



Council Meeting Minutes

February 1, 2015

Time 5:30-8:20

Facilitator: Scott Hess

Note Taker: Michael Dougherty

ATTENDEES

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

Staff: Kari Bradley, Michal Duffy (Staff Rep.), Stephani Kononan (dep. 6:00 after #4)

1. Agenda Review- Scott would like to discuss whether to invite new candidates to the next council meeting and vote at the meeting. Should the committee recommend a candidate and the council approve, or the other way around? Kari will forward the candidates' bios tomorrow morning, and if a council member has positive or negative feedback, they can share.

Marci suggests having both candidates come to the next council meeting as non-voting attendees. Alex notes that usually, votes on new council members are put to member-owners, so this process should involve as many people as possible. Carl would like to speak to the finalists in person before approving.

2. Community Comments- Steven shares that a member was objecting to Sale for Everyone tags, asking, why become a member? Kari says they exist to draw a distinction between regular sales and Member-Owner sales. Scott says you could also mention coupons and patronage refunds, which are both member-only. Marci spoke to a member who doesn't want to come to Annual Meeting and wants to give anonymous feedback instead. She directed him to the shopper survey.

3. Equity Report/Minutes- Kari says membership has surpassed the population of Montpelier. Rita points out typos on p1. Tyler's name is misspelled. Steven has a question about the wording on council elections on p1, #4.

Martha moves to accept the Equity Report, Alex seconds. Approved.

4. Annual Meeting Planning- Kari says it may be time to change the Annual Meeting format. Option 1 would be to move to Thursday evening prior to the Expo. Option 2 would be to change the timing to Thursday and shift the focus to an educational/social event. Option 3 would be to keep the status quo. Kari thinks a weeknight might be more accessible to members and might change the "flavor" of the meeting, which currently might not appeal to all members.

Carl asks, how do new dates allow the council to prepare for meeting? Kari says the agenda and close-to-final bylaw language are finished in September. Audited financial statements sometimes cause delays, but should be doable. Stephani says the venue would be rented for Thurs-Sat. Lost Nation Theater may be able to hold both dates. Marci suggested involving members using a poll tool. Steven asks, did Communications Committee survey members on meeting timing during tabling? Scott thinks we should give Thursday night a shot, and could have other membership sessions at other times.

Marci is concerned about people who can't drive at night. Martha is inclined to move it just to try something new. Carl is inclined to try Thursday, but wants to see survey data where members were asked. Steven asked about considering another month to avoid busy summer/fall schedules. Scott notes time of year is based on fiscal year and election cycle.

Carl moves to table this decision until next meeting, unless Lost Nation does not allow - in which case use Thursday Nov. 3. Martha seconds. Approved.

5. Staff Report- Michal reports two step 1 grievances in kitchen. Grievances are now in step 2 and seem to be more combative than cooperative, including violation of Weingarten rights in kitchen. Michal notes tardiness policy changed and was being enforced inconsistently. This has been clarified: anything up to 8 minutes is late - 7:59 minutes late is acceptable, 8:00 minutes late is a violation.

Alex notes the group hasn't always gotten this much info about union grievances in the staff report. Should the council be hearing about grievances still in process? Scott asked how this compares to past kitchen grievances. Kari says it varies - the kitchen is a very large department. Tyler adds, grievances are the method for union and management to bring up any deviations from their agreed-upon contract.

6. GM Report- Kari reports GroSolar fell through after not responding to questions about the proposed contract. Marci asks, is the Coop looking for other opportunities? Kari says not actively, but the Coop is open to it. Green Mountain Power has hit their cap already.

Carl asks, does it make sense to put out an RFP? He has heard doubts from those in the industry that GMP might not have reached their cap; an RFP could clarify what we're looking for in advance. Scott wonders if we're comfortable with locking in power needs for the next 10-15 years. Carl says it depends on the proposal - if it's a good rate, then yes. Steven says it would be doing our due diligence to put out an RFP if it's not too much trouble.

Kari says the state responded favorably to his request to update the Cooperative statute language to allow for absentee balloting. Report notes 2.5% sales growth, which is slower than the rest of the year. There is a change in how patronage refunds will be delivered - members will receive a scan code in a letter to exchange for credit, though they can also get cash back or donate to the community fund. Letters can be mailed in for a check. This will save on printing and encourages people to redeem refunds and shop. Codes will have an expiration date.

The Coop added a 4th year to its linen contract. We were rated by Beerrate as the best store to buy beer in VT. Steven asks, will the Coop still receive country of origin info? Kari - no, but it mostly won't apply - most meat sold is local. Some discussion of Veggie VanGo and grocery delivery. Scott notes studies on mobile delivery have not been positive - it is labor-intensive and expensive.

7. Monitoring Report- Kari reports one noncompliance around VT livable wage data: one payrate for new employees at the lowest level - for the first 3 months, they are not making a livable wage. This will be an

ongoing noncompliance. Michal asks, why weren't those wages increased at the last contract negotiation? Kari says wages are only one part of contract negotiation, and the union was more focused on benefits.

Carl asks, why not work to fix this noncompliance? Kari says noncompliance is not the worst thing, it exists to indicate areas to work on. Steven adds, the idea is to strive for compliance but also balance overall finances. Alex asks, why not include the ratio of GM pay to highest/lowest paid worker? This would indicate internal equitability.

Marci asks, would member-owners be able to buy into a large insurance policy at a discount? Carl says VBSR used to offer policies to single-individual businesses.

Kari says this report factors in Vermont Livable Wage info from the Joint Fiscal Office. Tyler references p3, #2, noting that all benefits are opt-in - does that constitute internal equitability of access? Scott says it should be promoted that you don't need to be computer-literate to have access. Kari says there is also consideration of opt-out benefits. This will be on the agenda for the next Finance Committee meeting.

Carl asked to clarify paid time off - how does combining categories of days affect one's willingness to come to work when sick? Michal says staff seem to like current system.

Kari references the bottom of p4 - sales-per-labor-hour are relatively high while payroll is relatively average. Benefits are at the high end, especially if you're considering PTO as a benefit. MML ends up the lowest of other coops. Scott says we should promote treatment of employees as a reason to shop at the coop.

Kari has completed analysis of key management functions, with 30 judged to not have a fully trained proxy ready to step in. The finance department is biggest concern. They plan to take next year to identify and train proxies. Alex notes, goal should not be 100% coverage - organizations that do that tend to get too large. Michal notes that training proxies leads to professional development opportunities for staff.

8. L4 Monitoring Report- Steven moves to approve, Rita seconds. Approved.

9. Brattleboro Loan- The group discusses whether to loan Brattleboro Food Coop \$17,500. Kari says this is a high risk loan, but he thinks it is a reasonable one. He is impressed at how much support they're already receiving. BFC's GM has a good plan to reduce labor expenses. HMC has close ties with BFC - similar trade areas, similar membership issues. He clarifies that if BFC defaulted, we would be liable to pay \$9,000.

Marci moves to loan \$9,000 instead of the full amount. Carl seconds. Martha notes that that seems like a small amount to run a coop. Kari adds, the priority is to carry them through spring, when equipment leases expire and free up cash flow. They already reduced labor rates through early retirement and layoffs.

Rita asks how the \$17k would come through CFNE. Kari says the loan would pass through CFNE, and existing cash would be reallocated to BFC without affecting current cash flow.

Steven asks, what is the worst case scenario? Kari says we loan \$17k, they go under, then we owe an additional \$9k and a large coop with strong potential goes away. Rita notes Tim recommended this loan despite usually being conservative.

Steven moves to amend the motion to approve the amount requested up to \$17,500 maximum. Tyler seconds. Marci asks to clarify the labor rate and gross projections. Kari says labor rates are already

reduced, and their projections seem achievable. Carl asks, how common is a high-risk, no-interest loan? Kari - not very. Scott - was Hanover asked? Kari - no. Scott - is the loan all-or-nothing? Kari is confident they would take a partial loan.

Motion to amend first motion approved. Amended motion (to loan BFC up to \$17,500) approved.

10. CDS Training Report- Marci reports the CDS training was good for working out relationships and team building activities.

7:10 Break

11. Council Appointment Committee - Covered earlier.

12. Retreat Follow-up- Committee selection. Alex clarifies that each council member should participate in about two committees, and notes that the two communications committees meet for different periods and have different goals. Steven suggests recruiting non-council members to committees. The group discusses whether council or committees should set chairs and charters - there is agreement that committees should set chairs and draft charters at their first meeting, then bring them to the council for approval.

Kari will send a discussion topic list to each group, who can suggest changes. Each group can vote on highest priority items, then the Executive Committee will assign them to the calendar. Rita clarifies that One Voice is slated to be discussed in the Rules Committee.

13. Household Memberships- Kari describes household membership discussion of 2008. Recalls forceful pushback against creating a household membership. A proposal was discussed that resulted in a bylaw change to clarify that membership was individual.

Rita adds, a topic that came up repeatedly was voting. Should a household with 2 buyers get 2 votes? There could also be a significant economic impact to changing membership structure - in 2008, the total was estimated over \$100k. There may be in-between steps to full household membership, like kids using membership. Steven thinks votes should be individual, but for discounts, could combine persons. Rita notes household memberships would require cashiers to "police" names.

Alex notes the coop is not mainly using memberships for development purposes, it's to encourage participation in the coop. Scott says opening family memberships may encourage more people to shop. Kari notes people who invest up front are likely to buy more - i.e. Amazon Prime and Costco.

Michal is worried about verifying what is a household and what's not. Tyler asks, how do other coops administer? Kari - Onion River allows up to 4 individuals on an honor system. Once they instituted this system, membership skyrocketed. Tyler says some households wouldn't cash in one membership because they believe in the mission of the coop.

Alex notes council members' spouses already get their 10% discount, but other working members do not share discounts. Rita proposes this as a topic for a large group Q&A, possibly at the June offsite meeting. Michal notes we should try to attract non-members as well.

14. Action Items- Kari will email tomorrow.

8:17 - Martha motions to adjourn, Steven seconds. Adjourned.