



Council Meeting Minutes  
November 7, 2016

Newly elected Council members present: Bertil Agell and Mark Simakaski (replacing outgoing members Tyler Strange and Martha Wales)

Council members present: Steven Farnham, Alex Brown, Scott Hess, Rita Ricketson, Carl Etnier, Ashley Hill, Marci Young

Also present: Kari Bradley, general manager, Michal Duffy, staff representative, Tim Wingate, CFO

Scott Hess called the meeting to order at 5:30 pm. He welcomed the two new Council members, Bertil and Mark, and congratulated them along with Ashley on their election. Scott reminded members that the meeting is being recorded, and that the recording will be placed on the Co-op web site. Each council member gave a brief statement as to why they are involved with the co-op as a way of introduction to the new council members.

Agenda Review, 5:35: Alex requested that the council add conflict of interest statements for new members, and for existing members.

Community Comments, 5:38: None

Audit Report, 5:40: Kari called auditor Bruce Mayer, auditor from Wegner and Associates, and put him on speaker phone while Tim Wingate stepped out of meeting at 5:40. Mr. Mayer briefly gave the highlights of the auditor's report including balance sheet and income statement. He stated that the current ratio and the debt/equity ratio indicate financial stability. He referenced a healthy increase in sales, and stated the gross margin is steady and in line with other co-ops. He stated that there were no significant changes from the prior year, and there were no red flags. Council members had no questions at this point. Mr. Mayer discussed the management letter. There were no significant deficiencies in internal controls, but the letter cited opportunities for strengthening internal controls and operating efficiency. One of those suggestions was to consider implementing positive pay, an electronic file sent to the bank of disbursements made; the bank then only honors payments included in the positive pay file.

**At 5:50 Scott called for an executive session Bertil Agell moved, Carl Etnier seconded and the Council approved unanimously. Executive session ended at 5:58.**

After executive session Scott asked Kari to report back to Council on progress on recommendations over the coming months. This is included in action items below.

Conflict of Interest Statements: Each council member disclosed any conflict of interest they might have:

Alex Brown: none

Mark Simakaski: Mark is a vendor of mead and other products. Alex noted that Mark may need to recuse himself at some point in future council meeting discussions of vendor-related issues.

Mark agreed that he understood this.

Bertil Agell: none

Carl Etnier: none

Michal Duffy: employee

Ashley Hill: attorney

Scott Hess: none

Rita Ricketson: none

Marci Young: works at Onion River Exchange which has applied for grants from the Community Fund

Steven Farnham: none

Consent Agenda: 6:05pm: Scott requested consideration of the Consent Agenda which includes approval of October minutes and requests for equity refunds. **Carl moved for acceptance, Rita Ricketson seconded the motion. The motion carried with three abstentions.** Scott requested that comments on November minutes be sent to Kari soon after the draft version is distributed.

Annual Meeting Recap, 6:07: Alex requested a recap and feedback on the annual meeting. Council members were asked to respond to the written annual meeting survey by Nov 14. Ashley complimented everyone who organized. Marci thought the meeting was “top heavy”: thought all the council members might have contributed rather than just the few. Scott thought there was a good amount of time allowed to the audience questions. Consensus was that having the meeting on a week night was a good move. Despite concerns about serving alcohol being served, Marci believed it seemed to work okay. Child care was full. Steven and Carl commented that more people attended this year than last. At the same time, 10% of the people who registered in advance did not attend. Possible reasons mentioned were weather, notice that there was only standing room available, and difficulty in finding parking places. It seemed like more employees attended. There was mixed feedback on the panel. Steven thought it was interesting and informative. Someone else suggested it was too long. Steven suggested possibly opening up the floor for questions after raffle. Interested members could stay. There was a question about the cost of the event. Alcohol was \$1,700. Tim estimated that the additional cost would be \$5,000. There was some discussion about using a different venue next year.

Officer Election, 6:16: Scott announced officer voting would be via paper ballot with Kari counting the vote.

President: Alex self-nominated. Kari asked for other nominations and there were none. **Scott called for formal vote if there were no objections for not using a paper ballot. Carried**

Vice President: Ashley, Marci, and Steven self-nominated. Marci asked about the possibility of changes to day of the meeting and if a member could attend via telephone. After brief discussion Alex said that accommodations could be made. **Via paper ballot Ashley was voted in as Vice President.**

Treasurer: Scott self-nominated and there were no other nominations. **Bertil moved to close nomination, Rita seconded and the motion passed by unanimous voice vote. Alex moved Scott be chosen as Treasurer, Mark seconded and the motion carried unanimously by voice vote.**

Secretary: Marci and Steven self-nominated. Marci asked for information about the tasks of the secretary and Rita elaborated. **Per paper ballot Marci was voted secretary.**

Monitoring report, 6:30: L8- Communication to and Support of Council Kari said he experiences ongoing challenges in interpreting the policy with regards to when an issue meets criteria to bring an issue to the council, particularly problematic with personnel issues. **Rita moved to accept the report, Steven seconded and the Council approved unanimously.** It was noted that Scott, Rita, Alex, and Kari reviewed policies in detail within the past two years and it is a living document

GM Report: Kari reported that there were two food safety issues in the last week. One was an outbreak resulting from fresh tuna. There were toxins in the tuna, probably from improper temperature storage. 5 people were sickened, none seriously. The state health department is investigating. While it is unclear where the responsibility lies, there is now a potential for procedure changes. Also Stonewood Farms will not be supplying Thanksgiving turkeys this year due to an unspecified disease. Misty Knoll will fulfill the orders

Staff are also considering a new line of local essential oils labeled as organic but not organic certified. This has created a policy challenge. Kari and Kevin went to Buffalo Mountain Co-op to provide a training on budgeting. Hunger Mountain sales are up only 2% so far this year and below plan by about \$50,000 year to date. Steven asked for clarification on features of the proposed phone system. There is no update on point of sale technology update, including chip cards and electronic WIC payments. We currently cannot accept WIC payments.

Kari responded to questions from Michal about coupons and the sale of Black River Produce, Ashley about Champlain Orchard apples and the Morrisville Food Co-op, and Marci about systemic oppression and new storefront opening on Barre. Steven suggested offering to have credits for all returnables be donated to the Bag That Bag program.

Marci left meeting at break, 7:00

Retreat Committee, 7:10: Kari presented the committee's recommendation for three events: a social event in December, an off site session for team building; and a full retreat for planning and strategizing. Rita suggested having the team building after the retreat. Ashley and Steven thought that was not a good idea, out of concern the team building would not happen. Steven felt team building task should not get short shrift. Scott agreed. **Carl moved to accept the proposal of the retreat committee, Mark seconded.** Carl asked that committee come back to the council with dates. Steve suggested mid-January for team building and mid-February for planning retreat, pending discussion with the new consultant to the Council. **On a voice vote, the motion carried with one nay.** Michal requested that conscious communication be included in team building. It was agreed that scheduling the December event was a top priority.

Discounts Committee, 7:20: Alex and Kari provided an update including outline of the first round of member and staff input which will include small group discussions, a forum, interviews and a survey. The committee will come up with a draft recommendation by April and management will make the final decision. Council will be informed, but will not vote

Staff report, 7:25: Michal reported that Union officers are working on a grievance report as requested by council. Michal described two grievances that will be decided by an arbitrator. Staff morale was also negatively impacted by termination of a well-liked management person. The Green Team is working on department level evaluations and training in recycling. Steven asked her about morale as being an ongoing issue. Michal described collecting information from staff and said that people are invested in the co-op and proud to work here but don't all feel

empowered or heard. Kari thought Michal gave a good summary. Steven asked if the bar for satisfaction is higher here. Rita said the return ratio on the staff survey was low. Steven said he would like quantifiable issues in order to determine what are actionable items.

Wrap-Up, 7:27: Ashley will draft a written report on annual meeting for the member newsletter and send to Alex. Steven would like to elevate ROI in community to an action item and Rita will present in February.

Executive session, 7:45: **Carl moved, Steven seconded and all were in favor of entering an executive session to discuss a personnel matter.**

**Carl moved and Steven seconded the motion to come out of exec. session at 7:58.**

**Steven motioned and Ashley seconded a motion to adjourn at 7:59**

Action items:

Kari will prepare management response to audit recommendations over coming months

Kari will create online scheduling polls for December social event and retreats

Kari will draft a Council meeting calendar for 2017