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**Council Meeting Minutes
November 4, 2019**

Facilitator: Scott Hess

Note Taker: Jess Knapp

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

Staff: Kari Bradley, Tim Wingate, Olivia Dunton, Stephani Kononan, Andrew Sullivan, Jay Wisner

Guests: Julia Goldstein, Richard Hoffman

Begin Recording 1

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

Scott thanked departing council members Mark, Ashley, and Shannon for their service and Jess for being staff representative for another year. Kari noted that Pat wouldn't be at the council meeting.

Eric asked for time to discuss the Milk with Dignity program, tabled until **Other Business**.

Scott proposed appointing an interim Executive Committee as the Council is losing its treasurer and vice president after the Annual Meeting. Council agreed to appoint an interim treasurer and vice president until the December or January council meeting. Eric expressed interest in treasurer and Katie expressed interest in vice president. Mark motioned to form an interim Executive Committee consisting of: president, Scott; vice president, Katie; secretary, Pat; and Eric, treasurer; until full council elects a new Executive Committee. Steven seconded.

All in favor of appointing interim Executive Committee members. None opposed. No abstentions. The motion passed.

2. Cooperative Community Comments 5:37PM (0:06:35)

Richard Hoffman, longtime member of the Co-op, expressed concern related to an incident involving a woman taking photographs in the dairy aisle inside the co-op, on a Saturday afternoon in late October. He confronted the woman, and inquired why she was taking photos. She told him she didn't speak English but later wanted to engage in conversation with him. Mr. Hoffman said the interaction with her felt unsettling, and that he believed she was not at the Co-op to shop. He felt that staff should have been more attentive to her and why she was taking photos in the store. Kari mentioned we don't have a formal store photography policy but expect people to seek permission to take photos, and that the manager on duty would address any issues if they are alerted. Julia commented that she takes photos for budgeting and price comparison purposes.

3. Consent Agenda: Approval of Minutes (10/7), Refund Requests 5:42PM (0:12:45)

Mark motioned to accept the consent agenda. Eva seconded. Steven asked to amend October minutes to name the new executive director of Montpelier Development Corp.

All in favor of accepting the Consent Agenda. None opposed. No abstentions. The motion passed.

4. Financial Review Report: Bruce Mayer, Wegner & Associates 5:44PM (0:14:40)

Kari introduces Bruce Mayer, the Co-op's accountant who participated by phone.

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Bruce noted that every year the Co-op conducts either a full audit or review of the financial statements and this is a review year. Bruce reported on financial statements – healthy balance sheet, positive statements of income, average gross margin, a steady but high personnel expenditure percentage, good patronage dividend and a positive bottom line. Bruce noted several footnotes on the equity cash flow statement but no new major financial statement disclosures and no problems. The review went well, it happened in a timely manner, and there were no problem areas.

Scott asked if Bruce and Mark would like to enter executive session to discuss the financial report further. Bruce didn't feel it was necessary. Mark asked what we could do better for next year's full audit. Bruce didn't indicate anything in particular other than noting timely information is always appreciated. Kari pointed out that this year we had reverted member equity per Co-op bylaws, which Mark will discuss at the Annual Meeting. More discussion followed.

5. Strategic Priority Discussion 6:00PM (0:30:00)

Scott introduced the strategic priority discussion. Kari and the senior management team reviewed the results from last August's council prioritization exercise and wrote up an analysis of the pros and cons of the top vote getters. Kari noted that the big takeaways from the results is none of the options are simple, but there are obvious next steps: Update the market study in the area. Kari asked if council had clarifying questions or had any reactions to the analysis that senior management submitted to council. Discussion followed.

6. Annual Meeting Prep 6:28PM (0:58:30)

Kari announced that we have 312 members and guests signed up for the Annual Meeting and requested help from council members to breakdown after the meeting. Kari reviewed everyone's roles at the meeting. Eva and Eric asked clarifying questions. Mark and Katie volunteered to announce the raffle winners at the end of the meeting. Scott agreed to call Pat to share presenting of the President's Report slides. Steven requested to make sure the bylaw revision update is communicated with members and that all members are invited to participate.

Kari reviewed a list of responses to potential questions he anticipated would be asked at the meeting. Mark explained that the purpose of the FAQ sheet is to speak with one voice. Katie asked to include a reply to the FAQ sheet regarding the Co-op's handling of plastics. Eva expressed that 401K investments in fossil fuel could be discussed at the Annual Meeting. Discussion followed.

7. Break 6:45PM (1:15:43)

Begin Recording 2

8. Co-op Café Report 7:05PM (0:01:02)

Julia gave an overview of the Co-op Café workshop, which focused on inclusivity. She noted some stores are hiring greeters to gain a more personal connection with shoppers. She felt it might be a good opportunity to hire people who otherwise wouldn't be able to work due to disability. Olivia felt that the topic of inclusivity is an important opportunity, for us as a store, to figure out who we are leaving out. Scott spoke about how we can engage with the people we are leaving out. Steven highlighted the story of the Durham Food Co-op, and wondered if we could get someone to help guide us through risk taking and trying new things. Discussion continued about how to engage different cohorts in the community.

9. Loan Modification Approval 7:15PM (0:10:50)

Scott introduced Tim Wingate, the Co-op's Finance Manager and CFO. He noted the Executive Committee had to make a quick decision on loan interest rate based on time constraints. The bank quoted Tim a 3.75% interest rate that was thought to be a locked-in rate, and so the finance committee decided to present it at this council meeting. After checking back in with the bank, the interest rate had

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in fact increased to 3.87%. Tim was able to negotiated the back down to 3.79% if Co-op could commit quickly. The Executive Committee approved the modification and is seeking Council ratification. Tim stated the Co-op will continue to make the same monthly mortgage payments.

Steven motioned to adopt committee recommendations. Eric seconded. Discussion followed. Mark noted the Executive Committee ruling without council vote was highly unusual but they felt it was a good opportunity.

All in favor of adopting committee recommendations. None opposed. No abstentions. The motion passed.

10. Committee Reports 7:21PM (0:16:01)

Katie reported for the Diversity Committee and suggested including a cover page for future meeting packets. The Diversity Committee would like to start including excerpts from the *Everyone Welcome* each month. They meet next on 11/21 at 5:15 pm and will discuss the reading.

Scott reminded council to read the Bylaw Committee report in the packet.

The Ballot Committee will meet Friday at 5 pm to count ballots. Kari requested another council member not running in the election to help count ballots.

11. L8 Monitoring Report 7:23PM (0:18:48)

Kari introduced the monitoring report for L8 - Communication to and Support of the Council. Steven motioned to approve monitoring report. Eric seconded.

All in favor of accepting the L8 Monitoring Report. None opposed. No abstentions. The motion passed.

Eric praised Kari's article in the Chronicle showing declining returns across four years. He believes this needs to be more widely presented and explained to members. Jay is to send an email to council to opt-in for receiving the Chronicle newsletter.

12. Monitoring Report Evaluation 7:27PM (0:22:21)

Steven introduced L5 data that was submitted by the council and how he tabulated the results. Discussion followed. Scott asked if this data is valuable for the council and if the council would like to continue with these evaluations. The council determined they found value in the data and would like to continue the evaluation process for the monitoring reports.

13. Labor Contract Update 7:39PM (0:34:17)

Kari provided no updates but noted he included a short summary in the council packet. The next mediated negotiation session scheduled for next Tuesday. Eva asked Kari why the mediated negotiations are confidential. Kari replied that the agreement made with the mediator specified confidentiality and proposals made weren't formal. Jay noted both parties were willing to engage in seeking possible solutions.

14. Staff Rep Report 7:41PM (0:36:43)

Jess indicated that staff is feeling upset and under pressure because of negotiations.

15. General Manager's Report 7:42PM (0:37:10)

Kari introduced Rowan Sherwood as the new community relations assistant manager. He noted October sales were up 6.5% due to Truckload Sale, and the Co-op saw some improvement in customer count for the month. Co-op sales are still running about 1% below plan for the year.

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He noted Plainfield Co-op asked us to hold off on discussion of further collaboration for now, but also asked if we could offer them bookkeeping services. Kari said we will be discussing NCG member agreements during the January or February council meeting, and also noted that during the December council meeting, he would like to share a summary of a recent business training he attended at Saint Mary's. Kari announced the Farmers Market has moved to Caledonia Spirits for the winter.

Scott mentioned to the new council members that there would be a council retreat scheduled in January.

16. Wrap-up Actions, Communication, Calendar, Evaluation 7:51PM (0:45:44)

Action Items:

- Eva - find talking points for introducing local producers at Annual Meeting
- Katie and Mark - announce raffle winners
- Scott - contact Pat to share President's Report slides
- Kari - develop a response to member questions about plastics to send out to the council
- Kari - send a Doodle Poll for a council get-together and January retreat
- Jay - email council to opt-in to receiving the Chronicle
- Kari - send L8 evaluation form to Jess.

Communication:

- Kari and Scott to write an eNewsletter article recapping Annual Meeting and new council members, due Monday night.

Calendar:

- Schedule new council orientation in November
- Officer election at the December council meeting
- Start preparing for the January retreat
- Plan the 2020 calendar
- Debrief Annual Meeting
- Review first quarter financial statements.

17. Council or Cooperative Community Comments 7:52PM (0:47:36)

None.

18. Other Businesses 7:53PM (0:47:53)

Eric congratulated Mark on expanding his business to include kombucha. Eric expressed interest in ways the Co-op could support the Milk with Dignity campaign. This campaign attempts to hold corporate (bulk milk) buyers accountable for a code of conduct to improve pay and working conditions for farm workers, and being aware of confusing language used on product labels. Scott asked if council has established and approved a framework for the Ethics Committee yet. Kari noted he doesn't know a lot about this Milk with Dignity program and cautioned council to go slowly because there could be implications for suppliers. Co-op's largest dairy suppliers don't talk about this campaign on their websites. Decisions tabled until further analysis at a later date.

Steven spoke about serving on the board of Washington Electric and their comprehensive trainings for board members. Training includes sitting down with each department head for three to four hours to learn about each department. New board members are expected to attend all committee meetings at least once to learn about the committees.

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19. Adjourn 8:06PM (1:00:27)

Mark motioned to adjourn. Steven seconded. All in favor to adjourn.