

APPROVED



**Council Meeting Minutes  
October 5, 2020**

**Present:** Scott Hess, Katie Michels, Pat Siergiey, Steven Farnham, Olivia Dunton, Eric Jacobson, Eva Scheetman, Andrew Sullivan.

**Staff Representative:** Jess Knapp

**Staff:** Kari Bradley, Doni Cain, Stephani Kononan, Mary Mullally, Jay Wisner.

**Facilitator:** Elly Wood

**Note Taker:** Rowan Sherwood

**Guests:** Billy Donovan, Catherine Lowther

**1. Welcome, agenda review, time allocation, guest policy review. 5:30PM (0:00:15)**

Elly welcomed the group and reviewed the agenda. Kari added an item under "Other Business" pertaining to the council president's stipend.

**2. Cooperative Community Comments. 5:33PM (0:02:50)**

Billy inquired about the bylaw special meeting that was postponed. He wanted to know if it would be announced at the Annual Meeting that there would be a remote special meeting on bylaw changes in February/March 2021. Kari affirmed that is the plan. Billy asked if there was a vote on that. Kari responded that the council approved a bylaw meeting and the timeline was developed from there. Billy asked what is the rush for a meeting in the spring; why not wait until it can be done in person? Scott said that while nothing is etched in stone, this process has been in process very long time and the feeling among the committee members is that they did not want to lose the momentum from the work they have done. Billy pointed out that the committee's work is done and that he does not trust the council's record for bringing bylaw votes to the membership. He thinks we should wait, or at least ask folks to weigh in at Annual Meeting. Billy asked for clarity about what will happen at annual meeting and Scott confirmed that there will be no vote, simply a presentation of the process to date and going forward. It was not clear what information Billy wanted clarified. Eric asked about the timeline and thought there would be info sessions leading up to the meeting. Andrew clarified that the original timeline was postponed due to CoViD, the new process timeline will be presented at Annual Meeting, there will be info sessions in winter/spring and a vote will occur some time in the spring. Kari clarified that we are past the point in the process of taking input for modifying the proposal, and the info sessions are inform people about the changes in preparation for a member vote.

**3. Consent Agenda; approval of minutes, equity refund requests. 5:42PM (0:13:43)**

**Scott moved to accept the consent agenda. Steven seconded. There are no equity refund requests and there is no discussion. The motion to accept the Consent Agenda passed unanimously.**

#### **4. 2020 Ends Monitoring Report 5:45PM (0:15:42)**

Kari explained that he used fewer metrics to measure Ends accomplishments this year. He shared that it's been an unusual year and some things did not follow typical trends. Both the income statement and the balance sheet are good, and sales growth has been stable. Our employee retention is very high – that is something to be proud of. The Council members were asked to share thoughts.

- Steven asked what was going on with the solar canopy. Kari shared that after looking into it, it is not the right option for us due to our location and impacts on parking. Instead, we will pursue an offsite net metering project.
- Eric inquired about the financial turnaround – did it come from the PPP loan? Kari responded that the financial statements assume that the PPP loan is not forgiven. The unusual mix of relatively strong sales and reduced expenses account for the profitability. Eric asked what the labor cost percentages were. Kari said they were 28.7% for the 4<sup>th</sup> quarter (above budget) and 27.7% for the year (below budget.) These included relatively large gain share bonuses. Eric and Kari will talk off-line to clarify the financials. Eric also asked about the shopper satisfaction survey, specifically, the low ethics score. Kari shared that we averaged 4.2 out of 5 on ethical decision making.
- Steven is struck by our financial strength and how well we have weathered CoViD.
- Eva expressed her support of the good work being done.
- Olivia expressed concern over the decline in Co-op Cares participation. Do we have a plan to be more economically inclusive? Kari responded that we did have a plan, but implementation is delayed because of the pandemic whirlwind. Eva noted that folks who are struggling probably just aren't coming here – the 10% isn't enough to make the difference for them.
- Pat concurred with the Co-op Cares concerns.
- Scott agreed that it was disappointing that usage has gone down.
- Katie would like to see more metrics on who is shopping at the Co-op to figure out how we can be more inclusive.
- Jess echoed the concern about decline in Co-op Cares enrolment.
- Andrew wondered why workshop attendance dropped so dramatically. Kari explained that over time we have seen a steady decline in workshop attendance and it is hard to say why. Once the pandemic hit we stopped offering workshops altogether. When we have the capacity again, we will look at where to go with the program. Stephani added that even a concerted effort in 2019 did not boost the numbers significantly. Rowan added that offsite workshops may be an alternative. Steven suggested offering a coupons for attendance.
- Eric thought we should have more DEI metrics, especially around hiring.

**Scott moved to accept the monitoring report. Katie seconded. The motion to accept the monitoring report passed unanimously.**

APPROVED

**5. NCG Participation Report 6:12PM (0:43:15)**

Kari reported that being a member of National Cooperative Grocers provides a good return on our investment. We take advantage of all of their major programs. We are about to begin their Core Sets program. This will help with reduced redundancy and centralised analysis in category management.

**6. Finance Committee; Patronage Refund Recommendation 6:15PM (0:46:35)**

The finance committee met in September and decided to wait for more guidance on the PPP loan before deciding on a patronage refund recommendation. They reported that there are no changes in bonds, the 401K is doing well. Kari added that it is not clear when we will get further guidance on the PPP loan. Basically, we are waiting to learn if the forgivable part is taxable. If no guidance is provided the council should consider two scenarios so we are prepared to make a decision with or without it.

**7. HMCCF Grant Awards 6:20PM (0:51:05)**

Scott reported that there was \$12,600 in the fund, and the committee is proposing \$11,030 be distributed to 7 recipients. Some were fully funded and some were partially funded. Kari will reach out to see if it is useful for the partials. Steven asked why there was \$1,600 not allocated. Scott answered that they like to hold a bit over to boost next year's grants. **Eric thanked the committee and said he is prepared to endorse the recommendation. Eva seconded. The motion to endorse the committee's recommendation passed unanimously.**

**8. HMCCA Award Decision 6:25PM (0:56:13)**

**Eric nominated Helen and Jules Rabin. Steven moved to present them the award. Scott seconded. The motion to present the HMCCA Award to Helen and Jules Rabin passed unanimously.**

**9. Staff Rep report 6:29 (1:02:16)**

Jess reported that short staffing/hiring is still an issue for staff in the store. Kari reiterated that hiring is a top priority for managers and reported that we have a new wine and beer buyer.

**10. GM Report/Q2 Budget 6:37PM (1:03:40)**

Eric asked what is our planned response if CoViD increases in our community. Kari said that we will continue with the measures we have in place. We are looking at how to provide warmth and shelter for gatekeepers through the winter. We are working with NE Air on ventilation issues. We are getting quotes for various options. Eric asked if we had HEPA filters on the HVAC. Kari said we have filters but he's not sure if they are HEPA. Andrew asked what's happening with Kehe. Kari responded that we are evaluating whether it makes sense to bring them in. There is some overlap in supply that could help with out of stocks and they specialise in bulk products.

**Break 6:44 (1:14:52)**

**11. Diversity Committee: Discussion of Diversity Statement 6:49PM (1:20:22)**

Katie introduced a proposal to adopt a diversity resolution and form a subcommittee to transform it into an ends policy. Steven supports the statement but wondered if it is too vague. Do we respect racist opinions? Eva asked if Steven was volunteering for the subcommittee. Steven said he would help with rewording the statement. Olivia said she will also help to develop more explicit anti-racist language. Eva said the next meeting is Monday the 12<sup>th</sup>. Jess thinks we should make clear that we do not condone hate. Eric asked if the committee has considered adding metrics that could relate to hiring. Katie said that is part of making it an ends policy. Andrew supports it. Scott supports it and asked for the meeting info to be sent out. Eva said she will send out a detailed report on the listening session.

**12. Policy Proposal: Changes to interpretation 6:59PM (1:30:00)**

In response to the sales growth issue that arose last meeting, Steven proposed to add an all-inclusive paragraph that permits the GM to change policy interpretations under extraordinary circumstances. He suggested the question be put to the next council. Elly clarified that this was not up for a vote, it's a discussion to be continued. **Steven moved to table it until January. Eva seconded. The motion to table until January passed unanimously.**

**13. Discussion: Post Committee Meeting Schedule 7:04PM (1:34:55)**

Eva suggested that in the name of transparency we post the committee meeting schedules publicly. Kari stated that he is all for transparency and questioned what we would be posting – all of the meeting agendas and all of the minutes? Will there be a policy for members to participate in the meetings? There is a staff capacity issue to do it right. Steven also supported full transparency, and wondered if we had to do all of that – could we just post a schedule and not the rest? Olivia asked if all committees were open. Kari responded yes. Olivia pointed out that observation is different than full participation. Pat wondered where this was coming from. Eva explained that she thought it was worth exploring to offer members more opportunity for engagement. Scott had some reservations because some committees deal with sensitive information. Eric suggested that maybe we don't need a blanket statement but we could advertise for committees that we want more participation with. Katie feels ok with the status quo for workload reasons.

**14. Council Transition Plan 7:16PM (1:47:09)**

Scott explained that we will announce at Annual Meeting that there will be two Council vacancies and begin taking applications/recommendations. Scott and Katie will stay on until the end of December when new members can be appointed. The current executive committee can continue until then. Eric thinks that is a good plan, but maybe announce it earlier to give folks more time. Eva said there was more interest in the council earlier in the summer. Scott said we should reach out to those folks.

**15. Colminate Renewal 7:21PM (1:51:52)**

Scott recommended continuing at the same level we have been. We could mix it up by asking for a different advisor. Olivia asked what the CBLD101 orientation would look like in CoViD – she found the training valuable as an incoming council member. Kari said it would be held

APPROVED

remotely and that a benefit of the remote training is that there is more flexibility in participation.

**Steven moved to re-enroll at current level. Pat seconded.** Discussion: Steven asked if there were other organizations that offer similar services as some folks have expressed concerns. Kari said that while there are many consultants, others do not specialize in supporting food co-ops as far as he knows. **The motion to to re-enroll with Columinate passed unanimously.**

#### **16. Council Self-Evaluation 7:28PM (1:59:33)**

Scott posed the question if we should continue to do the council self-evaluation and if so are there any changes to be made. There were no changes or suggestions made. Kari will send it out soon, to be completed within 10 days. It was noted to send it to Julia.

#### **17. Wrap-up 7:32PM (2:03:18)**

Kari listed action items. Steven asked if the council should issue a written response to Billy. Kari asked if we wanted to revisit the decision to run the bylaw voting process remotely. Steven said no, but we could put together a cogent response. Scott suggested we could solicit feedback during the bylaw presentation at Annual Meeting. It was not clear to Andrew what Billy was asking for. Kari clarified that Billy expressed concern to a remote special meeting to vote on bylaw changes. Eric asked when we could talk about the possibility of a different consultant. Kari said he would include on draft agenda for the November meeting.

#### **18. Meeting Evaluation 7:42PM (2:13:14)**

Elly solicited one word from each participant and the consensus was that the meeting was very full and ran smoothly.

#### **19. Council or Cooperative Community Comments 7:45PM (2:16:00)**

Steven explained that he took a trial delivery from Misfit Market, an organic grocery delivery service. He compared prices and even given council discount, a ≈\$50.00 order from Misfit was \$5-\$7 less expensive than the total for comparable (regular-priced) items at HMC. He said having a box of food land on your doorstep felt like Christmas Morning, and he believes the future of grocery belongs to whomever will provide the service of filling people's pantries and refrigerators. He thinks the co-op should consider a similar model. Olivia commented that it's the council's role to recommend that staff look into it. Elly suggested further discussion at a later time because it is getting late.

#### **20. Other Business 7:53PM (2:24:00)**

Kari stated for the Council's information that the president stipend was being distributed as usual.

**Scott moved to adjourn. Eva seconded. The motion passed unanimously. Meeting adjourned at 7:55PM (2:25:15).**