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Council Meeting Minutes

March 4, 2019

5:30pm

Facilitator: Mark

Note Taker: Rob

Present: Steven Farnham, Scott Hess, Dr. Eric Jacobson, Shannon Lessley, Katie Michels, Pat Siergiey, Mark Simakaski, Eva Schectman, Jess Knapp (Staff Rep)

Staff: Kari Bradley (GM), Olivia Dunton, Stephani Kononan

Guests: Jake Claro, Tanager Kastner, Tammy Leno, Elizabeth Mathai, Garrett Ryan, Tyler Strange

Begin Recording 1

1. Welcome, agenda review, time allocation, guest policy review 5:30 (0:00:06)

Mark asked if there were any changes or additions to the agenda. Eric asked for clarification about communication, said it could be addressed as part of other business at end of meeting. Mark asked to also add discussion of CCMA and who is going. Two guests coming for community comments had not arrived yet. Mark noted they would be accommodated when they arrive and guest speaker would not arrive until 6.

2. Consent Agenda: Approval of minutes, refund requests 5:32 (0:01:49)

Scott made motion to approve minutes and refund requests. Pat seconded. Opened for discussion. There were 16 requests for refund for just over \$2,000 and 11 requests where the equity would be donated to the Cooperative Community Fund, for just under \$2,000.

Voted to accept. All in favor. None opposed. No abstentions. Motion Passed.

3. Cooperative Community Comments 5:34 (0:03:39)

Member-owner Tyler Strange discussed our current Give Change program by which customers can round up their purchase to the next dollar and donate that "change" to a local nonprofit organization or program. He proposed changing that program to an opt-out program, where every customer would automatically have their purchase rounded up every time they make a purchase and they would have to opt out by telling cashier they don't want to round up each time they check out. Kari noted he had not heard of that type of program before and would need to examine the legality of that before considering it. Mark noted it could be taken into executive committee to discuss further with Kari.

4. Council Retreat Follow-up 5:39 (0:09:15)

Scott led discussion. Wanted to emphasize and make council aware that in the future, they want to task Kari and management with some direction to start to investigate some sort of growth. Don't want to let time go by without making progress in that regard. Asked for feedback from council, what else is needed to begin making progress? Kari noted learning process for council using guest speakers at each meeting. Mark commented that learning period should end by August, would be good to have date set for discussing ideas. Eric would like to learn more about inflation, cost of living increases and other economic impacts.

5. Committee Reports: Diversity, Recruitment, Finance, Bylaw, Annual Meeting 5:46 (0:16:38)

Diversity – Eva sent out email letting people know when/where for power and privilege discussion. Kari asked, who to invite from staff, if anybody? Eva noted that it was discussed to have council be one at one meeting and staff be another meeting. She would like to find out from staff when it would be a good time for them. Kari asked if it would be ok to invite HR Manager Jay Wisner, he could determine if this would be a good fit for staff training. Eva noted they could reach out to staff who are particularly interested to join meeting with council; Recruitment committee - Kari emphasized that the committee is asking that every council member identify at least one other person who might run for council someday and invite them to events; Finance committee – no additional discussion; Bylaw committee – Kari noted that committee may recommend pushing the special meeting date for proposed bylaw changes to 2020. Noted that progress has been slowed down. Decision on future meeting dates/times will be made in March; Annual Meeting committee - Scott noted they are narrowing down the potential panel members. Award is also being worked on by staff; Ethics committee – Eric noted no further progress, nothing new to report but the committee plans to keep working.

6. Consumer Cooperative Management Association Convention 5:54 (0:23:57)

Annual food co-op convention in Durham, North Carolina. We can send two or three members. Katie, Steven, Scott, Eric interested in going. Scott suggested that people take a few weeks to consider it. Mark noted there are ten days to respond whether they want to go or not and let Kari know if they want to go.

7. Communication System Discussion 5:55 (0:25:45)

Brought up for discussion by Eric. Asked for update on how GoToMeeting is working. Kari noted bylaw committee has been using it, mostly it has been working fine. Eric asked for staff person dedicated to making sure it is working, Kari noted that IT staff can take care of it.

8. Monitoring Report-L5/L7 Financial Condition/Protection of Assets 5:56 (0:26:43)

Kari noted this monitoring report is quarterly, extensive report, deals with financial condition and protection of assets. One noncompliance, associated with unclaimed assets. Need to report

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to the state any equity of members who have not shopped for over three years. This was new information for the Co-op and will soon be rectified. Kari reported another recent issue where an employee was fooled by email fraud resulting in another employee's paycheck being deposited into wrong account. Scam email caused situation. First time this has happened. **Eric made motion to accept report. Seconded by Eva.** Opened for discussion. Steven asked about sales growth, missing benchmarks and if there is reason for concern. Kari noted it is a topic of discussion among staff. Steven asked about council's role. Scott believes it is being addressed by management. Eric asked to return to topic after guest speaker, Kari said that could be done.

9. Community Learning Project: Jake Claro, VT Sustainable Jobs Fund 6:03 (0:34:49)

Jake Claro is program director for the Vermont Farm to Plate Program. He provided an update on our local food system. Gave overview of legislative goals, including increased economic development, increased jobs in the farm and food sector, and improved access to healthy local food for all Vermonters. Gave overview of food system framework. Provided overview of trends of food system economic development. Dollars spent on local food in Vermont, \$176 million increase since 2010. Spending on local food at \$289 million, 12.9% of total food purchases in Vermont. \$42 million in local food purchases made at co-ops, equal to 14.7% of total local food purchases. There are 65,174 food system jobs, which includes 6,559 net new food system jobs since 2010. 9.8% of Vermont households were food insecure in 2017, down from 13.8% in 2010. Progress is being made but there are a lot of challenges as a whole in food system. Big issues include innovation driving sales growth, access to larger wholesale markets, regional brand strength, increasing competition, transition of land and assets, senior farmers with no young operators to take over, consumer trends and whether or not they help or hurt local producers. Focus areas of work being done include market development, industry specific development, succession planning and career development, food system land use planning/policy, exploring alternative approaches to compensating farmers.

Break from 6:55 to 7:07

Begin Recording 2

10. Cooperative Community Comments 7:07 (0:00:16)

Tammy Leno and Garret Ryan joined meeting and proposed replacement of Wi-Fi with a wired system for customers and employees. Provided an overview of the research related to the dangers of wireless technology. They believe it is a public health concern and recommended using wired computer access such as ethernet cables instead of Wi-Fi. Mark noted it would be further discussed in executive committee. Garrett left materials with council to review.

11. Returned to Discussion of and vote on Monitoring Report 7:33 (0:25:52)

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Kari noted topic of sales and sales growth is big topic, could be a presentation that staff puts together for future meeting. Eric asked about long-term sales growth decline and commented that the council needs more time to consider and discuss it on policy level. Mark noted that could be a topic for next council meeting. Steven noted it's within the council's purview to identify and discuss the problem, can work on it even though staff is also working on it. Mark proposed setting next agenda and allocating time for bigger discussion for this topic when next agenda is created.

Voted on accepting report. All in favor. None opposed. No abstentions. Motion passed.

12. Financial Report: Quarter 2 Fiscal 2019 7:38 (0:30:33)

Kari provided overview of the report, which covers second quarter of fiscal year 2019, which he described as a break-even quarter. Highlights included 6.45 million dollars in sales; growth of 1.8 percent over same quarter of the prior year; 2.26-million-dollar gross margin, with growth of 1.3%; total personnel cost of 1.75 million dollars, which is 27% of sales and had a growth of 2.8%; 1.5 million dollars in cash at the end of quarter on balance sheet.

13. Staff Rep Report 7:47 (0:40:06)

Jess provided a summary of her staff rep report. Management and union have been working on the weapons policy and the bullying policy. Union believes there is more work to be done, some felt bullying policy too subjective and weapons policy too broad, hard to enforce. Jess recommended a larger discussion take place regarding merchandising and how departments can/should work together, possibly create storewide merchandising plan, create more cohesion, which is currently lacking.

14. General Manager's FYI Report 7:54 (0:47:06)

Kari offered some additional updates. On unclaimed assets, we have contacted everyone at least twice, if no response, we must turn over equity to state as unclaimed assets. 116 people have done something to not have to turn over assets. 248 still to hear back from. 45,000 dollars in member equity, approximately, would have to be turned over to the state, with current numbers. Last week was annual inspection from department of weights and measures. Record number of issues with local vendors, no liability with us. April 25 will be council dinner and discussion. Local foods theme. Jake Claro, Olivia Dunton, lead grocery buyer, and Sobremesa, local vendor, will be on panel. Patronage refund letters hitting members' homes this week.

15. Wrap-Up: Actions, Communication, Calendar, Evaluation 7:58 (0:50:32)

Actions: responding to Tyler on Give Change opt out proposal. Get back to Garret and Tammy after exec meeting discussion of Wi-Fi. Invite Jay and Elly to diversity training. Committee will decide other staff to invite. Kari will share Jake's info with council. Garret's documents will be returned. Sales growth presentation/policy topic will be discussed and possibly put on agenda.

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Council will let Kari know if they are interested in attending CCMA. Dedicated IT person to help ensure that communication system is up and running.

Calendar: CCMA coming up

Evaluation: Katie would like introductions made when guests are here, at start of meeting, or as they come in. Eva asked if there was something being created so council is evaluating meeting at end of meeting. Shannon noted a survey could be sent out at the end of the meeting, review results at the beginning of the next meeting. Mark asked her to send council a copy.

16. Council or Cooperative Community Comments 8:04 (0:55:45)

Scott asked Olivia Dunton, Lead Grocery Buyer, to comment new products and how she approaches bringing them in. She spoke about finding and exploring new products, an exciting part of the job. Dedicating time to new food trends, things going on in industry. Also keeps up with local producers. Eric noted two things: Staff member commented he would like to know how many transactions he's doing. Kari said that staff should talk to him, can get that information. Also, Bulk weight system concern. Syrup, for example, sold in bulk by weight rather than by volume, causing confusion with customers. Steven noted it's hard to make price comparisons when bulk is sold by weight rather than a bottle sold by volume.

17. Other Business 8:08 (1:01:05)

Katie proposed an upcoming agenda item could follow up on Jake's presentation, continue conversation about local food. Scott made motion to move into executive session. Pat seconded. Council moved into executive session for the General Manager review at 8:09.

The Council left executive session and adjourned the meeting at 8:45pm without taking action.