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Coop Council Meeting Minutes
June 27, 2016

In attendance: Alex Brown, Tyler Strange, Steven Farnham, Carl Etnier, Marci Young, Scott Hess, Rita Ricketson

Guest: Les Snow, Lily Feldman (note taker)

Staff: Kari Bradley, Michal Duffy (Staff Rep), Phoebe Townsend, Stephani Kononan, Kevin O'Donnell, Tim Wingate

Announcement by Carl: There will be time cards at the meeting tonight (5min left; 2min left; time's out; displayed by Rita to notify speakers of how much time is left on each topic). He also stated that if the council agreed than the discussion on that topic could continue beyond the allotted time. He added that Tyler would be handling item 13. The note-taker will try to keep track of action items in these minutes.

Coop community comments: Les Snow introduced himself and his studies in cooperative management. Many co-ops have a dearth of interested applicants to vacant positions – there are many innovative ways to strengthen applicant pools. He is interested in helping the Coop develop stronger member participation in governance.

Scott asked about bringing candidates to an outside source of training, such as a conference.

Les will check in with nominations committee.

Carl motioned to accept minutes from 6/6/16 and equity report. Scott seconded and asked for clarification on an adjustment to the May minute meetings. Motion approved. Marci abstained.

Staff Representative Report (Michal) – no updates around arbitration on kitchen case. Health insurance negotiations going on. Floors were done, which occupied staff attention. Rita asked if staff seem generally happy with proposed health plan changes – Michal responded that people seem to still be figuring out what it will mean for them personally, but are more agreeable to this version of the proposal than previous versions.

Health Insurance Report (Kari) – no increase in expense for the Coop. There will be a change of carriers. Given that individual situations will always vary, Kari thinks

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that overall this plan will be an improvement for the majority of coop employees over previous plans. Carl moved to ratify this plan. Rita seconded. Motion passed unanimously.

Business Plan Presentation (Kari) – provided context of the business plan, specifically in terms of the changing nature of consumer demand. Emphasized focus on employee mental/emotional health, employees feeling involved with and listened to in the change process, and a sense of well-being and safety at work, as well as empowering members of and the community at large to engage with the Coop in a variety of ways that will build the coop’s standing in the community.

Kevin discussed financial success as a multi-faceted approach. He emphasized that productivity is critical to growing sales. He also explained that there is technology available that would automatically reorder essential items based on set reorder points, which would allow the buyers to spend their time on other projects. This was one example of how specific improvements to systems or technologies could improve productivity and sales growth.

Phoebe discussed employee survey participation and ideas on how to improve participation rates. She emphasized that the attitude of the management team plays a huge role in setting the tone for this. She also added that in terms of wellness and preventive care, on-site acupuncture/massage would hopefully be introduced soon.

Stephani discussed the “bag that bag” initiative, in which instead of members saving 5 cents for each bag reused, those 5 cents will be donated to the Montpelier Food Pantry. This could end in a donation as large as \$12,000 at the end of the year. She also discussed an hours-based program in which members could volunteer (e.g. at a local harvest) in exchange for a Coop discount for a set amount of time. She also mentioned the importance of developing and maintaining partnerships within the community, citing several examples of other programs successfully doing so and some initiatives the coop is currently undertaking.

Tim presented the statement of income and an overview of the budget report, such as why there is a need to grow sales and where some changes will be impacting the budget. He explained that at 0% sales growth, at the end of FY2017 there would be a \$90,000 deficit. He mentioned that the prepared food staff has made tremendous improvements in their contribution margin and strengthening the budget in that area.

Kari closed by pointing out listed projects/ways that the council could support the operations plan (pg. 10). With no objections, the Council extended time to discuss this agenda item.

Steven asked about the 13 point drop from current Employee satisfaction rate to the projected rate for FY2017. Kari responded that he’s aiming toward a “realistic” target when more employees participate in the employee survey. Steven also asked if projections take into account the possible opening of co-ops in Barre and Morrisville. Kari responded that he’s not assuming any disruption from the opening of these co-ops. Michal asked about the relative cost/return on investment of additional security cameras and the monetary value of its prevented theft – Kari

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responded that there has been significant discussion about this and that typically investing in cameras/security systems does provide return on investment.

Tyler asked about identifying other items that could be liabilities if they withdrew from the Coop (aside from Heady Topper). He also noted that the overall population of Vermont is shrinking at about 5%/year and wondered if it's possible for a business to continue growing with a shrinking population. Action Item: Kari will look into this number and report back.

Steven asked how the co-op deli is able to compete with downtown businesses which may not be beholden to the healthy food standards we are charged with upholding by our mission statement. Kevin replied that sales growth in prepared foods has a direct correlation with the quality of the product. Over three years, sales have risen from \$20K/week to \$48K/week, and even though the deli still operates at a loss, its value cannot be measured solely on a financial standing.

Monitoring report on L6 (Kari) – explained that there is a noncompliance, however he believes that the business plan does overall reflect the business practices.

Scott motioned to accept the L6 report. Alex seconded. Motion approved unanimously.

GM report (Kari) – appreciation to Mary for her hard work on the floor the past two weeks. There are 70 people signed up for the dinner and discussion happening on Wednesday. Marci asked about the purchase of a hydraulic forklift and whether it was a major or minor purchasing decision. Kari responded that it was included in the capital budget for Fiscal 2016. Rita asked about the possibility of co-op mergers. Kari responded that this is a possibility, which several co-ops are discussing nationwide.

Executive session (Alex) – Rita moved and Alex seconded going into executive session (6:45pm). Rita moved and Steven seconded exiting executive session (7:07pm). Rita moved to approve most recent employment contract with general manager, Kari Bradley, contingent upon the union approval of the change of the health insurer. Steven seconded. Motion passed unanimously.

CCMA report (Rita, Carl, Scott, Alex) (7:18pm) – Rita said that she was very glad so many people were able to attend, and that the event was well done and grew in scale from previous years. Scott added that in general, sometimes the board would be well served by spending more time on macro issues. Alex said that the event renewed her commitment to the national coop movement, and that it was helpful to compare and contrast this coop with others around the country. Carl said that he came back with many ideas as well, some of which would be discussed under section 13. Carl also mentioned that co-ops need to be prepared for competition moving in next door. When this happens, conversation needs to shift to what co-ops are about- e.g. wresting control of the food system from large corporations.

Action Item: Kari will send around the notes on ideas from CCMA courtesy of Tom Leahey.

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The next CCMA will be held in Minnesota.

HMCCF Committee (Scott) (7:26pm) – Scott said that the application, evaluation system and several other logistical aspects have been updated. The committee is requesting the uncashed patronage refunds from Fiscal 2016. Rita added that some co-ops work to brand their support of local organizations/events/causes in order to promote visibility and long-term community engagement and recognition than supporting multiple small events/causes on specific items or donations.

Alex moved to approve the use of the uncashed patronage fund to be donated to the hunger mountain community fund. Rita seconded. Motion passed unanimously.

Rules committee G4 (Tyler): (7:37) – **Rita moved to approve proposed changes to governing policy G4.3. Carl seconded. Motion approved 6-1.**

Steven moved to approve proposed changes to G4.4 and G4.5. Carl seconded.

Michal asked for clarification on how the minutes get sent out to the general public (i.e. has the version that gets sent out already been edited? By whom? How long is it okay to wait before making minutes accessible?) Kari responded that the current proposal, in which minutes are published within two weeks but after review by the secretary, is already a compromise to allow for a longer timeframe than the one week, which was suggested, and readability. There was significant discussion on the goal of this policy in terms of whether it is meant to increase or decrease the level of detail in the notes being taken and being provided to the public, and how long it is acceptable to wait before making a record of a meeting publicly accessible.

Steven moved to amend G4.4 to read “unapproved” minutes instead of “draft” minutes. Motion passed.

Alex asked what the board plans to do in the case of publishing unapproved minutes that include inaccuracies. Scott mentioned that he’s not sure why there is time pressure on releasing the notes from a previous meeting. Carl explained some responses to this question including that it delays communication between board and members, and that it impedes member ability to predict which meetings they want to attend based on previous items.

Carl moved to add “upon request” to the end of the sentence “minutes will be released to the public”.

Motion to approve G4.4 and 4.5 as amended passed 3-2. Rita abstained.

Motion to approve G4.6 by Carl. Seconded by Rita. Motion to approve G4.6 by Carl. Seconded by Rita. Carl asked to clarify the interpretation of the bylaws and the ideal outcome of the bylaws, which concerns a council member only voting in the case of a tie. Scott said that he would like to see all 9 members of the board voting consistently. Alex noted that the bylaws state that the president is the "chair" of council meetings and that the chair does not vote at meetings. Our practice of having a rotating facilitator at each meeting instead of the president acting as facilitator has been understood to mean that the president is delegating the task of facilitating but

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not the role of voting only in the case of ties; in other words, Alex doesn't vote even when she facilitates, and every facilitator does vote. It's Alex's opinion that the president should still vote only in the case of ties, and that any change in the policy must allow for ever-changing approaches to meeting facilitation. Carl said that he would like to table this until there is a chance to further investigate the bylaws. **Rita moved to call the question (8:22). Motion to call the question passed unanimously. Motion to approve G4.6 voted down unanimously. Rules committee will further workshop the language of G4.6 and bring it back at the next meeting.**

Annual Meeting Committee

Scott moved to accept the report in concept for the annual meeting as stated. Alex seconded.

There was significant discussion on whether and how alcohol should be served at the annual meeting.

Steven amended the annual meeting proposal to offer one free beer or wine per person (instead of 2 per person). Marci seconded. Motion to amend passed 4-3. Motion to accept the report passed 4-3 as amended.

Nominations Committee: candidate criteria (Kari) (8:39pm) – Alex suggested that being able to directly compare new candidates with incumbents, and presenting equal (and equally recent) information/statements to voters might improve equality of opportunity. There was more discussion on how to improve equality of opportunity for all candidates, incumbent or otherwise. Marci said that she does not think that incumbents should be identified as such unless they choose to do so in their own statements. This item will be tabled until further discussion.

Community/council comments (Carl) (8:54pm) – Alex clarified that this section was added at the end of the meeting to give an opportunity for any community members who had stayed for the full duration of a meeting to present any new thoughts that had come up during the meeting.

Meeting adjourned at 8:55pm.

Action Items

Kari will send around the notes on ideas from CCMA courtesy of Tom Leahey.
Kari will look into this number and report back.