Agell, Ashley Hill, Scott Hess, Rita Ricketson, Alex Brown, Carl Etnier (departed 6:45), Steven Farnham, Marci Young
Staff: Kari Bradley, Michal Duffy (Staff Rep.), Tim Wingate (departed 6:20)

5:30 – Welcome: Rita called the meeting to order.

Community comments: Marci said a community member asked her about stopping selling bottled water; another asked about where the idling signs went. Kari noted that HMC offers both the water filling station, as well as water filtration systems at cost. Also “no idling” signs have been reinstalled.

5:31 - Consent agenda: **Scott moved to accept the consent agenda. Mark seconded.** Steven asked to be re-added to the list of council members with no conflicts of interest. **All in favor, motion approved.**

5:34 - Patronage refunds: Tim gave a presentation on patronage refunds, describing the factors that go into deciding how much of the eligible funds is distributed vs. retained, and the co-op’s overall goals in providing refunds. Marci asked how we approach keeping cash on hand. Tim said we try to focus on a 2:1 current ratio, which we are slightly below. Alex pointed out that the council’s job is to integrate member-owners in the profit sharing of the store. Management’s responsibility is to point out financial jeopardy or opportunity. Bertil asked whether management has considered funding depreciation - reserving depreciation funds for future capital improvements. Kari said we do this in spirit, although there isn’t a formal mechanism. Mark pointed out repayment of long-term debt as a potential use of funds.

6:10 - Financial report: Kari presented financial statements for 1st quarter of fiscal 2017. About \$5.9m in sales, which includes the truckload sale (usually in Q2). Gross margin of 36% was high, 28% labor rate was also high. There was positive cash flow for the quarter. Prepared foods is leading sales growth, although it is operating at a loss overall. Increasing deli sales is a national trend for co-ops, along with decreasing bulk sales.

6:20 - Monitoring report: Kari shared the financial condition/asset protection monitoring report, pointing out risk assessment and preparedness benchmarks. **Alex moved to accept the monitoring report. Carl seconded. All in favor, motion approved.**

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6:33 - GM report: Kari shared the GM report, including updates on local vendors Aromed and Champlain Orchards. The report included a summary of annual meeting costs.

6:42 - Break

6:55 – Retreat: Ashley gave an update on planning a group dynamics activity. The group discussed doing a group dynamics training as the first part of a one-day retreat, or devoting one day each to group dynamics and usual retreat activities. The group elected for a one-day schedule by a show of hands. The committee will make recommendations on the agenda and the space at the January council meeting.

7:05 - Finance committee: Kari emailed a proposal to close the co-op's TD Bank savings account due to their investments in oil pipelines. The group discussed whether the Co-op's other accounts have been examined in a similar way, and whether to shift this balance to the non-FDIC insured Vermont Community Loan Fund as recommended in the proposal. Based on this discussion, Kari will take back the proposal so the finance committee will continue working on it. **Bertil moved to bring this proposal back to the finance committee. Steven seconded. 7 in favor, 1 opposed, motion approved.**

7:20 - Environmental ends committee: Marci said there is a need for the environmental ends committee to monitor the environmental bottom line. Calculating the co-op's carbon footprint would be one task. The committee was formed last year, with charges to help clarify the capacity of this committee relative to the staff green team and others. Co-efficient is a program we use to help co-ops track environmental metrics. The data will be reported at the point where it provides useful knowledge. Ashley suggested the committee's charge could be discussed at the retreat. Kari will provide a summary of the staff's current environmental activities and plans.

7:35 - Staff rep report: Michal shared the staff rep report. The green team is active - last meeting, a staff member from Central VT Solid Waste District educated team members on recycling, composting, and diversion from the waste stream. The team is considering department evaluations with regards to waste diversion. Members share comments on environmental issues. Union/management housekeeping meeting is coming up. There are two pending arbitrations. The leadership is working on providing the ratio of how many grievances are declined vs. carried forward.

7:40 - Wrap up: All Council video materials should be sent to Steven for editing. Steven asked if we should begin considering new Annual Meeting venues now in case they fill up. Staff is inclined to stay at Lost Nation Theater.

Marci moved to adjourn. Alex seconded. Meeting adjourned at 7:47.

Action Items:

Retreat committee draft retreat agenda with Michael Healy.

Finance committee reconsider investment proposal.

Kari will provide a summary of the staff's current activities and plans for furthering environmental ends.