



Council Meeting Minutes  
April 4, 2016  
Time: 5:30-9:00  
Facilitator: Steven Farnham  
Note Taker: Michael Dougherty

ATTENDEES:

Council Members: Alex Brown, Steven Farnham, Scott Hess, Rita Ricketson, Carl Etnier, Tyler Strange, Marci Young, Ashley Hill

Staff: Kari Bradley (departs 8:00), Michal Duffy (Staff Rep.)

1. Steven calls the meeting to order at 5:34. The group welcomes Ashley. Ashley is running for State Senate and is a prosecutor for Washington County. She is not aware of any conflicts of interest among her clients, but if any arise, she will ask that relevant cases be shifted to another prosecutor.

2. Community Comments- None.

3. Consent Agenda- Scott notes that February minutes have typos and incomplete sentences. March minutes also have typos and do not note that Carl left the meeting. A question Alex asked is not attributed. Scott suggests we table both sets of minutes. Marci wants to document that the discussion on group dynamics was passed over due to time constraints. Kari and Rita will revise February and March minutes.

**Carl moves to accept the equity report. Seconded by Scott. Approved.** Marci abstains.

4. Member Feedback- Carl got critical remarks on patronage refunds: that there was too much pressure to donate money back to the Coop, and that the refund coupon didn't look like money and could easily be thrown away by mistake. The check had been handy for people who live out of town and do not visit frequently.

Rita hasn't heard anything negative, but notes that there's no way to know the amount by looking at it. Ashley asked whether people can be given the option upfront of whether to receive a check. Kari notes that some members have requested and received checks. Michal suggests that an additional option should say to "contact us" to get a check.

5. Governance Budget- Scott asks for input to the Council's budget for FY2017. If the council thinks it's valuable, it could recommend that more than two members attend CCMA. Steven asks to clarify the numbers in row 2 of the spreadsheet.

Carl asks about the difference between FY15-16. Kari notes the audit procedure changed, which saves about \$5k/year. The Coop had also hired another accounting firm the previous year.

Alex says the group should look at which categories or components need to be studied. Carl thinks the question of hiring a meeting facilitator should be discussed. Marci thinks it builds leadership to have council members lead meetings. Rita and Scott encourage anyone to attend the finance committee meeting. Kari will send the monthly calendar tomorrow.

Alex reviews current line items and suggests adding the following under board of directors: compensation for the board, a meeting expense line, professional development. Under professional services: required services vs. discretionary services. Facilitation would go under meetings. Carl asks, if council member discounts were budgeted at a certain rate, would overages obligate council members to cut off their discounts at a certain amount of purchases? Kari says some budget variance is routine.

6. Staff Rep Report- Michal reports on the housekeeping meeting between the management and union. The most sensitive issue is bullying - some staff and union reps feel that there is bullying, but it does not meet the legal definition. Management views these grievances as a problem of communication style. Michal believes these cases are mainly from the kitchen. There is a "go direct" training scheduled to help people learn to take criticism constructively and communicate better.

The corporate cup 5k is coming up - staff is excited. Carl wants to join a team. The staff has formed a green team, with staff initiatives on sustainability. Food service dishware is looking for more sustainable options. Staff is interested in doing bike delivery. Michal brought up the 401k divestment from fossil fuels. There is one option currently on the table - Parnassus Core Equity Fund. Kari adds that they've asked the broker to bring further legitimate options. Alex notes that there are funds based on Muslim principles - no guns, no banks - but they include oil. Social responsibility can be difficult to define.

Rita asks who's sponsoring the trainings and green team. Michal - management plans the trainings with staff's input on what they'd like to be trained on. Green team is a staff initiative with some management people involved. There's some discussion of whether the environmental ends committee of the council should join forces with the green team.

7. Council Planning- Marci notes that the group dynamics discussion was bumped from the March meeting - there is a question of how to fit it into already busy council meetings. Managers thought it was a good idea to do team building and group dynamics exercise in their retreat - she thinks the council should do the same. Steven proposes bringing up agenda item #14 - quantity vs. quality of meeting topics. Group agrees.

Ashley notes that board development might take the place of hiring a facilitator. Scott says that the idea of a second retreat has been brought up previously. Rita notes the consent agenda was meant to cover day-to-day topics to leave open time later in the meeting for more substantial topics. Kari says that at one point, the intent was for half of each Council meeting to be discussion and half to be reports.

Alex notes that this meeting includes a lot of committee reports, which require bringing something written and including it in the packet. The packet contents can be discussed. Do committees have to report back this often? Marci was not aware of the standard that committee reports would be in written form. This proves a communication problem.

Steven says it may vary between committees - for example, the policy committee is re-writing policies whose wording needs to be approved. Marci thinks specifying written reports should be a policy. Kari adds that they would need to be submitted a week before the council meeting.

Ashley notes that some boards set a definite end time and plan an agenda based on that. Alex says the group has struggled with not cutting off topics, versus time allocation. Marci says there doesn't seem to be flexibility in the writing of the agenda. Steven proposes letting the executive committee lump more topics into the consent agenda. Scott reiterates that anyone can come to committee meetings, including executive committee, where the agenda is set. Scott believes that this might discourage people from reading that section of the minutes.

Alex notes that the consent agenda is one thing that gets voted on. Rita thinks that fewer committee reports would be fine - if a committee is in the middle of a discussion, they should not need to report. Steven asks Kari whether it would be a burden to prepare a monitoring report to just be read in advance. Kari says he would not treat it any differently. Carl notes that if the council's job is to gauge compliance with policies, he would not want to give that short shrift. Steven proposes extra meetings, and having some discussion online in advance of the meeting.

Kari proposes not putting a committee on the agenda unless that committee has requested inclusion. Carl proposes that if any committee has met, that the full group receive a synopsis of that in writing. Group agrees.

Marci thinks the group did great at the retreat, but she is now getting phone calls and sensing discomfort. Group dynamics is about respect and requires vigilance. Marci proposes that Tyler lead team building exercises. Steven thinks trust exercises are different from being respectful when group members honestly disagree. Ashley thinks Scott's idea of another board retreat would help. Carl thinks board development should stay part of the agenda even if it adds time. Steven believes this should be more discussion than activity.

Rita says it sounds like the group agrees that the meeting agenda should include time to discuss group dynamics. Steven polls whether the group believes a chunk of time should be set aside at each meeting for roundtable discussion: the group unanimously agrees. Should the group consider a second retreat? 8 yes, 2 no. Alex asks who would be interested in planning an offsite event: Ashley, Kari, and Steven respond to form a one-off committee.

8. Operations Report- Kari says the purposes of the shopper survey are an input to business planning, a source of monitoring data, and more information on specific topics. This year's response rate was good, including hundreds of comments. He plans to post many of them with responses online with some in the Full Scoop.

Steven highlights page 2, where do you most frequently purchase products? This data would be more readable as a bar graph or series of graphs. Michal agrees that more visualization would help. Carl notes that the question about last year's annual meeting is phrased assuming they did not attend.

9. Monitoring Report- Kari reports on treatment of customers and treatment of members. Two noncompliances: L1 customer safety policy calls for the Coop to set equity level, and the council didn't make a consideration last year. Kari will add to the agenda for next meeting.

Rita asks whether noncompliance is re-reported every month until the issue is resolved. Kari recommends reporting quarterly. Scott recommends Kari use his discretion in reporting an increase in issues. Alex

requests linking the number of incidents and the number of transactions, suspecting there are more incidents when there are more people in the store.

Marci says having more customer counts and more transactions has drawbacks in environmental ends. Customers make fewer impulse buys. Count decreasing could be good if there is an increase in basket size. Tyler notes that we look at number of transactions and active members as satisfaction, but transactions per customer went down. Kari interprets the increase in members as converting customers to members.

Scott notes that decreased transactions could indicate customers buying at alternative stores. Alex says basket size or revenue have to be the perspective, not just customer counts and transactions. Carl agrees that more granularity would be useful. Kari proposes including the volume of products sold. Ashley suggests showing shoppers what peak hours are so they might avoid those times. Carl favors the idea of posting comments on the Coop website.

Marci believes that if prices went down and patronage refunds got smaller, everybody would benefit. Kari agrees that a small patronage refund indicates that pricing is appropriate. He adds that a patronage refund distinguishes the Coop from other stores.

Ashley brings up SNAP benefits shifting to electronic. Kari says our POS system does not accept the WIC benefits card yet. SNAP works. Michal asks how that's possible with a new POS system. Carl replies that the WIC program is shifting to an item-specific model rather than an amount of cash, which requires more infrastructure. Kari adds that we may not have a certain number of products to comply with being a WIC store, which is a problem for many Coops and natural foods stores.

Alex reiterates that prices are close to product costs. The Coop maintains some margin, not for profits but to deal with vagaries. Alex believes that if patronage refunds and prices both went down, shoppers wouldn't notice, but it would remove the safety valve the Coop has to protect itself. Scott adds that the profit margin is miniscule - there's no excess. Rita says that this also educates customers on the cost of food - paying for fair labor, etc. Ashley noticed comments about making the Coop more accessible to low-income customers - despite the cost of food, this leaves some people out of the conversation. She worries that people that would benefit the most from being at the Coop are left out.

Alex refers to p4, concerning education. There is data on the channels used to provide information, but not the content. This would indicate what topics we're doing well educating customers on, and which topics we need to do better on. Rita recalls learning about outreach and education initiatives at CCMA. There are other models we could learn from. Kari notes an education and outreach coordinator was part of the 10 year vision, but too costly. Carl brings up City Market's personal shopper program.

**Rita moves to accept monitoring report as amended, seconded by Marci. Approved.**

10. GM Report- Michal asks about p2 - hosting GMs for store audit. Kari says this is a planned store audit of floor environment, merchandising, cleanliness, marketing materials, and will generate a report afterwards. Michal asks, have plans been made for space for breastfeeding mothers? Kari says options are talked about in the grant report. Steven commends GMO info.

Ashley asks to clarify the POS vendor's noncompliance around WIC. Kari says the only workaround is to run it through a separate terminal, which requires shutting down a lane, which defeats the purpose of seamlessly paying with benefits. Brattleboro Coop is doing this. Eligibility for WIC is a condition for the Coop Cares discount.

18. Nominating Committee [out of agenda order]- Kari says this meeting promotes running for council and prepares written materials. Marci asks whether this is an active or passive committee - do they go out and recruit? Scott believes that individuals should step up if they're interested enough in joining. Ashley believes the board should look for needs. Michal notes that currently there are no vendors represented.

Steven notes that there used to be overlap between Communications and Nominating committees. Alex says Communications relates to everything; in this case their job would be to communicate the charter put forth by the Nominating Committee. Ashley volunteers for Nominating Committee.

Scott says there is a frustration when interested candidates don't run. Carl was surprised at the small number of signatures required to run, which did not encourage candidates to talk to many members. Kari thinks this would be a Ballot Committee issue. Scott clarifies, #2 article 3 of the bylaws specifies number of signatures, so that would require a bylaw change. Steven volunteers for Nominating Committee.

19. Annual Meeting Committee- Kari says their first order of business is to propose an agenda for the annual meeting, then work on logistics as the date approaches. Scott volunteers for Annual Meeting Committee. Marci is already a member. Rita volunteers. Marci asks which staff is involved. Kari says Krystal will be present.

20. Ballot Committee-Kari says that since the shift to electronic ballots, counting should be straightforward. Steven asks whether it's possible to schedule the Annual Meeting so that the person counting ballots doesn't miss part of the meeting. Carl thinks this should be discussed in the committee later in the year. Scott reiterates that this should not include people who are up for election or nonmembers. Kari clarifies that the majority have to be members, but a nonmember could join. Carl and Steven are the only eligible members.

7:54 BREAK. Kari departs.

11. Communications [out of agenda order]- Regarding video project, Michal asks to switch "man on the street" to "person in the street." Tyler's video topic is the role of the council and the distinctions between council and management. Ashley asks whether this would discuss actual issues - i.e. pricing - or whether it is just about the council's role in it.

Alex's video topic is interviewing Nick (from Meat) and his Dairy counterpart on sell-by dates. Steven's idea is to discuss what you pay for when you shop here: not just the product, but other principles.

Rita believes the role of the council will be important to discuss early on. She suggests one of the interviewees could be Doug Hoffer discussing the economic impact of the Coop. Michal agrees that the role of the council should come early.

Alex asks whether the council wants to approve each idea or delegate to the committee. Scott thinks they should be delegated. Michal thinks the council should approve each topic.

Marci suggests a topic on the cooperative model. Ashley suggests covering the Coop Cares program. Carl wants to cover Coop Basics. Alex delegates the coop model to Martha. Tyler volunteers to do more than one topic if necessary.

Alex looks for representatives for Earth Day. Marci and Scott will be present and should contact Krystal.

12. GM Evaluation- Alex provides list of procedures tied to dates, and whether they should be voted on by the full council or delegated to the committee. Marci asks about succession planning. Alex clarifies that this is not covered by the current committee. Scott thinks that the current GM expects to stay another couple years and would not have the committee undertake planning if he intended to leave. Marci reiterates that seeking this info should be a global practice in evaluation. Marci asks whether compensation should be related to the lowest staff salary. Alex responds that compensation data is based on comparisons to other markets and organizations, which is compiled for Vermont and beyond.

**Rita moves to delegate each point to the committee.** Alex has learned from Michael and Sylvia that the only dispute in negotiations with GM have been over length of term and not salary. The final proposal and contract have to be approved by council anyway. **Ashley seconds. Approved.**

Alex says that every council member should fill out the evaluation form in pencil and submit to Carl. Carl and Scott will tabulate. Steven asks whether the evaluation meeting is also open. Scott says that this is a negotiation meeting and should just be the committee members. Alex reiterates that this is meant to be a performance review, which the full council will participate in. If the review is positive, the committee will assume that we wish to retain the manager and make him an offer that encourages him to stay. Scott suggests scheduling an extra council session if there's a feeling that the GM should not be retained. Marci asks to discuss the narrative question of strengths, challenges, accomplishments, requesting a self-assessment. Alex notes that this question is open-ended and can include any concerns that come to mind.

15-17. Committee Reports [out of agenda order]- Carl says Rules Committee is mid-discussion and will report later. Marci says Environmental Ends has made progress on no idling signs and addressed a member request regarding EV charging station, and plans to work with staff green team. Alex says committees will try to report in written form, and will make an effort to reduce time used in meeting agendas.

21. Roundtable Discussion [out of agenda order]- Alex says the council represents the members, but not as in politicians. The board represents the fiduciary interests of members, keeping their money safe and pushing the Coop in a positive direction. Carl believes the board represents members in a broader way than just fiduciary - the Coop's mission is broader. Michal brings up the triple bottom line - fiduciary responsibility is one part. Rita says it's easy to look at the numbers, but it's important to have breathing room. Steven describes the organizational chart with the GM above the staff, with the council above the GM, and the membership above the council. The fiduciary piece is particularly important, but there is a big picture the council is responsible for.

Scott says Kari will sometimes bring forward items that are not the council's responsibility, but that he would not move forward on without the council's input anyway. Alex says this is high level, large steering as opposed to incremental steering. It's important for council members to understand where their own preferences begin and end - some things should go in the suggestion box, while some should be addressed in meetings.

Carl brings up the example of rebate format feedback - did that merit meeting time or was it too operational? Ashley says that is a fiduciary duty issue, so it deserved to be discussed by the council. Tyler returns to the council's mission statement. If member-owners have a value issue with a procedure, it should be discussed. The council's role should be to take small issues and judge: do they represent a larger theme, or are they one-off issues?

**Rita moves to adjourn, Tyler seconds.** Marci believes this deserves more time for discussion. **Motion approved.**