

APPROVED



Council Meeting Minutes

October 7, 2019

Co-op Community Room

Facilitator: Mark Simakaski

Note Taker: Jess Knapp

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

Staff: Kari Bradley, Olivia Dunton, Stephani Kononan, Tim Wingate, Mary Mullally, Jay Wisner, Andrew Sullivan, Amelia Salata-Hartman

Guests: Julia Goldstein, Lane Fury of Cooperative Fund of New England, Ed Fox of Hanover Co-op Food Stores

Begin Recording 1:

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

Mark reviewed guest policy.

2. Cooperative Community Comments 5:34 (0:00:06)

Mark asked for comments. Scott mentioned Montpelier hired a new economic individual, the council would like to meet her since growth is part of our potential plan.

Consent Agenda: Approval of minutes (8/26), refund requests 5:35 (0:01:03)

Steven corrected error on item three of the August 26 Unapproved Council Meeting Minutes. Instead of capitalizing "Equity", it should read: "14 equity refund requests totaling in \$1,743.28 were submitted."

Eric noted that on page 1 he should be added to the council members who were present for the meeting.

Scott motioned to accept the consent agenda with two amendments, Steven seconded. Mark asked for discussion; there was none.

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

Scott motioned to accept the 14 equity refund requests, Shannon seconded. Mark asked for discussion.

Eric asked about the drop in members during August of 2019 on the equity report. Kari noted that it's a common pattern from June to August due to members who haven't paid their equity installment. He mentioned that most of them will come back in the following months.

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

Kari introduced Andrew Sullivan and Olivia Dunton as employees and new council members joining in November.

APPROVED

3. Guest Speaker: Ed Fox, Hanover Co-op Food Stores 5:38 (0:04:07)

Mark introduced Ed Fox, general manager of Hanover Co-op Food Stores.

Ed Fox presented an overview of Hanover Co-op Food Stores and the initiatives they've embarked upon in the past year or so. Hanover Co-op is the second oldest and second largest consumer co-op in the country with three large grocery stores, a community market, two auto service centers, commercial kitchen, land that is leased to the Norwich farmers market, and an administrative central office.

Ed provided statistics on the co-op locations, members, employment, and annual sales. He discussed initiatives, such as reworking the ends policies, and redefining member and shopper engagement. They made internal investments, such as switching their point of sale system to Catapult, and moved away from the traditional organizational chart to a functional structure. He also described how they redefined patronage to reflect investment instead of cash refunds members receive at year end. In addition, he spoke about consumer engagement and business accountability as methods to driving the decision-making process.

Discussion followed Ed's presentation.

4. Ends Report 6:07 pm (0:33:00)

Kari led the discussion and reported mixed success. He interpreted it as overall positive with progress in some areas and setbacks in others due to being a mature store.

Eric commented he liked the approach and sincerity of Kari's report, but was disappointed with key goals that weren't met, and looked to Kari to include in the report strategies and remedies to help meet ends goals. Kari mentioned he plans on analysis of the Council's potential strategic initiatives being a central part of an upcoming meeting, hopefully in November.

Eva raised questions regarding how well we are meeting member-owner and customer needs, our stake in the local food economy, sustainability, social and environmental returns.

Mark brought up member discounts and requested an update to the Co-op Conversation discussions. Kari replied that there's no planned next steps, and he is hesitant to make significant changes to the member discount program, especially in regard to the senior discounts.

Pat asked for an explanation for the declining purchases from Vermont vendors. Kari replied that it's largely the result of the local beer boom and bust cycle.

Katie commented that, regarding local ownership and control, we are reactive, and wondered if we can be more proactive. She was also impressed by how much waste the Co-op diverted.

Steven asked if council could submit questions in advance of meetings and (by vote?) select the top five to answer in meetings. He also wondered if there's any takeaways from Ed's presentation to apply to Hunger Mountain Co-op. Kari replied strategic alignment between board, management and all key stakeholders.

Shannon appreciated the work and time involved in finding measures and quantifiers to something that is vision related and difficult to measure. Scott expressed that the Co-op's workshop program is an untapped resource that could be used as an engagement tool.

APPROVED

Mark asked for a motion to accept the report. Steven motioned, Eva seconded. Mark asked for discussion. Eric suggested not to accept at this stage. Discussion followed.

Six in favour. **One opposed. One abstention. The motion passed.**

5. Union Contract: Update 6:36 (1:01:47)

Kari led the discussion. Chief Steward Amelia Salata-Hartman joined the meeting.

Kari reported slow progress. Mediation is scheduled for 10/10/19 to facilitate progress on wages/compensation and managers doing bargaining unit work. Amelia expressed disappointment about resorting to mediation. Discussion followed.

Break 6:49PM (1:15:03)

Amelia leaves the meeting.

As a result of technical difficulties, there is no recording of the second portion of the meeting.

6. Plainfield Co-op Discussion 6:59

Kari introduced proposal made by the Plainfield Co-op, to merge with Hunger Mountain Co-op, in light of financial troubles. Kari asked the council if they would be interested in exploring their proposal and what information the council needs to have an informed discussion with the board of Plainfield Co-op.

Discussion followed; it was agreed that there is interest in exploring Plainfield Co-op's proposal. Actions: Request a list of pros and cons analysis from Hunger Mountain Co-op's perspective and an overview of Plainfield Co-op's situation.

7. HMCCF Committee Recommendations 7:06

Scott noted we had seven applications this year. The committee recommended three projects to receive grants based on established criteria and closeness to the Co-op's mission.

Steven motioned to approve the recommendations. Shannon seconded. Discussion followed.

All in favor of accepting HMCCF Committee Recommendations. None opposed. No abstentions. Motion passed.

8. HMCCA Nominations 7:15

Kari noted we had two applications submitted before the deadline and two after the deadline, one of which was already nominated. Council decided the late submission would be considered next year if resubmitted. Council determined by straw poll to award Allison Levin in recognition of her work with Community Harvest of Central Vermont.

Pat motioned to present the HMCCA award to Allison Levin. Eva seconded.

Seven in favour. **One recusal. The motion passed.**

9. Patronage Refund/Equity Determination 7:21

Mark led conversation about patronage refund and equity determination. To fulfill its bylaws; for

APPROVED

members who have not shopped for three years and who have not paid their equity in full; the co-op must transfer that equity investment to common capital. Because of this and reduced sales growth and tight labor market, the finance committee recommended a 20% (the minimum) patronage refund to members while retaining 80%.

Steven motioned to accept the finance committee's recommendations, Scott seconded. Discussion followed.

All in favor of supporting finance committee recommendations. None opposed. No abstentions. Motion passed.

Next steps: Accountant will finalize statements to be included in annual report and presentation slides.

10. Council Self-Evaluation 7:24

Mark led discussion. Council acknowledged high marks for mutual trust, respect, tone, and appropriateness of interactions. Council members felt meeting facilitation and actionable follow through were areas the council could improve. Eva suggested including shared agreements in the evaluation as a tool to help council be more effective.

11. CBLD 2020 Enrollment 7:33

Scott led discussion to review annual enrollment in Columinate's (formerly CDS) CBLD program that he found to be valuable on a monthly basis with regular phone meetings and webinars. He advocated that council ratify renewing the contract at the current membership level for the ensuing year.

Mark motioned to accept contract at the same level as last year. Steven seconded. Discussion followed regarding the public perception that Columinate has guided the Co-op toward a corporate path. Scott assured that the issues brought up with Columinate are 100% generated from the Co-op's side and that Columinate does not pick the topics discussed. Council to include further communication to membership about the benefits of the participation in the CBLD program.

All in favor of accepting renewal in CBLD at current level. None opposed. No abstentions. Motion Passed.

12. Committee Reports 7:40

Eva pointed out that Katie wrote diversity report, and she wondered if there's interest in getting regular updates about the new book the committee is reading, *Everyone Welcome*. Council agreed it was informative. Ballot Counting Committee procedure remained unchanged from last year.

13. Staff Rep Report 7:44

Jess spoke about short staffing and the shortage of people applying for work. Questions were raised about the effectiveness of greater job recruitment efforts, and the effect low staffing and the limited job pool has on contract negotiations. Jess believed that it affects negotiations by setting the tone when discussing bargaining unit labor.

Kari commented that current staff representative term is ending soon and a nomination period is open.

APPROVED

14. General Managers FYI Report 7:46

Kari touted a successful Fall Truckload Sale with a higher than normal amount of transactions. Last call for going to the Co-op Cafe in Greenfield MA. Kari gave a summary of NCG updates and mentioned he was invited to speak at Morrisville Co-op. He notes that Hunger Mountain Co-op is experiencing labor shortages, especially in recruiting for substitute positions. He explained that currently this is a national challenge, especially affecting New England.

15. Wrap-up: Actions, Communication, Calendar, Evaluation 7:51

Action items: Pat gets a physical council packet. Kari to circulate Ed's presentation slides. Kari to collect analysis information that council requested concerning Plainfield Co-op. Kari to contact HMCCF and HMCCA recipients. Council to submit piece about Columinate to The Chronicle and Co-op eNews. Council to include shared agreements in the council self-evaluation survey. Diversity committee to include monthly excerpts about *Everyone Welcome*.

Comments: Steven is happy we're researching supplier options. Kari says we have little leverage so NCG is looking into a viable secondary supplier. Kari mentions we are required by our current contract to keep UNFI as our main supplier.

Reminder that L5/L7 monitoring report and Ends surveys due.

Kari to finish Annual Meeting reports and prep for the meeting. He suggests that the council should practice answering questions with each other. He will create a summary of the community learning project and council priorities.

16. Cooperative Community Comments 7:56

Julia asked if Annual Meeting will be in the Co-op Community Room. Kari replies that it will be at City Hall.

Lane thanked the council for including her and offered assistance with communicating to membership about the benefits of working with Columinate.

17. Other Business 7:57

Katie asked if the council can have Co-op email addresses or take council's email addresses off the Co-op's website due to spam that comes from Scott's Gmail account. Kari replied that this happens to Co-op email addresses as well, but would follow up about taking them off online. Steven asked to finish UNFI conversation.

18. Adjourn 8:00

Eric motioned to adjourn. Eva seconded.

All in favor to adjourn. None opposed. No abstentions. Motion passed. Adjourned at 8:02.