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Council Meeting Minutes
July 1, 2019
5:30pm

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

Present: Kari Bradley (GM), Steven Farnham, Scott Hess, Shannon Lessley, Katie Michels, Jess Knapp (Staff Rep), Katie Michels, Eva Schectman, Pat Siergiey, Mark Simakaski, Ashley Hill joined intermittently via conference call
Staff: Mary Mullaly, Kevin O'Donnell, Jay Wisner, Tim Wingate

Begin Recording 1:

1. Welcome, agenda review, time allocation, guest policy review 5:29PM (0:00:00)

Eva asked to move committee reports to earlier in the agenda. Scott said it would be moved to right after business plan. Steven said CCMA report could go later if that is helpful. Scott said could move that to later, not a problem. **(0:01:49)**

2. Cooperative Community Comments 5:29PM (0:00:25)

Kari mentioned that a member/former employee raised concerns about Vermont Community Loan Fund and their doing business with Bank of America, who deal with fossil fuels. Subject will be taken to either Ethics Committee or Executive Committee.

3. Consent Agenda: Approval of minutes (6/3), refund requests 5:32PM (0:03:02)

Mark motioned to accept. Katie seconded. Scott asked for discussion or comments. None was had.

All in favor of accepting minutes and refund requests. None opposed. No abstentions. The motion passed.

4. Business Plan 5:33PM (0:03:35)

Kari provided presentation on business plan, along with Kevin O'Donnell, Mary Mullally and Jay Wisner. Process started in January and used as inputs shopper and staff surveys, some of council retreat materials, discussions at all-staff meetings. Lots of discussion at management team level, departments also looked at what their teams could do to advance larger business plan issues. Kevin gave overview of planning from the operations perspective. Noted real potential in grab and go category. Going to be major point of focus during upcoming fiscal year. Mary Mullally noted exciting work towards developing three-year plan to move away from single use plastics. Safety committee working on programs such as more CPR classes and more

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first aid trainings for a variety of needs. Jay Wisner noted efforts to address concerns identified in staff surveys. Some major areas of focus are communication, building trust, professional development, union-management relationships. Kari noted that budget is very tight, dynamic of modest sales growth with trending expenses. Still shows positive cash flow in all three years but co-op is in a challenging financial position.

5. Monitoring Report: L6 Business and Financial Planning 5:59PM (0:29:45)

Kari noted noncompliance due to negative net income in years 2 and 3 of the budget. He also discussed conservative budgeting assumptions and report shows track record of underestimating revenues and overestimating expenses. Question raised about tax liabilities, Kari noted can be reduced depending on patronage refund. Eva asked if part of benefit of offering patronage refund is decreasing tax liability. Tim Wingate noted, it's beneficial to have patronage refund even in a year with small profit. Scott asked for motion to accept report. Shannon made motion to accept. Pat seconded motion. Scott asked for any other comments or discussion. There was none.

All were in favor of accepting monitoring report. None opposed. No abstentions. The motion passed.

6. Diversity Committee Report 6:06PM (0:36:58)

Eva provided committee report. Meeting had been scheduled but Eva was ill and meeting was cancelled. Doodle poll for council had been sent out, to find evening for meeting between July 8 and August 8. Books have been delivered for reading group.

7. CCMA Report 6:09PM (0:39:48)

Katie, Scott, Steven, Kevin attended conference. Scott noted they all thought it was successful and interesting. Scott had been paying attention to growth, in particular, at conference. Steven reported on the conference and some of the highlights, such as working with culture as a tool for success, not working against the culture, looking at what competition is doing right, emulate what they do well. Katie noted some highlights, other co-ops offering reduced price meal options, not giving out single use bags, really strong relationships with local food system, really focusing on equality, diversity, and inclusion.

8. CCMA Presentations: Co-op Growth, Closings 6:27PM (0:57:43)

Kari reviewed slides from two of the CCMA presentations. One focused on thinking strategically about expansion opportunities. Focus on growth, such as natural vs strategic growth, and impact on growth from competition, earnings, expansion projects. It needs to be something that will make money and improve financial condition of the co-op. Second presentation, lessons learned from co-ops that did not survive and had to close. Mark and Steven noted we are focused on some of the issues that led to challenges at other co-ops, as indicated in our

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new business plan. Katie noted appreciation of transparency and hearing from Kari about good and bad.

9. Break 6:45PM (1:16:32)

Begin Recording 2:

10. Union Contract: Discussion, Possible Ratification 6:58PM (0:00:38)

Kari noted no need for ratification vote, still a ways to go with contract negotiations. Started later than in past. Slow process but moving forward. Five articles are still being worked on. A few topics more significant, such as managers doing bargaining unit work, proposed by union to add to contract, to what extent should managers be able to do the tasks normally associated with bargaining unit positions. Kari noted that a wage proposal was made. Two year proposal, FY 2020 and 2021, with idea that in second year, every employee would get at least \$15 an hour by the end of second year. Formal extension of the contract has been made until the end of July. More negotiation sessions will be scheduled. Mark asked if council can be helpful in any way. Kari noted council may need to have special meeting to ratify contract.

Eva left meeting at 7:28

11. Committee Reports: Bylaw, Recruitment, Compensation, Executive, Annual Meeting 7:29PM (0:30:47)

Bylaw Committee – Carl Etnier had provided council with written update. Scott led discussion, mentioned three questions from Carl. How much time and effort does council want to commit to reviewing committee’s work? Kari noted committee is likely to offer recommendations on August 26. Asked if council would want to approve those on August 26 or would they need at least one more meeting to mull it over and make decisions at October meeting. Committee will have second round of forums in early August. Could then meet with council some time before August 26 council meeting. Committee will continue to run the process overall. Special meeting for member vote won’t be scheduled until after upcoming forums and meetings.

(0:40:02)

Recruitment Committee – Pat provided update. Tabling at Member Appreciation Weekend on July 13. Council candidate applications will be out in early August, due September 3. Kari asked about those whose terms are up. Mark not intending to run again but will be a facilitator. Katie will run again. Scott is seriously considering running for final two years he’s eligible for. Shannon has not decided.

(0:42:30)

Compensation Committee – A charge has been submitted for approval. Scott asked for comments on charge. There were none. Scott asked for motion to accept the charge. Steven

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made motion. Pat seconded. Scott opened for discussion. Mark not sure this is best use of council's time.

One vote opposed to motion to accept committee's charge. All others in favor. No abstentions. The motion passed.

(0:43:53)

Annual Meeting Committee - Panel is all set, but no moderator yet.

(0:44:30)

Mark noted for Executive Committee update, request had been received to give details of GM contract to a member, but had decided that was part of his personnel file and was confidential.

13. Monitoring Report Evaluations 7:43PM (0:45:06)

Shannon gave overview of her and Steven's work on evaluation templates. Asked council for feedback on template, suggested changes. Goal to be used to track how well Kari has presented on each section of the monitoring reports using a set of metrics. Asked council to try it out and be prepared to offer some feedback at August 26 meeting. Pat noted it may be getting too complicated. Katie agreed with keeping it simple at start. Scott advised, come up with something and council will actually use it next month, something somewhat simplified, and council will try it out next month.

14. HMCCF Committee: Allocation of Uncashed FY2019 Patronage Refunds 8:01PM (1:03:00)

Kari gave quick overview. Uncashed patronage refunds have gone to HMCCF in past and it is helpful to indicate where any uncashed refunds go in the member letters. Motion made by Mark to allocate uncashed refunds from Fiscal 2019 to HMCCF. Pat seconded. Scott opened for discussion, none was had.

All were in favor of allocating uncashed patronage refunds to HMCCF. None opposed. No abstentions. The motion passed.

15. Staff Rep Report 8:02PM (1:04:15)

Jess provided an overview. Much of feedback she got was regarding subs and not filling shifts, availability of subs. Some departments stated that it has been months with subs that aren't really available, they are short staffed. Union officers had some concerns with how long it took HR to file with Cigna and how long it took management to make decision regarding health care. Steven asked about management covering shifts. Jess had heard from management they have had a hard time filling some shifts, but union is wondering why they are not filling those shifts, want to be filling shifts with union rather than the managers doing it.

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16. General Managers FYI Report 8:09PM (1:11:04)

Kari offered some updates. Today is starting period for HMCCF applications and also the new Cooperative Community Award nomination forms. Both due September 3. Yesterday was last day of fiscal year. 9,469 active members. 92 percent of them shopped last year. Many warnings were given to pay equity but many don't make minimum payment in time. They are deactivated. They can reactivate with 15 dollar payment or can shop as nonmember. Staff party on July 27 at Hubbard Park. Co-op will provide grilled food and other food items are potluck.

17. Wrap-Up: Actions, Communication, Calendar, Evaluation 8:12PM (1:14:07)

Action items, Kari will refer VCLF concerns to executive committee or ethics committee, Steven and Shannon set up trial run of evaluations tool, Kari will email applications to council, council needs to RSVP to party, Kari will let HMCCF committee know that council allocated FY 20018 patronage refunds to HMCCF

No comments for communication, evaluation.

Calendar – Executive Committee meeting will be scheduled.

18. Council or Cooperative Community Comments 8:14PM (1:15:43)

19. Other Business 8:14PM (1:15:50)

Mark made motion to adjourn. Steven seconded.

All in favor of motion to adjourn. None opposed. No abstentions.

Adjourned at 8:14 (1:16:07).