

APPROVED



Council Meeting Minutes

August 27, 2018

Facilitator: Mark Simakaski

Note Taker: Robert Barossi

ATTENDEES:

Council Members: José Aguayo, Carl Etnier, Ashley Hill, Dr. Eric Jacobson, Scott Hess, Patrice Siergiey, Mark Simakaski, Steven Farnham, Lydia Busler (Staff Rep).

Staff: Kari Bradley (General Manager), Jay Wisner (HR), Tim Wingate (CFO), Robert Barossi (note taker), Lisa Rochelle (Wellness), Tyson Meyer (Grocery)

Guests: Eva Schectman, Marci Young, Ron Merkin, Ella Malamud, Peter Turmelle

Begin Part I Recording:

1. Agenda review 5:30pm (0:00:10):

Scott noted a need to have a conversation about council evaluation under “other business.”

2. Cooperative Community Comments 5:32pm (0:01:41):

Marci advocated for grocery delivery, and asked if there is any movement on that. Kari said there has been no movement. Marci also mentioned that Bozeman, Montana Co-op has a drive-through.

3. Consent Agenda 5:33pm (0:02:46):

Refund requests were approved. **Mark asked for a motion to accept agenda. Scott made motion to accept. Patrice seconded. Mark asked for any discussion. No discussion requests. Motion approved unanimously.**

5:34pm – Guest had not arrived, items 4 and 5 on the agenda were reversed.

4. National Cooperative Grocers Participation Report 5:34pm (0:03:48):

Kari provided an introduction to NCG, what the organization is and what they can provide us. He presented slides providing an overview of the NCG Participation Report and how it puts our performance into the larger context of other co-ops and provides a channel of communication between NCG and Hunger Mountain. Discussion followed regarding the report which is seen by Council as very useful and providing excellent topics for further discussion.

5. Employee Survey Findings 5:45pm (0:13:43):

Paul Dicken from Cope and Associates presented an overview of results from the recent Employee Survey, results which had not been seen by anyone prior to this meeting. He mentioned there will be two upcoming sessions to provide further information and discussion regarding the report, followed by a full report which will go into complete detail on the survey and results. He presented slides which

APPROVED

reviewed the process for the survey and provided a sampling of the results and some of the interesting or noteworthy trends indicated by the results. Discussion followed, including topics of wanting more specifics for some of the survey questions, how the results will be put into action, possibly comparing the results to previous years, accounting for gender in the survey, usefulness of focus group and whether or not trends are concerning. Time was extended by ten minutes to allow for this discussion. Kari asked the council for feedback by the end of the week that he can send to Paul. Mark noted that council will be different in two months and Paul said he will provide packet of information before the next meeting.

Financial Report: Q4/FY2018 Statements 6:22pm (0:53:35):

Kari provided a review of social and environmental metrics from Q4 and FY 2018, including:

- Fourth quarter: 176 new member-owners, 54,000+ bag credits
- Fiscal year: 144,012 kilowatt hours, growth 1.4%, 13,398 generated through solar canopy, 2.1% of annual usage

Kari provided review of financial data for Q4 and FY 2018, including (0:55:33):

- Fourth quarter: less than one percent sales growth compared to the previous year, below plan, gross margin less than prior year, slight growth in total personnel,
- Fiscal year: sales \$24,667,602, just below plan, gross margin well above plan, personnel costs slightly below plan, net income of \$164,175, above plan, ended up close to last year in terms of net income. These numbers were unaudited and subject to change.

(0:59:00): Discussion followed about personnel numbers and how they relate to money for salaries/raises/etc. (Lisa Rochelle asked question). Tim and Jay offered input regarding other important factors related to those numbers.

7. Monitoring Report: L5/L7 Financial Condition/Protection of Assets 6:30pm (1:00:38):

Kari provided a summary and explained a potential issue with being close to noncompliance in terms of volume, noting that we've seen a modest decline in the last three quarters in some areas and mentioning a steady decline in bulk foods. He also noted that overall volume is up even with some decline in certain areas (variable weight volume down less than 1%).

Mark asked for a motion to accept the monitoring report. Carl made the motion. Eric seconded. Motion passed unanimously.

Break 6:35

Begin Part 2 Recording:

8. Ethics Policy 6:45pm (0:00:08):

Eric led a discussion about the Co-op's decision-making process regarding the ethics that surround what we sell, what goes into our products, what we stock and don't stock, etc. He posed the question of whether or not we need an ethics policy to inform all decisions related to what we buy/sell. Discussion followed about our current buying policies, what sort of ethical considerations would go into an ethics policy, how to account for differences of opinion in what is ethical, how human rights are factored into the ethics equation, and how fair trade guidelines might be used as a template. Time was extended to allow for further discussion. Eric offered to bring a draft policy to the next council meeting.

9. Committee Updates: Recruitment, Annual Meeting 7:01pm (0:15:52):

APPROVED

Kari provided an update on council recruitment, including info sessions, with a total of three attendees, and a recorded presentation, now available on YouTube.

(0:16:44): Scott provided an update for the Annual Meeting committee and mentioned that the committee is working out details regarding the facilitator and presenter for the meeting. It was mentioned that the Annual Meeting might include some type of awards presentation, such as a Lifetime Achievement Award.

10. Elections Committee Membership 7:06pm (0:21:08):

Pat and Lydia were previously selected to be on Committee. Kari asked if a third person was needed to count ballots. Ashley offered to take on that role.

11. Bylaw Committee: Committee Membership 7:07pm (0:22:10):

Carl provided a review of activities, noting that he got a lot of candidates for the Committee and offered those selected for the council's consideration. **Mark asked for a motion to accept the makeup of the Committee. Steven moved to accept. Pat Seconded. Motion passed unanimously.**

Scott added that he would be happy to be on the Committee if needed.

Staff Rep Report 7:09pm (0:24:36):

Lydia provided a summary of her report, including opportunities for staff to attend upcoming union-related trainings, concerns around bullying and the need for staff to report incidents immediately and upcoming safety trainings for staff. Discussion followed regarding whether or not staff is actually reporting incidents and if not, how that can be improved.

13. General Manager's FYI Report 7:17pm (0:32:28):

Kari provided information on a number of topics: a time has been scheduled to have meeting with union regarding bullying policy, Membership Appreciation Weekend happened this past weekend, the 4th of September is deadline for Council candidate application and grant applications, and Brattleboro Co-op has requested an extension on their loan. Discussion followed regarding that loan and best way to proceed.

14. Capital Budget Update 7:22pm (0:37:36):

Kari provided an update on capital projects and noted we would like to move forward with plans to renovate the dishwashing area including new ventilation system. This involves every aspect of the room and all surfaces. He proposed adding \$100,000 bringing the total to \$300,000 for the capital budget for FY2019.

Ashley made motion to approve the increase in the capital budget. Carl seconded. Mark opened discussion and Scott noted we have sufficient cash on hand, why not also do cheese case project rather than delaying that project. Kari offered to come back with updated info regarding cheese display. Vote was taken and motion passed unanimously.

15. Discussion Topic: Gun Policy 7:28pm (0:42:42):

Kari opened the discussion of this issue, raised by a member, of whether or not the Co-op should have a policy of prohibiting firearms on the premises. Issues of exclusion/inclusion, potentially having gun lockers available, possibly posting notice on the front door, and staff perspective/input were raised. Ashley mentioned possibly forming a committee to explore further. Carl proposed having Kari further

APPROVED

investigate what the policy might be and possibly develop a draft. Ashley proposed having Council take that on, rather than Kari.

Carl motioned that we abandon all thoughts of gun policy and do nothing more. Steven seconded the motion. Nobody in favor of abandoning this issue. All were opposed. Motion failed and Kari will move forward with further investigation of policy.

16. Wrap-up: Actions, Communication, Calendar, Evaluation 7:48pm (1:03:17):

Action items:

- Ethics Committee will draft ethics policy
- Council members get Kari feedback on survey report by end of week
- Kari and staff will work on process for Annual Meeting Lifetime Achievement Award
- Kari will contact newly appointed Bylaw Committee members
- Kari will develop a proposal for the cheese case
- Ethics, Executive and Bylaw Committees need to meet this month

Calendar: Committee meetings will go on calendar

Evaluation of meeting: No comments

17. Council or Cooperative Community Comments 7:50pm

No comments.

18. Other Business 7:50pm (1:05:15):

Kari and Scott recommended that council self-evaluation adopt questions that were used last year. Mark suggested that we do an exit interview of council members at the end of their term. Steven also addressed concern about energy efficiency and temperature of community room.

19. Executive Session: Personnel Issues/GM Evaluation 7:55pm (1:08:33):

Ashley motioned, and Scott seconded and the Council voted to enter executive session at 7:55pm to discuss a personnel issue as well as review the results of the GM evaluation.

The Council adjourned by consensus at 8:50pm.