

APPROVED



**Council Meeting Minutes**  
**June 3, 2019**  
**5:30pm**

**Co-op Community Room**  
**Facilitator: Mark**  
**Note Taker: Rob**

**Present:**

Steven Farnham, Scott Hess, Ashley Hill, Eric Jacobson (via GoToMeeting), Shannon Lesley, Katie Michels, Eva Schectman, Pat Siergiey, Mark Simakaski  
Staff: Kari Bradley (GM), Mary Mullally, Jay Wisner, Rob Barossi  
Guests: Billy Donovan, Julia Goldstein

**Begin Recording 1**

**1. Welcome, Agenda Review, Time allocation, Guest Policy Review 5:29PM (0:00:15)**

Mark asked about agenda changes. Scott noted that Jess cannot attend meeting. Will strike staff rep report from agenda. Report is in packet. Questions can be posed and noted for Jess to answer later. Scott reviewed policy around cooperative community comments. Opened it up to guests.

**2. Cooperative Community Comments 5:31PM (0:01:59)**

Billy Donovan offered comments about communication with members. A prior Council agenda had listed discussion about Kari's contract, and Billy had wanted to talk with council prior to that vote. Found out afterwards that decision had been made. Also noted bylaw forums starting tomorrow, have to dig around on website to find information on that. Asked if it could be posted more prominently. Maybe on TV screen in exit way or on front page of website. Asked about status of discount program. Kari noted have not taken the next steps, need to do analysis of what has happened with discounts this year and then plan next steps. Billy asked if input is still begin taken, Kari said yes it's always being taken. Julia Goldstein asked about book club, Rob provided information about club activities and will send more information.

**3. Consent Agenda: Approval of Minutes 5:36PM (0:06:29)**

Scott made motion to accept minutes. Pat seconded. Mark opened for discussion. Steven noted there are two sets of minutes this month, May 6 and special meeting on May 20. Steven had some typo corrections for second one, will send to Kari. Mark asked about voting on minutes separately.

**Vote on approving minutes of May 6. All in favor. None opposed, one abstention. Motion passed.**

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**Vote on approving minutes of May 20. All in favor. None opposed. No abstentions. Motion passed.**

**Vote on approving equity refund requests. All in favor. None opposed. No abstentions. Motion passed.**

Steven raised staff concern regarding miscommunication about opening of store for Truckload Sale. Cashiers had not been properly informed about earlier opening time 7 rather than 8. Kari noted that there had been a communication oversight regarding some of the staff, should have been informed but weren't. Compromise had been made by starting sale at 7:30 instead of 7.

Eric asked for opportunity to weigh in on council meeting since it is late where he is, had passed on his questions to Scott, asked Scott to find place to drop the comments into discussion. Mark asked for questions for Jess based on staff rep report, to relay to her. Eva asked to let her know that it was great to see the report, had been missed when Jess was out.

#### **4. Community Learning Project: United Electrical Workers, Local 255 5:42PM (0:15:04)**

Lisa Rochelle presented on behalf of the union. Gave overview of the priorities of the union, including safe and healthy working conditions, accessible and affordable benefits, moving towards a livable wage, improving communication between management and bargaining unit workers, and representing and supporting members of the local. Reviewed trends in the workplace, including focus on union and plans for the future, continuing the focus on safety issues, achieving livable wage, communication with management, etc. Offered ideas for support from the co-op, including keeping an open mind, working together toward common goals, keeping lines of communication open, continuing management trainings on communication and leadership, increasing permanent labor hours, and more. Mark noted many of the trends are positive, Lisa agreed, said union and management have made great strides. She appreciated feeling like there is some place else to go beyond management with ideas, concerns, etc. Council agreed they should hear from union more often, quarterly was suggested, at least once a year but preferably more often.

#### **5. Operations Report: Components of Co-op Sales 6:09PM (0:39:58)**

Kari offered presentation about components of sales and sales growth. Reviewed consumer trends, store departments, initiatives, key trends, implications. Gave overview of key market factors impacting sales, review of last market study from 2010, and overview of consumer trends including prioritization of personal wellness and healthier foods. Noted sales from last year, about half came from grocery department, divided up among a number of sub-departments. Lot of emphasis on customer service, customer experience, promotions, new programs such as co-op basics and member coupon, more spending on advertising, merchandising, and product section resets.

#### **6. Council Reflections 6:36PM (1:06:28)**

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Mark opened discussion, asking for reflections on all of the speakers and presentations that have happened at council meetings. Some of the key reflections included increasing capacity and growth in prepared foods, making the co-op a one-stop-shop for all things local, utilizing apps and more of what is available through current technology, prioritizing the price perception problem, making sure co-op is serving the entire community and not just its members, opening up access to more people at more economic levels, continuing to increase brand strength and utilizing that strong brand to expand sales and/or growth, focusing on sales growth including focusing on selling something else besides food or selling more of what we already offer.

**7. Break 7:00PM (1:31:15)**

**Begin Recording 2**

**8. Annual Meeting Agenda 7:11PM (0:00:31)**

Kari asked for approval of draft agenda from annual meeting committee. Mark asked for motion to approve as is. Scott made motion. Shannon seconded. Mark opened for discussion. Steven noted may want to say Montpelier City Hall instead of Lost Nation Theater, to be clearer about location. Question raised, do we want to allow candidates to introduce themselves? Katie asked about a third speaker.

**Vote to approve draft agenda. All in favor. None opposed. No abstentions. The motion passed.**

**9. Council Compensation 7:15PM (0:03:34)**

Mark had sent a proposal for vote regarding council compensation, asked for motion to accept. Steven motioned that the proposal be sent back to committee. Disappointed in the way it was handled and the way it came out, believed that it needs additional serious consideration, creative energy, more in depth work. Believed current proposal too stripped down, doesn't serve function intended. Suggested a committee be created to craft something that is workable, in consultation with the CFO, and place our effort into trying to find a way to enable it to work. Scott suggested earlier to bring such a proposal to membership for vote, and Steven agreed that might be a good idea. Steven motioned to send it back to committee, create committee if necessary. Eva seconded that motion. Discussion continued. Mark asked for vote on Steven's motion.

**Motion to send proposal back to a newly created committee. 8 in favor. Mark opposed. No abstentions. Motion passed.** Pat, as secretary, will write a charge for the committee and present it at next council meeting, will work with Steven on that charge. Scott, Shannon and Katie volunteered to be on the committee.

**10. Committee Reports: Bylaw, Diversity, Ethics, Recruitment 7:25PM (0:15:02)**

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**Bylaw** - Meeting on 28<sup>th</sup>, have been preparing for forums which start tomorrow and run through next week. Kari can send one-page bylaw document to rest of council. Scott noted anything created by bylaw committee should be given to council.

**Diversity** – Eva gave update, group met today, have not scheduled next meeting yet. Scott noted would like to have more involvement from council in reading group meetings. Eva asked about sending out another doodle poll and asked if there is a time that works for everyone. Steven noted meeting possibly somewhere away from co-op. Doodle poll will be sent out.

**Recruitment** – Pat gave update, they have decided on some times to table, and are working on presentation and tabling ideas.

#### **11. Financial Report- 3rd Quarter Statements 7:34PM (0:23:57)**

Kari gave update on the highlights, including: 6.1 million dollars in sales, growth of 2.5 percent; Gross margin was flat, no change compared to last year; Personnel costs down slightly; Loss for quarter of 33 thousand dollars; negative cash flow for quarter ending with 1.4 million dollars in cash; Member discounts increased over same quarter last year, 32 percent increase.

#### **12. Monitoring Report-L5 Financial Condition, L7 Protection of Assets 7:40PM (0:29:39)**

Kari provided overview of the monitoring report, removed noncompliance about unclaimed assets, based on new legal opinion regarding unclaimed assets, equity may not a member's property until the council releases that equity. Equity of those members may not be their equity and may not have to be sent back to state as the member's unclaimed asset. Question was raised about fiscal benchmark for sales growth, is currently at 0% growth, question of should benchmark be CPI+1 rather than 0%? Kari clarified that CPI relates to New England because that is as local as he can get it. Eric noted that on page 31, under treasury securities, there needs to be a comma in 962,014, rather than the period currently there. Katie noted that in the table on page 21, would be good to include other co-ops. Katie made motion to accept report. Steven seconded.

**Vote to accept report. All in favor. None opposed. No abstentions. The motion passed.**

#### **13. Monitoring Report Evaluation 7:49PM (0:38:37)**

Shannon led discussion on draft of evaluation which was included in packet. She used suggestions from Steven and other document sources and created some options for an evaluation form for council to consider. Would evaluate reports on ongoing basis rather than just once a year. Two versions, one with less detail and one with more detail. Mark asked about doing a trial run at next meeting. Shannon will work with Steven and have finalized version to use at next meeting.

#### **14. Staff Rep Report 7:56PM (0:45:22)**

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Cancelled, Jess not able to make meeting. Scott noted that any comments or questions for Jess, forward them to Kari to send to Jess.

**15. General Managers FYI Report 7:56PM (0:45:49)**

Kari provided updates. Truckload Sale over weekend, highly successful, gave kudos to staff. Two updates about local co-ops: Plainfield Co-op is experiencing some hard times, appealing to members for donation to stay afloat while they prepare a strategic plan. Granite City Grocery had annual meeting recently, are still actively moving forward, just not ready to make definite announcement about a property. Ashley provided update about Stone Cutters Way, plan to take care of it this summer. Eva asked about live feed of Truckload Sale, could that happen, a web cam of the sale?

**16. Wrap-Up: Actions, Communication, Calendar, Evaluation 8:03PM (0:53:16)**

**Action Items** – Kari will send out poll to schedule diversity reading group, Pat will write charge for council compensation committee, Kari will send bylaw committee docs to council, Kari will include comparative benchmarks in the fiscal jeopardy table, Steven and Shannon will setup trial of monitoring report evaluation

**Communication** – none

**Calendar** – diversity group scheduling, executive committee will be scheduled

**Evaluation** – Steven thanked council for support of his motion regarding compensation proposal.

**17. Council or Cooperative Community Comments 8:07PM (0:56:12)**

Rob mentioned Get to Know Your Co-op: Council workshop in July, asked council to take part in doodle poll and possibly attend workshop.

**18. Other Business 8:08PM (0:57:18)**

Steven mentioned idea of council breaking up packet information and discussing/studying in more detail. Eva noted its lot of material but there's already a lot that council members need to get together to work on, but thinks it's a good idea that Steven proposed.

**19. Executive Session: Labor Contract Discussion 8:09PM (0:59:23)**

Pat motioned to enter into executive session to discuss contract negotiations. Steven seconded. Council entered into executive session at 8:09.

Council left executive session at 8:30.

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Scott moved to adjourn. Eva Seconded.

**Meeting was adjourned at 8:30PM**