



Hunger Mountain Cooperative exists to create and sustain
 a vibrant community of healthy individuals,
 sustainable local food systems,
 and thriving cooperative commerce.

Meeting of the Council

via Zoom

Members and Staff Welcome To Participate:

December 3, 2022

Facilitator: Mark

<https://zoom.us/j/97641441406?pwd=aDZGbHJtRnIETDY1VnZUOC9rWlVLdz09>

5:30pm (optional 5:00pm pre-meeting)

Note Taker: Rowan

1 646 558 8656 US

Meeting ID: 976 4144 1406

Passcode: 282095

Agenda		Page	Presenter	Goal	Duration in Minutes	Approximate Start Time
I. Introduction						
1	Welcome: new members, meeting groundrules, agenda review	2	Mark	Welcome	10	5:30
2	Cooperative Community Comments			Informational	5	5:40
II. Reorganization Business						
3	Officer Election	5	Mark	Votes	15	5:45
4	Conflicts of Interest/Statement of Ethics	8	President	Declaration	5	6:00
5	2023 Council Meeting Format and Calendar	10	President	Vote/Discussion	20	6:05
6	2023 Committees/Shared Folder	12	President	Vote/Discussion	15	6:25
Break					5	6:40
III. Special Business						
7	Annual Meeting Reflection	14	Kari	Discussion	10	6:45
8	Council Retreat Planning	18	President	Discussion	15	6:55
9	Security Report	20	Kari	Presentation	10	7:10
10	Communications Committee Charter Update	22	Eva	Vote	10	7:20
IV. Regular Business						
11	Consent Agenda: Minutes, Equity Refunds	24	Kari	Vote	5	7:30
12	Financial Report: First Quarter Statements	32	Kari	Presentation	10	7:35
13	Monitoring Report: L5 Financial Condition, L7 Protection of Assets, G2.1 Policy	33	Kari/Eva	Vote	10	7:45
IV. Closing						
14	Wrap-Up: Action Items, Calendar, Meeting Evaluation, Future Agenda Items	56	Mark	Informational	5	7:55
15	Council or Cooperative Community Comments			Informational	5	8:00
	Adjourn					

Welcome new and returning Co-op Council members!

We have a full agenda for the December Council meeting, so I strongly encourage you to read each part of the council packet carefully, giving yourself plenty of time to review everything before the meeting on Monday, December 5 at 5:30pm (scheduled to run about 2.5hrs), via Zoom.

I highlight important parts of the agenda here, and include details (and spell out acronyms) where I think it will be helpful to have the extra information before we meet. Kari will start the pre-meeting at 5pm for anyone who would like a chance to ask detailed questions about the financial reports, any other agenda item or the General Managers FYI Report.

I'm sorry to say this is the last meeting Mark Simakaski will facilitate. Thank you Mark for volunteering to facilitate Council Meetings for the past three years! Please join me in wishing Mark well in his new adventures in the world.

For new council members, or returning members who might have trouble finding the Zoom link for council meetings, the meeting link is always in the top right section of the meeting agenda (included as the first page in each council meeting packet). The hyperlink can be clicked on or copy and pasted into your browser for easy activation. For council members that want to attend the council meeting in the Co-op Community Room (masks encouraged except when eating or drinking), please let Kari know in advance, to make sure the room is available and to set up of the zoom meeting for the attendees.

The council will be electing officers (President, Vice-President, Treasurer and Secretary) for the 2022 council term (Dec 2022 through Nov 2023). For a full description of officer roles, please read the enclosed Council Officer (and Council Financial Responsibility) Memo. The descriptions are part of the [HMC 2021-22 Governance Policies](#) which is posted on the Co-op website and can also be accessed in the [Council Shared Documents](#)

At the meeting officer candidates can either nominate themselves or accept a nomination from another council member. If there is a contested position, the Council can decide to either vote publicly (raise a hand or say 'aye') or privately (by sending a chat message to Mark Simakaski, the facilitator), with the numerical results being shared publicly.

Every year, new and returning council members are asked to disclose any conflicts of interest at the council meeting and then to sign the enclosed statement of ethics, which can be printed, signed, scanned and sent to Kari via e-mail, or by printing a hard copy, signing it and either leaving it at the Customer Service desk at the Co-op with Kari's name on it or mailing it to Kari Bradley, 623 Stone Cutters Way, Montpelier, VT 05602.

Review the DRAFT 2023 Council Calendar against your own calendar and note your change requests. The Council Calendar may be modified over the next few months, so there will be a number of opportunities to suggest changes.

The Council Committees memo provides an overview of the 2022 committees, expectations of Council members and which committees will be seeking new members as of this writing. Both new and returning Council members are encouraged to mix it up and consider joining another and/or new committee. Committee Charters can be accessed in the [Council Shared Documents](#)

Your questions and comments are welcome in response to the enclosed Proposed Update to the Communications Committee Charter. The Communications Committee and JEDI Committee November notes are included in this packet for your information.

Please read the Security Report and responses to specific questions asked by a Council member in November, along with a summary of how the Co-op makes decisions with regards to someone no longer being able to shop or enter the building.

The 2022 Annual Meeting Reflections, survey ratings and comments are included in the packet. Please come prepared to offer at least one point we should consider in planning next year's annual meeting.

The Annual Council Retreat is an important opportunity for the council to make long term/big picture plans, and short-term work plans for the coming year, so your contributions in the planning process are vital. Please be sure to share your thoughts, especially if there is something you'd like to include in the retreat that isn't part of the proposal. See the 2023 Retreat Proposal and the Action Steps for Council JEDI Work 2023 for more information on current proposals.

Approval of the Council Meeting minutes, Equity Refunds, and this month, the Governing Policy Updates are all included in the Consent Agenda. If you have questions about any parts of the Consent Agenda please let the facilitator know when it is introduced at the meeting. Otherwise, they will be approved as a group with a motion, second and a majority of Council member approval of the motion.

In order to give the Ends Report Discussion, Part 2 it's due the Executive Committee deferred that discussion to the January Council Meeting.

Please be ready to ask questions or share comments on the financial statements (not included in the packet), (FYQ1) Fiscal Year 2023 First Quarter Statements and the Monitoring Report for Council Governance Executive (L) Limitations on (L5) Financial Condition and (L7) Protection of Assets. For the related (G) Governance policies: G2 and G2.1, please refer to the Council Officer and Council Financial Responsibility Memo.

The Wrap Up: At the end of the meeting Council members will have an opportunity to share their experience of the meeting with a word or short phrase. Kari will then review action items and calendar updates and future agenda items.

If you have any questions or comments about the Council Meeting packet don't hesitate to contact me.

Warm Regards,

Eva Schectman, (HMC) Hunger Mountain Co-op Council President

November 28, 2022



Council Meeting Ground Rules

- Speak from your own perspective
- All questions are good ones
- Communicate respectfully
- Be aware of how much you speak
- Respect the viewpoints of others and listen attentively
- Bring your curiosity and an open mind
- Be kind

To: Council

From: Eva

Re: Council Governance Policy; Council Officer Descriptions and Council Financial Responsibility

December 2022

Council Officer Descriptions

Every year, after the membership elects Council members, the Council elects officers. Provided here are the Council Officer descriptions as they are defined in the Bylaws and in our Council Governance Policy.

G6 - Council Officers

The Council will elect officers to assure the Council's integrity and compliance with the Co-op's Bylaws and to represent the Council to outside parties.

Accordingly:

G6.1 As required by the Bylaws, the Council will annually elect a president, vice-president, secretary, and treasurer. These four and the General Manager shall constitute an executive committee. The Bylaws specify the responsibilities of the officers.

G6.2. Officers may delegate their authority but remain accountable for its use.

Bylaws: ARTICLE 4. OFFICERS (bylaws are quoted in italics):

The Council shall elect four officers, from among the Council members, following the annual Council election: president, vice president, secretary, and treasurer. The terms of office of the four officers are one year. Employees of the Co-op are not eligible to serve as officers. The officers may serve no more than four consecutive terms in the same capacity.

Section 4.2 – Officer Duties

In addition to the following, officers may have other duties defined by the Council.

Section 4.2 (a) - President

The President shall chair Annual and Special Meetings of the Members, chair the meetings of the Council, ensure the integrity of the Council's process, and, upon occasion, represent the Council to outside parties.

G6.3 In addition to the responsibilities stipulated in the Bylaws, Council officers will follow these policies:

G6.3.1 The president assures that the Council acts and deliberates in accordance with its own policies and Bylaws. To that end, the president shall:

a. Enforce Council policies on Governance Process and Council's

Relationship to the General Manager, except where the Council specifically delegates portions of this authority to others. The president is authorized to use any reasonable interpretation of the provisions in these policies.

b. Demonstrate the Council's responsibility to Co-operative Members and Council Members by responding to relevant inquiries.

c. Ensure appropriate facilitation of Council meetings.

d. Acquire necessary monitoring data and create an internal report disclosing Council compliance with policies on Ends for the annual report to the Members.

e. Appoint work groups and committees subject to approval by the Executive Committee.

f. Promote leadership and professional development opportunities for other Council members.

g. Plan for officer perpetuation.

h. Provide context for Council by adding the perspective of other co-ops, including national and regional trends.

G6.3.2 The vice-president performs all the president's duties in his or her absence.

Bylaws: Section 4.2 (c) - Secretary

The Secretary shall oversee the recording and publishing of minutes of all Council meetings, including roll-calls for all votes; keeping an up-to-date list of Council members, officers and their terms of office; and ensuring that all meeting notification requirements in these Bylaws are met.

G6.3.3 The secretary assures that the Council's documents are accurate, up to date, and appropriately maintained.

Bylaws: Section 4.2 (d) - Treasurer

The Treasurer shall cosign all promissory notes with the President, and oversee the preparation of periodic and annual statements of the Co-op's income, expenses, and financial condition

G6.3.4 The treasurer leads the Council in setting a budget for the Council's (not the Co-op's) operations, and facilitates Council understanding of the financial condition of the Co-op.

G6.4 On matters pertaining to the Council, the president shall act as spokesperson and accept inquiries from Co-op members, the general public, and the media. The president will defer inquiries concerning the Co-op's operations to the GM, but on Council matters will develop responses, relying on the Executive Committee and Council as a whole as needed.

Council Financial Responsibility

This month the Council will review the 2023 First Quarter Financial Statements (which ended on Oct 2, 2022) and Monitoring reports L5: Financial Condition and L7: Protection of Assets.

For your information, provided below, are the applicable Council Governance Policies. Please review the policies and remember they are living documents the Council can work with and modify over time.

G Global – GOVERNANCE Acting as representatives of the Cooperative members, the Council will use written governance policies to work as a team, empower and hold accountable professional management, and provide strategic leadership for our co-op

G2 - Council Job Description and Responsibilities

The job of the Council is to:

understand and represent the interests and the expectations of the Membership as a whole; inform Member-Owners about the Co-op's plans, operations, and finances; exercise fiduciary care of Member-Owners' equity investment in the Co-op by assuring the Co-op's financial health; hire a General Manager; promote a healthy democracy for the Co-op; lead the Co-op when facing major decisions.

Accordingly:

G2.1 The Council will educate itself regarding the values held by the Member-Owners and report periodically on the Council's activities, decisions, and compliance with Council policies on Ends. The Council will require the General Manager to communicate frequently to make the Co-op's operations and finances transparent to Member-Owners.

G2.2 The Council is responsible for the overall financial health and organizational performance of the Co-op. To that end, the Council will hire, determine compensation for, delegate responsibility to, and hold accountable a General Manager. The Council will monitor operational performance through reports from the General Manager on Ends and Executive Limitations.

APPENDIX ONE

Council Member Statement of Ethics

The Hunger Mountain Cooperative Council recognizes its authority and responsibility:

to oversee the affairs of the Coop in a manner deemed beneficial to the organization as a whole;

to employ a General Manager to be responsible for the management of the business according to the Council's governing policies;

and to perform other duties as provided by the Bylaws and policies.

I recognize that, except when in formal meeting, my authority is equal to the rights and authority of any individual Member of the Coop and that as an individual I may not take action on behalf of the Coop unless explicitly granted that authority by the Council or the Bylaws.

As a Council member, I understand that I have the following specific duties:

- to represent the interests of the Membership as a whole;
- to be aware of and follow Bylaws and policies;
- to avoid conflicts of interest;
- to consider all issues openly and impartially;
- to attend, prepare for, and participate in Council meetings;
- to attend, prepare for, and participate in Council committee meetings;
- to maintain the confidentiality of all personnel, real estate, marketing, legal, strategic planning, and financial matters unless clearly not confidential; and
- to perform all of my Council responsibilities courteously, with genuine civility, and in the best of good faith.

I understand my obligation to avoid ethical, legal, financial, or other conflicts of interest and to ensure that my activities and interests do not conflict with my obligations to the Coop or the Council, or its welfare. I will disclose, annually, any outside activities and interests, direct or indirect, including financial interests, that might give rise to conflicts or perceptions of conflicts.

I acknowledge that it is my responsibility to inform the Council President immediately if a real or potential conflict of interest should arise. I understand that as a Council member, I must recuse myself from deliberations involving a relevant conflict of interest, and should resign from the Council if relevant conflicts cannot be remedied reasonably by periodic recusal.

I agree that if I believe I have violated the letter or spirit of this agreement or the Council's policies in a material manner and without just cause, then I will submit my resignation to the Council immediately and without further disruption.

As a Council member, I understand that I may be formally reprimanded for a violation of this Statement of Agreement or Policy G2 (Council Job Description, Authority, and Responsibilities) and G3 (Code of Conduct) by a simple majority of Council members present and voting in a regular scheduled meeting after a duly warned executive session in that meeting. I understand that I may be removed from the Council entirely if a two-thirds majority of the Council determines that my conduct is against policy generally.

Signature of Council Member:

Date : _____

To: Council

From: Eva

Council Reorganization Activities

December 2022

Thank you for being part of the 2023 Co-op Council. Here is a summary of some of this month's agenda items associated with our new year reorganization.

Statement of Ethics: Please find the attached Statement of Ethics, sign and return to Kari. At our meeting, we will go around the room and ask each member to declare if they have a conflict of interest. Remember it is not a negative to have a conflict of interest; the important thing is to declare it so that others are aware and then recuse yourself from decision-making that pertains to a conflict you have. Be sure to speak up if you have questions or are unsure something constitutes a conflict of interest.

Meeting Format: The Council has not held an in-person business meeting since March of 2020. Some Council members have expressed interest in resuming meeting in person while others would prefer not to. The executive committee is proposing, starting in January, that over the next four months we alternate online meetings with hybrid in person/online meetings and then, in April, discuss what the team wants to do going forward, at the end of the four-month period. On Monday, we will discuss this recommendation. Be aware that the Co-op owns an Owl Pro camera/microphone which has improved the quality of the staff's hybrid meetings.

Meeting Calendar: Please find the draft 2023 meeting calendar in this packet. The draft follows our typical pattern of meeting on the first Monday of each month at 5:30pm with the July meeting falling in late June and not meeting again until late August. One possible exception to consider is March when Kari will be on vacation; options to consider include scheduling the meeting a week later or meeting without Kari.

Next month we will begin discussing member engagement meetings for the year. We have the option of hosting a Dinner and Discussion in late Spring and/or moving the annual member meeting up earlier in the calendar.

Meeting Facilitation: For the past two years, we have enjoyed having Mark Simakaski and Elly Wood alternate in facilitating our meetings. This meeting will be Mark's last as our facilitator and we are extremely grateful! Going forward, Elly is willing to facilitate all of our 2023 meetings or we can consider other alternatives.

Shared Folder: New this year, as requested, the Council will have a shared folder for easy access to common documents: [Council Shared Documents](#).

In addition to the committee charters (see Filling Committee Seats Memo), this folder includes current governance documents, new council member orientation materials and recent meeting packets and minute. Feel free to suggest items that should be added. Note that anyone with the link has access to this folder.

Council Calendar 2023

date	facilitator	monitoring report	standing agenda items
January 2		L9	Retreat Plan, Committees
Feb 6		L4	Workplan, Renew Line of Credit
March 6#		L5/L7	Q2 Financials, GM Performance Evaluation/Contract
April 3		L1/L3	Shopper Survey, Governance Budget, GM Performance Evaluation/Contract
May 1		L2	Employee Survey
June 5		L5/L7	Q3 Financials, Business Plan Preview
June 26*		L6	Business Plan, Annual Meeting Agenda
August 28*		L5/L7	Year End Financial Statements, Annual Meeting Plan
October 2		Ends	Ends Discussion, Patronage Refund/Equity, HMCCF Grants, Award decision
November 6		L8	Self-evaluation, Financial Audit/Review Report, CBLD Enrollment
December 4		L5/L7	Welcome New Members, New Year Admin, Officer Election, Committees, Q1 Financial Statements, Retreat Prep

* not first Monday

#Purium, night before Town Meeting, KB vacation

events

Retreat	TBD
Dinner & Discussion?	May or June
CCMA	June 8-10 in Sacramento
Informal Council Gathering?	TBD
Annual Meeting	TBD

Council Committees

On Monday we will begin to consider our committees for the year. Below is a list of last year's committees. Committee interest in including new Council members are in **bold** in the Members notes column of the table below and all of the committee charters can be found in our new shared folder:

[Council Shared Documents](#)

2022 Council Committees

Name	Members	Frequency
Executive	Eva (chair) , Jen, Julia, Steven, Kari	Monthly
Finance	Julia , Andrew, RJ, Scott Hess, Martha Wales, Eric Jacobson, Simeon Chapin, Tim, Mary, Kari Need for new members to be determined.	Sporadic
JEDI	Eva , Jay, Kari, Elly, Elaine Ball, Suzanne Trahey, Shanda Williams Seeking a co-chair and one more Council Member	Monthly
Carbon Neutrality	Catherine , Jen, Mary, Kari, Amanda Sardonis Need for new members to be determined.	Monthly
Communications	Eva , Andrew, Jess Knapp, Rowan, Chris Whalen, Beth Burgess Seeking one or two more Council Members	Monthly
Recruitment	Eva , Andrew, Lauren, Robyn, Kari Seeking two more Council Members	Nearly Monthly
WIP Committee	Steven, Jeff, Lauren, Kari Seeking Co-op members to be determined.	Met four times since June
Ballot	Andrew, Sue Zekas, Kari; New Council and Co-op members will fill seats later in 2023.	Once annually
Bylaws	Carl Etnier , Steven, Scott Hess, Sue Zekas, Jed Davis, Stephanie Kaplan. Not seeking new members.	Regularly, now complete
GM Evaluation	Eva , Jen, Steven w/ Kari Seeking one Council member	3-4 times Feb-May
Annual Meeting	RJ, Jen, Kari, Rowan, Stephani; To be determined by current Council members	2-3 times annually
HMCCF	Claire Wheeler , Julia, Scott Hess, Matt Levin, Jake Claro, Stephani Kononan, Richard Wiswall Seeking new Chair and one or two more Council Members	3-5 times annually

Committee work is essential to Council work – it’s where ideas for policies are fleshed out, details are refined (among a host of committee responsibilities) and then recommendations are made to the Council for approval, modification and adoption. The Council can propose to form a new committee at any time during the year. For maximum effectiveness it is advisable to form them as early in the Council year as possible, and that is why we are reviewing proposed and current committees during the December Council Meeting.

In 2023 all committees will be asked to renew their charters (with the exception of the WIP Committee whose charter was approved in November 2022), and from here on annually, for clarity of purpose and to enhance Council Committee transparency.

All committee meetings are open to all Council members. Consult the **Committee Calendar** (Kari regularly sends out updates via email) and contact committee chairs to confirm the date/meeting schedule and remote meeting links and/or meeting location.

All Council Members are expected to participate in committee work and will be encouraged to join one to three committees.

Please be thinking about which committees you are interested in serving on and what questions you have about Council committees. We will begin discussing committees this month, continue that discussion in January and finalize once we have settled on our work plan for the year.

Respectfully Submitted,

Eva Schectman

November 28, 2022



2022 Annual Meeting Reflections

We had our best attended annual member meeting of the three years we have been remote. At peak, there were 163 computers logged in with some number of couples in attendance; there were 345 members who registered. A summary of the post-meeting survey results follows.

We have scheduled 10 minutes to discuss any reflections on this year's member meeting. In addition to anything else you want to share, **please come prepared to offer at least one point we should consider in planning next year's annual meeting.**

2022 HMC Annual Member Meeting

77 Responses Rate the degree to which you agree. 1=strongly disagree, 5=strongly agree

	It was easy to register and log into Hunger Mountain Co-op's remote Annual Meeting.	I could see and hear the presentations.	The topics covered were relevant to me.	The presentations were clear and informative.	The time allocated to various topics worked for me.	I had a chance to ask questions and make comments.	I would attend another member meeting using teleconferencing technology.
Average Rating	4.8	4.6	4.4	4.6	4.6	4.6	4.6

\

The meeting was boring and simply a love-fest. And using break-out rooms was a waste for me -- I did not sign up to chat, rather I signed up to learn what needs to be done to improve the coop.

Sorry, I had to leave earlier to another commitment. I had to leave early, but what I saw was awesome.

Comments:

Please share any additional feedback about our 2022 Annual Meeting.

In person has more community to it; let's aim for that next year!

Thank you for keeping this virtual. Sars2 is a big concern. I want to be involved in our community and in-person events are just too risky, wants to get on with 'normal', so thank you for doing your best to balance that with concern for those who truly can't afford to get sick. I would attend another member meeting using teleconferencing technology, but only if it's the only way to attend. Past in-person meetings appreciated, I have to say that teleconferenced meetings are almost as spontaneous and exciting as listening to Wilbur Ross read random Wilbur Ross? (It's better if you don't.)

OTOH, A teleconferenced Annual Meeting is obviously trying to make the best of a bad situation, and while that effort is appreciated, I find it almost as spontaneous and exciting

I asked a question in chat about Grab and Go packaging--instead of single-use plastic, using earth-friendly containers even if that means believe my question was partially addressed during the meeting. Overall, a very good meeting. Thank you.

Great way to learn about the co-op, history and all.

I registered early but did not receive zoom invite in email (not in spam or anywhere). Were they sent?

This year's Zoom meeting seemed SO much smoother and efficient than last year. Congrats on getting the kinks worked out, I guess. No gallery.

Yes (to #7) but I would rather it be in person. With a meal, as before. It would be good to also be on Zoom for those who would rather - Zoom is convenient, but I miss the food you used to serve!

- I particularly enjoyed the small group session - there was only one other person in my "group" but we had a great conversation about - Fun music too!

It was very well put together-upbeat and informative. All spokespeople did an excellent job and set a friendly tone. The grants were wonderful solar arrays. Congratulations to the co-op for its 50th anniversary and its importance to the community. Here's to the next 50 years! I hope We thought it went well and appreciate the prep that went into it. In the breakout section we happened to be in a very small group, but was the only other person with my wife and me.

It's time to start doing in person events again.

New format for me... but I got the hang of it

Thanks so much to all the staff and members for making the coop a wonderful and welcoming place all of these years

I'm glad I came

I hope we don't have to have another remote meeting. So much is lost not being face to face.

I liked having the board candidates introduce themselves.

This was a great opportunity to get acquainted with the people who lead the co-op, and to consider how best the co-op might continue supporting the larger community.

I would want the co-op to pursue policies that would support increases to employee pay and benefits, even as

I am assuming that the board has been thinking about the next 50 years. Would appreciate hearing what has been brought to the table

Nice work everyone

nice job, thanks The Community Cooperative Fund Winner video was not very clear in detail like last year, more explaining next time as I wish it would be in person as soon as possible. Those meetings were a fun, social and informative time.

Thanks to so many for their efforts and community mindfulness. Much appreciated.

Keep zoom format! Excellent meeting

Very informative and well organized. Thank you!

Best managed zoom meeting I've experienced.

Excellent presentation and meeting

glad the voting snafu was fixed so quickly

loved the 50th anniversary celebration and video! Brought back many memories. Even of the first building on Barre Street with the tiny time it has been.

Well done, keep it virtual!

Great Meeting!

Well presented and enjoyable.

Thank you for holding the meeting virtually, it was great!

Very organized, welcoming.

2023 Council Retreat Proposal

Location:

To be determined by Council President in consultation with Executive Committee.

- Plan for meeting in person, building in accommodations for anyone who cannot meet in person (in other words, a location where technologically a subset of Council Members could meet remotely, if that's necessary). Example: a church basement with wifi and vetted/new ventilation system.

Facilitator(s):

To be determined by Council President in consultation with Executive Committee.

Time Budget:

Two three-hour sessions, total six hours meeting time.

Part One:

Two topics, 1.5hrs each, Schedule asap for **January**

A. Listening Session on Council Meeting structure

Facilitated discussion: Council President is responsible for managing Council Meetings, as per Governance Policy. In the spirit of collaboration and continuous improvement Council President will listen to Council members ideas on structuring Council meetings to accommodate more opportunities to get to know each other, for strategic long-term planning discussions and any other changes Council would like to share.

B. Policy Governance and Strategic Planning Discussions

Facilitated discussion on what strategic planning discussion looks like at the Council level. Example: Looking at 5yr financial trends and creating policy to set parameters for future operational business planning.

Part Two:

Two topics, 1.5hrs each, Schedule asap for **February**

C. JEDI Action Steps (for details see recommendations in the Council Packet)

Facilitated discussion to help determine next JEDI action steps for Council work and for Council staff/member/community engagement.

D1: Topic proposed by Council Member

Topic Proposal offered at January Council Meeting for Council approval

OR (to be determined by Council)

D2: Discussion follow up from topics A or B.

Topic to be determined at conclusion of A or B discussions, proposed at January Council Meeting for Council approval.

Respectfully Submitted by Eva Schectman, Jen Porrier and Julia Scheier, December 2022

Action Steps for Council JEDI Work 2023

At the November 2022 Council meeting the Council suggested a variety of next JEDI steps and the JEDI committee then synthesized them into the following action steps menu.

The JEDI Committee recommends using this menu to guide the Council in solidifying a JEDI workplan in 2023 and the Retreat Planning group proposes the Council discuss the details at the Council Retreat Part 2.

2023 Council Policy and Committee Work:

- 1) Review Ends and G policies and incorporate JEDI language as needed. Goal: Governing policies reflect Co-op's JEDI values.
- 2) Council/Committee Recruitment – ongoing, can continue to offer specific ideas from committee. Goal: Council and committees are increasingly diverse and inclusive.

2023 JEDI Education in Action:

- 3) Engage consultant to facilitate Council member conversations and plans for integrating JEDI work into Council work.
 - a. Focus on having uncomfortable conversations/bridge the gap between necessary personal growth and the need for action.
 - b. What education or presentation could be useful for Council? Budget for speakers? Council sponsored Co-op member JEDI education?
 - c. Creating a JEDI focused strategic plan or equity audit to outline interrelated education (personal growth) and action
 - d. How to prioritize this? What is important to us? What do we want to focus on?
 - i. i.e. expand focus to Disability, LGBTQAI+, low- income communities?
- 4) Facilitated Council listening session with staff, members, larger community; to learn what their JEDI priorities are with the goal of integrating priorities into the Council long-term goals.

Respectfully Submitted,

Eva Schectman for the JEDI Committee,
Elaine Ball, Kari Bradley, Julia Scheier, Suzanne Trahey, Shanda Williams, Jay Wisner and Elly Wood

November 28, 2022



Security Report

To: Council From: Kari

December 2022

In November I was asked to summarize how the Co-op makes decisions with regards to someone no longer being able to shop or enter the building. Formally this process involves issuing a Do Not Trespass (DNT) order which any property owner can do for any reason. This is obviously a significant action to take especially against a shopper, and especially a Co-op member, so these decisions are carefully considered. Our records show that since early 2016, staff have issued 14 DNT orders, usually for shoplifting and occasionally for risk of physical harm.

Typically, the Storekeeping Manager (Mary) will refer issues to General Manager when problematic behavior by a shopper or guest is identified. We will discuss the alleged behavior, the evidence available, any history with the person involved, the risk to people or property, and any preventative measures that can be taken. If the shopper involved is a Co-op member, we will generally contact them, have a discussion and issue a written warning that identifies the behavior, the evidence and the consequence for further occurrences. We have had mixed success in inviting members to discuss the issues; several times a member who shoplifted admitted the behavior and asked forgiveness. We are not experts in restorative justice, but ideally these matters can have a partially positive outcome.

In 2020 the Montpelier Police stopped issuing DNT orders as they do not want to devote their time and resources to be civil matters. We now must issue the order ourselves by handing it to the person or by sending it by certified mail. If someone who has been issued a DNT order enters our facility, we are entitled to call the police as long as we are prepared to press charges for criminal behavior.

Specifically, I was asked to respond to these points:

However this brings to mind a matter that those of us with the "30,000-foot view" might want to consider on the policy level: Is it wise to ban anyone from the store? In my opinion, there are absolutely times where it is the wise choice. If a person's behavior demonstrates the risk to people or assets is greater than the benefit of them being able to enter our facility, we should issue a DNT order. I would even say that in such cases, we have an obligation to do so.

Consider these:

- *If a person is inclined to exhibit criminal behaviour, how effective is a ban at keeping them away? Generally, it is effective in our experience. We have not had many instances of folks returning to the store after losing their privileges, at least to our knowledge. Note that in the recent case where a member contacts the Council, they had received a DNT and returned to shopping at the Co-op without permission until we detected them. Issuing a DNT order is a necessary step to involve the police.*

- *If a banned person violates the ban, how will personnel know, given that many folks now wear masks? This is especially a concern given a person who (supposedly) has not set foot in the store in six years; with staff turnover, will anyone working there now even recognise this person?* It's not perfect but given that we keep records that are passed along to new managers and we enjoy outstanding employee longevity, we are sometimes able to detect when someone violates our order. I think it's more significant that people tend to self-police after being issued a DNT knowing that a violation is considered a criminal act.
- *If the person shops as a non-member, their identity will not be revealed at the register.* True
- *If the person changes address, how hard would it be to become a new member with a pseudonym?* Hard to say but just because something is difficult is not necessarily a reason to take a reasonable action.
- *Is it better to allow a person with dubious behaviour to continue to shop and monitor them, or ban them, and risk retributive behaviour?* Sometimes we do opt to monitor or issue a warning and monitor. Issuing a DNT is a last report.
- *I recall that a dispute at Brattleboro Co-op culminated in an employee being murdered; is it realistic to believe that a ban would have prevented that?* It's not my place to say. In the Brattleboro case, the murderer was a former employee who was distraught about having his employment terminated. This business is not without risks.
- *What are the insurance/liability considerations? Do either require the co-op to adopt practices that are not necessarily best or safest practices; if yes, how to resolve that quandary?* I am not sure what you have in mind here. Often in cases where harm to people or property are involved, an organization faces the greatest liability if it is found to be negligent. I do not have legal training but it's very possible that not taking the relatively simple step of issuing a DNT order could be construed as negligent in some cases.
- *How would a commercial grocery handle this?* I would be surprised if any large retailer didn't at least occasionally have to issue a DNT. I believe it is fairly common in Chittenden County where shoplifting is more organized. I know some Montpelier merchants that have issued DNT orders.
- *I am not aware that any previous council has visited this matter, and I am unaware that either HMC bylaws or policy addresses any of it except to explain that a membership may not be terminated, but a person may be banned from the premises.* I share that perspective. This is a very operational matter that generally falls under Treatment of Shoppers, Treatment of Employees and/or Protection of Assets policies.
- *It strikes me that perhaps the new Council should take this up at some point (and/or delegate it to committee), learn what we need to know, and write/amend policy if it appears needed/appropriate.* I believe the system we have works reasonably well and that additional policy is unlikely to add value. If the Council does want to craft policy in this area, I recommend you leave the authority for such detailed and sometimes challenging decisions with the general manager.

Proposed Update to Communications Committee Charter: Dec. 2022 – Nov. 2023

Current Charter

The primary purpose of the communications committee is to:

- Explore new methods of facilitating communication among members on an ongoing basis.
- Explore new methods of facilitating communication between member-owners and the Council.
- Explore new methods of facilitating communication between member-owners and management.
- Propose and recommend to the Council methods to achieve and implement the proposed communication among member-owners and between member-owners and the Council.

Charter Recommended Updates

The primary purpose of the Communications Committee is to:

- Explore new channels and methods of communication to improve two-way communication between member-owners and council.
- Propose and recommend to the council methods of achieving and implementing these communications.
- Engage council members in communicating about Co-op events and communicating Co-op activities.
- Set and refine goals for measuring member engagement with the council.

Further Communications Committee duties:

- Recommend to the council ways to communicate with the membership about council-driven events such as Annual Meeting, member forums, and events devoted to more open-ended member discussion.
- Create and implement a review process for council-driven event communications and offer practical solutions to communication hurdles.
- Create and present a monthly calendar of Co-op and council events. The committee will request participation from council members as needed.
- Create a timeline and schedule for monthly articles to be written by council members and submitted to Co-op staff for the Co-op's blog and eNews.
 - Coordinate with staff to prepare a list of topics for council members to write about, and set parameters for articles.
 - Assist in recruiting council members to write articles.
 - Follow through with council members to ensure their articles are submitted to staff by deadlines.
- Evaluate committee performance and propose new goals and benchmarks for committee charter for council review annually.

Communications Committee Meeting Notes November 2022

Beth Burgess, Jess Knapp, Eva Schectman (notes), Rowan Sherwood, Chris Whalen

Not in attendance: Andrew Sullivan

October Notes approved.

Charter Update

Committee agreed to submit Charter Update recommendation to Council, several noting they are looking forward to assisting the Council on communicating to the members with writing pieces on the website blog and the eNews. Eva will submit the Charter update recommendation to the Council at the December Council meeting.

Feedback on the Annual Meeting

Chris noted how smooth the meeting went, that it was well organized and very informative. Beth noted the presentations were just the right length to be informative without going on too long and the non-controversial nature of this meeting versus the Special Member Meeting and the presentations and videos made it interesting, too. Rowan was impressed with how many members stayed (about 140 out of the high point of 163) through the whole meeting.

Chris & Beth both wished there were more people in the break out rooms. Beth was the only person in her room and Chris had two in his room, both would have liked more interaction with other members. Rowan noted that 60 of the meeting attendees did not participate in the break out rooms, so there were more rooms than needed and participants were spread too thin. Rowan said they'd work on that so there are more people in each room and fewer break out rooms at the next opportunity the Co-op offers break out rooms at a large virtual meeting. Jess wondered if the break out rooms were worthwhile, given the limited time for Q&A. Eva admitted she wondered before-hand, too, but noted how important it was to offer members a chance to talk with each other when that hadn't been the case for the past two Annual Meetings or the Special Member meeting and how great it was to capture the shared memories and hopes from the members. Rowan said, after the new website is fully up to speed, slated for December 12, that a 50th Anniversary page/blog post may be where those memories and hopes will live.

Next Meeting Monday, December 19, 12 – 1pm, via Zoom



Council Meeting Minutes
November 7, 2022

Present: Eva Schectman, Jen Porrier, Julia Scheier, Steven Farnham, RJ Adler, Lauren Antler, Jeff Roberts, Andrew Sullivan.

Absent: Catherine Lowther, Nick Sivret.

Staff: Kari Bradley, Kendra Mills, Tim Wingate, Jay Wisner

Guest: Amada Sardonis

Facilitator: Eva Schectman

Note Taker: Rowan Sherwood

I. Introduction

1. Welcome: meeting ground rules, agenda review, time allocation, guest policy review 5:30PM

Eva recited the ground rules, announced attendance changes, and reviewed the agenda.

2. Cooperative Community Comments 5:34PM None.

II. Regular Business

3. Consent Agenda 5:35PM Jen motioned to accept the consent agenda. Jeff seconded. The motion passed unanimously.

4. Annual Meeting preparation 5:37PM

Kari updated the Council, stating over 300 members are registered, that the program is more interactive than the last two years, and there is a good agenda.

5. Audit Report 5:40PM

Bruce Mayer of Wegner & Associates delivered the audit report, explaining that this being an audit year, it is more detailed than a review. (Every even year is an audit year, and every odd year is a review year.) The financials

look good – no red flags, the balance sheet is strong, and the current ratio is particularly good. Good liquidity and ability to withstand difficulty. Debt is low. Sales growth is better than average, but tax-related expenses resulted in a slight loss.

Julia requested advice on where the council should focus and opportunities for development. Bruce mentioned Columinate financial seminars, and stated that the biggest concerns are maintaining sales amid increased competition from traditional grocery stores. It's good to scrutinise variances and understand changes.

Steven thanked Bruce and requested clarification where notes receivable had matured, but there is still a number on the books. Bruce explained: They roll over and will continue to pay interest. Kari added that HMC granted a request from Morrisville for an extension, and we need to update the note.

6. JEDI education reflection 5:52PM

Eva requested that folks reflect on questions presented:

1. After reflecting on the JEDI Education over the past year, I

suggest the Council work toward being more inclusive by...

2. To help the Co-op better reflect our vision for Justice, Equity, Diversity and Inclusion, I suggest the Council's next steps be...

Jeff: 1. Having limited experience with the JEDI program, he suggested reflecting on language we use in public statements.

2. Encourage presentations by folks who have never been in the coop.

Jen: 2. Continue Council education by bringing in guests to share their experiences.

Steven: 1. Solicit members of the BIPOC community/undocumented worker community to join the council or serve as staff representative.

2. Consider pressing JEDI knowledge into practice, re: hiring and employee engagement, and the role the co-op plays in the greater community.

Julia: 1. Look at Council meeting structure, timing, and other elements with an equity lens.

2. Engage a consultant to guide the co-op's alignment with its values.

Lauren: 1. Engage in recruitment and participation strategies that include a broader spectrum of the community.

2. Use surveys, talking groups, to poll the membership. Replicating council education for the community.

RJ: 1. Agrees with what Steven said – Provide opportunities for folks with different experiences to serve on the council.

2. Make JEDI opportunities available to other folks in the co-op structure. Encourage members and employees, through lunch and

learns. Expand the education model used by Council. Focus on topics other than race, e.g., disability, and less obvious sources of bias.

Andrew: Draw more people into the building – providing space for organizations that already exist, offer programs for the public. Make the co-op a place where people gather. Host events and educational programming. Hire a lobbyist.

Jay: 1. Develop more comfort around holding difficult conversations.

2. Engage in outreach to underrepresented groups - especially low-income.

Kari: 1. Focus on fundamentals of good meeting practice. Plan for learning – keep moving forward.

2. Broaden the conversation – have JEDI discussions with more members and staff, plan an event with an educational component. One topic could address product mix and price.

Rowan: Echoed the idea of including other voices and opening the co-op as a gathering place.

Eva read Elly's contribution: 1. Actively recruit members with diverse backgrounds by personal invitation. 2. Brainstorm action steps, and create a system of accountability to uphold those agreements.

Eva added: Incorporate JEDI language into ends policy, and then thanked everyone for their contributions.

7. Labor contract ratification 6:14PM

Kari provided an overview - it was challenging - with over 25 sessions of bargaining. He thanked the local for a far less adversarial, more constructive process

that led to positive outcomes. The biggest changes involve the discipline process, adding a provision for mutual resolution prior to discipline. Large premium rate increases led to changes to the medical insurance program. In year 3, full-time employees *may* contribute to medical insurance premiums. An increase in wages was needed for individuals and for the co-op to be competitive in the labor market, but it will be challenging to absorb. The union will vote to whether to ratify this week. Kari recommends the council ratify. He asked if there were any questions.

Steven: He thought the employee discount was already at 20%. And he asked for clarification on bereavement leave. Kari explained that the employee discount was increased to 20% at the beginning of COVID and this new agreement will make that permanent. Recognizing that family structures aren't all the same, we expanded the list of people for whom an employee can qualify to receive bereavement leave. Employees can request it for anyone they are close to, and HR can make the determination. Steven suggested it read other individuals instead of relatives – Kari agreed.

Jeff asked if we step back from the particulars of this agreement – what was learned that would contribute to a smoother negotiation in the future? Andrew thinks the best part is the return of housekeeping meetings. Kari clarified that previously, housekeeping meetings were problem solving meetings, designed to engage two parties in identifying shared issues and solutions. Coming out of this, the union requested the restart of that process – and management is thrilled about it. The big takeaway was being very up front about our interests and trying to come up with

creative solutions. It can be difficult, but it doesn't need to be adversarial.

Jeff moved to ratify. Steven seconded. The motion passed unanimously.

8. Monitoring Report: L8 Communication to and Support of the Council 6:25PM

RJ moved to accept the report. Julia seconded.

Discussion: Kari commented that he takes this very seriously and is always open to feedback on how we can make things better. There was an ask for a shared folder online for council documents and Kari said that can be done. Kari reported there is still a lingering non-compliance with L2 evaluations lots of progress has been made. With only ≈5 left, compliance should be achieved by December.

The motion to accept the monitoring report passed unanimously.

*****BREAK*****6:29PM 10 minutes

III.Special Business

9. Annual Meeting Prep 6:40PM Kari asked if there were any questions. Steven appreciated the talking points prepared for questions. Eva encouraged council members to attend pre-meeting and post-meeting roundtables. She explained that the moderator will distribute questions, but unless someone has a very specific question, most council members won't have to answer questions during the meeting.

10. Finance Committee/401K Oversight Recommendation 6:44PM

Kari thinks a smaller group can provide even better oversight to the employee retirement plan. His memo lays out the research behind his recommendation. The finance committee

does not have ongoing work other than 401K oversight, and the full finance committee does not add the value it once did. Regarding the proposed oversight committee, Steven recommended the “other person with subject matter expertise,” be selected by Council rather than the GM. Kari sees it as a staff function and is open to suggestions. Steven retracted his comment. Andrew proposed an additional person to the committee delegated by the GM, and also suggested the union could propose someone. It would be beneficial for the local to educate themselves on what other locals do. They could reach out to national union reps for this.

Julia – in relation dissolving the finance committee – there is need for Council to receive training on financials specific to our co-op. Eva supported this.

Steven agrees training would be helpful, and commented that if you are not using this knowledge regularly, it is easily lost. It would be good to have someone review the monitoring reports who knows what they are looking at. Maybe a council member, maybe an ad hoc consultant to the council. He also requests that these things be broken into two parts for voting. Eva said there is no vote on this tonight. Eva asked what are next steps.

Kari recommended moving forward with the 401k committee – and would like a vote if that is what is needed. **Eva moved that Kari establishes a 401k oversight committee. RJ seconded.** Andrew supported making this committee and thinks the union member should be treated like the staff rep. Steven clarified that this vote is only to form the new 401k committee, not dissolve the finance committee. That was confirmed. **Ayes 7, Nays 1. The**

motion to form the 401k committee was approved.

11. Carbon Neutrality recommendations 7:07PM Amanda addressed the recommendations in Catherine’s absence. Steven thanked the committee for its work. He then expressed a few concerns. While induction cooktops sound great, we don’t yet know if they will meet the kitchen's needs. We need to make sure that the recommendations work for the departments they affect. Being carbon neutral on paper is different than being carbon neutral in reality. Consider shopper emissions - would home delivery reduce this?

Kari noted that this report concludes the obligations set out in the committee’s charter. He said Steven is correct - research is needed to ensure that recommendations fit operational needs. Eva asked if the CNC is done now that they have delivered. Kari replied in the affirmative regarding the current charter. The committee needs to discuss what’s next. Amanda said they will focus on evaluating a new charter in next meeting.

12. Governing Policy Updates 7:16PM Julia started by sharing that the bylaw changes led to some adjustments in governing policies. **Jeff moved to accept. RJ seconded.**

Discussion: Steven asked why, on page 63, was the last sentence stricken – it's not in the bylaws. Why would the council require someone with persistent conflicts to resign? This requirement is not in the bylaws and they can recuse themselves. Steven asked that council’s and spouses’ discounts remain in policy. Steven wants to amend now or vote on it next month.

Kari said that the bulk of council compensation is in the yearly budget, which is something the council votes on annually. Steven wants the discount piece to remain in the policy and not be subject to yearly negotiations. Lauren asked if we would have to vote on this policy each year if you put specifics into it? Kari said yes. Steven still thinks discount should be permanent. Lauren reiterated that the compensation has improved and is more detailed – it includes spouse discount and other things. Jeff asked if the bylaws address Council receiving discounts. There may be times when we need to be more frugal. Lauren said it's important to note that inclusivity could address spouses' receiving benefits.

Steven suggested postponing the vote. **Jeff withdrew the motion.** Julia asked if she and Kari should work on it more. The group agreed they should.

13. Council Self-evaluation 7:31PM

Eva asked the group for their most pertinent feedback for the current council and the next council.

- Andrew focused on moving back to in person meetings – both for the council and for Annual Meeting. He noted attendance at council meetings is down and attributed that to meetings virtually.
- Jen – the main thing the comments made clear is the need to meet in person at least every other meeting. She thinks it would alleviate a lot of frustration.
- Julia – noticed the organization of meetings and how that creates culture. She thinks culture building can be done virtually. Cultivating shared values, bonding and connecting are the key elements. She wondered how to build

excitement for what we are doing. How can the retreat be structured to encourage more connection?

- Lauren – Agrees with Julia – added that in the spirit of accessibility and inclusivity she continues to advocate for online options. Thinks we can honor the need for connection while also being on Zoom. The survey calls for creativity in how to structure it so that it can happen for all folks.
- RJ – noted that at least two folks did not recommend joining this council. That says a lot. Does not think that Zoom makes something universally accessible. It works better for some but not for all. Not a ramp. Sticking to old rules is getting us stuck.
- Jeff – agrees that Zoom lacks something in terms of quality of connection. Appreciates ideas for changing how we do things. How to address the bigger issues? We get bogged down in detail. Wants to think about the bigger picture. He was surprised at some of the responses, esp. to JEDI topic – wants to see it as a blueprint for moving forward.
- Steven – noted that the Likert scale responses skew positive but the comments skew negative – and finds that interesting. He wondered why we are still doing virtual meetings? He noted that most folks are not still isolating completely, and that the co-op is an outlier in this practice. Steven noted in Catherine's absence, she has advocated for Zoom access in the past, and may still feel it is necessary.
- Kari – Noted a lot of positive things coming out of the survey. And he doesn't disagree with anything that has been said. Noted improvements

to process that came with a lot of intentional changes.

- Julia replied to RJ’s comment and said that for some Zoom is a ramp. It’s not the only thing in terms of accessibility, but it meets the need to support folks with health concerns without requiring them to make them public.

14. Other Business 7:48PM WIP (Work In Progress) Proposed Charter: Steven requested the group approve the proposed charter for the WIP committee, noting that italicized portion is extraneous, and should be stricken before the vote. Eva had suggestions – it’s a two-year charter but all charters will be reviewed annually. She noted that if they meet at the end of November there won’t be a chance to present anything until January. She suggested that they aim to prepare something about the retreat for the January packet. Steven agreed – scheduling was a problem and they have not yet agreed on a new meeting time. Whether it works for this time or not, going forward they will plan to meet earlier in the month. **Steven moved to accept the charter with amendments to strike italics and make it a one year charter. Jeff seconded. The motion passed unanimously.**

15. Wrap-up: Action items, calendar, meeting evaluation, future agenda items 7:55PM

Steven appreciated Eva juggling roles. Jen liked ideas for moving forward on JEDI matters. Andrew agreed.

Kari – good year end and planting seeds for next year.

Kari acknowledged outgoing council members. Cards will be at the service desk for folks to sign.

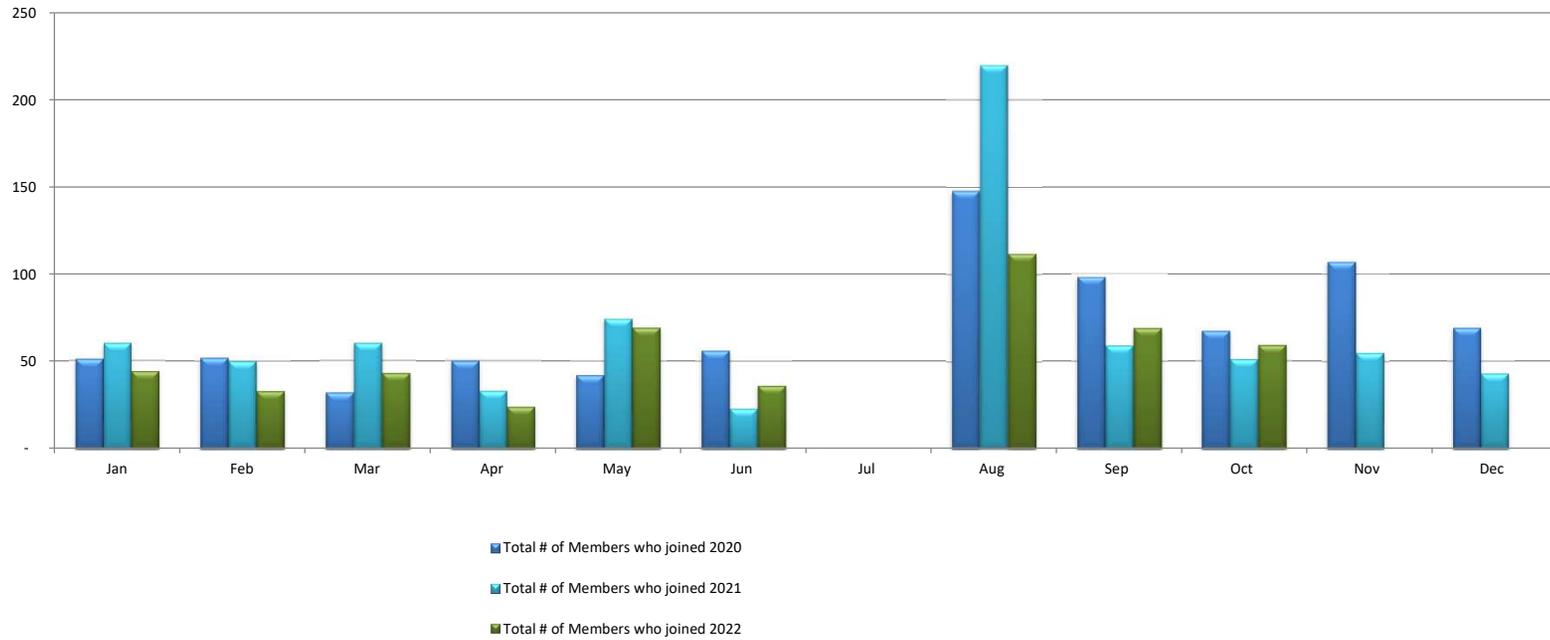
Jeff moved to adjourn. Steven seconded. The motion passed unanimously. Meeting adjourned at 8:05PM

Action Items		
What	Who	✓
Revise Governing Policy updates	Kari & Julia	
401k Oversight Committee	Kari	
Add Shanda and Beth to Committee	Kari	
New Council Orientation	Staff	
Shared Council Folder	Kari	
Finalize WIP Charter	Kari	

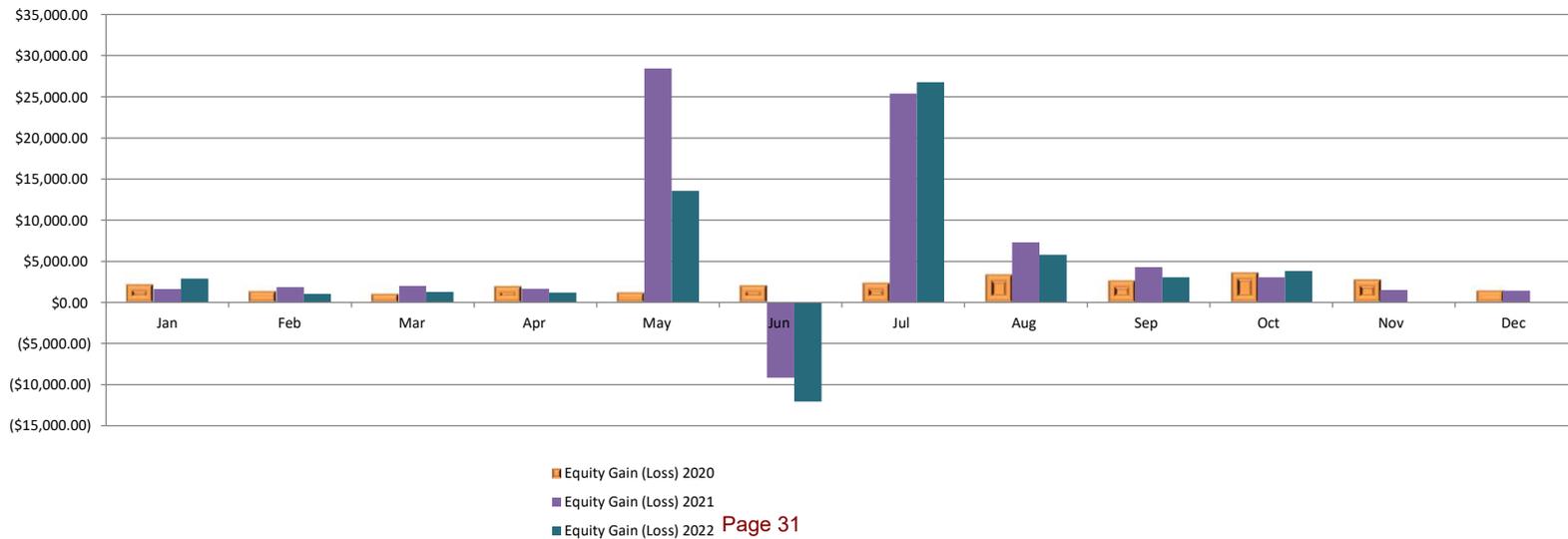
Membership and Equity Monthly Report CY2020 - CY2022

2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2020
Total # of Members who joined 2020	51	52	32	50	42	56	na	148	98	67	107	69	772
Members in good standing	9,336	9,418	9,466	9,528	9,579	9,638	na	9,788	9,894	9,965	10,075	10,149	
As of Date	1/31/2020	3/2/2020	3/31/2020	5/1/2020	5/29/2020	6/22/2020		8/28/2020	10/5/2020	10/30/2020	12/4/2020	12/29/2020	
Submitted Refund Request	2	3	1	1	1	1	na	4	-	3	3	1	20
Total \$ Submitted Refund Requests	\$360.00	\$210.00	\$180.00	\$60.00	\$180.00	\$180.00	\$0.00	\$225.00	\$0.00	\$345.00	\$420.00	\$180.00	\$2,340.00
													-
Total \$ Paid Out/Donated	(\$480.00)	(\$360.00)	(\$210.00)	\$0.00	(\$240.00)	(\$360.00)	\$0.00	\$0.00	(\$225.00)	\$0.00	(\$345.00)	(\$600.00)	(\$2,820.00)
Total \$ Paid In	\$2,657.11	\$1,732.88	\$1,255.35	\$1,965.57	\$1,441.36	\$2,437.08	\$2,370.30	\$3,368.71	\$2,866.92	\$3,593.63	\$3,100.00	\$2,040.00	\$28,828.91
Equity Re-classed to Income per By-Law													(\$23,134.03)
Equity Gain (Loss) 2020	\$2,177.11	\$1,372.88	\$1,045.35	\$1,965.57	\$1,201.36	\$2,077.08	\$2,370.30	\$3,368.71	\$2,641.92	\$3,593.63	\$2,755.00	\$1,440.00	\$26,008.91
YTD Rolling Equity Gain (Loss)	\$2,177.11	\$3,549.99	\$4,595.34	\$6,560.91	\$7,762.27	\$9,839.35	\$12,209.65	\$15,578.36	\$18,220.28	\$21,813.91	\$24,568.91	\$26,008.91	
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2021
Total # of Members who joined 2021	60	50	60	33	74	23	na	220	59	51	55	43	728
Members in good standing	10,216	10,273	10,338	10,376	10,454	10,473		No Data	9,239	9,383	9,508	9,601	
As of Date	1/27/2021	2/26/2021	4/2/2021	4/30/2021	6/8/2021	6/25/2021			10/1/2021	10/29/2021	12/3/2021	12/31/2021	
Submitted Refund Request	2	1	3	5	11	2		8	4	4	4	1	45
Total \$ Submitted Refund Requests	\$195.00	\$30.00	\$210.00	\$570.00	\$630.00	\$75.00		\$884.15	\$180.00	\$240.00	\$525.00	\$180.00	\$3,719.15
													-
Total \$ Paid Out/Donated	(\$180.00)	(\$15.00)	(\$30.00)	(\$210.00)	(\$555.00)	(\$630.00)	(\$75.00)	(\$435.00)	(\$449.15)	(\$180.00)	(\$240.00)	(\$525.00)	(\$3,524.15)
Total \$ Paid In	\$1,775.00	\$1,844.98	\$2,046.13	\$1,893.46	\$28,992.58	\$13,084.55	\$25,461.99	\$7,729.62	\$4,745.15	\$3,237.96	\$1,745.68	\$1,971.34	\$94,528.44
Equity Re-classed to Income per By-Law													(\$21,627.01)
Equity Gain (Loss) 2021	\$1,595.00	\$1,829.98	\$2,016.13	\$1,683.46	\$28,437.58	(\$9,172.46)	\$25,386.99	\$7,294.62	\$4,296.00	\$3,057.96	\$1,505.68	\$1,446.34	\$69,377.28
YTD Rolling Equity Gain (Loss)	\$1,595.00	\$3,424.98	\$5,441.11	\$7,124.57	\$35,562.15	\$26,389.69	\$51,776.68	\$59,071.30	\$63,367.30	\$66,425.26	\$67,930.94	\$69,377.28	
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD 2022
Total # of Members who joined 2022	44	33	43	24	69	36	No Report	112	69	59			489
Members in good standing	9,684	~9,700	9,790	9,838	11,079	11,108	Run	9,056	9,325	9,495			
As of Date	2/4/2022	3/4/2022	4/1/2022	5/2/2022	6/3/2022	6/27/2022		8/26/2022	10/3/2022	11/4/2022			
Submitted Refund Request	4	6	6	6	8	4	-	15	3	5			57
Total \$ Submitted Refund Requests	\$555.00	\$782.50	\$750.00	\$1,080.00	\$465.00	\$375.00		\$1,795.00	\$240.00	\$230.00			\$6,272.50
												Est.	-
Total \$ Paid Out/Donated	(\$180.00)	(\$555.00)	(\$782.50)	(\$600.00)	(\$1,080.00)	(\$585.00)	(\$375.00)	(\$1,795.00)	\$0.00	(\$240.00)			(\$6,192.50)
Total \$ Paid In	\$3,066.52	\$1,604.98	\$2,030.08	\$1,800.00	\$14,634.65	\$14,738.59	\$27,127.56	\$7,588.12	\$3,075.11	\$4,039.67			\$79,705.28
Equity Re-classed to Income per By-Law													(\$26,208.97)
Equity Gain (Loss) 2022	\$2,886.52	\$1,049.98	\$1,247.58	\$1,200.00	\$13,554.65	(\$12,055.38)	\$26,752.56	\$5,793.12	\$3,075.11	\$3,799.67	\$0.00	\$0.00	\$47,303.81
YTD Rolling Equity Gain (Loss)	\$2,886.52	\$3,936.50	\$5,184.08	\$6,384.08	\$19,938.73	\$7,883.35	\$34,635.91	\$40,429.03	\$43,504.14	\$47,303.81	\$47,303.81	\$47,303.81	

Members Who Joined



Net Equity Gain \$ (Loss)





Introduction Financial Statements Quarter 1 Fiscal Year 2023

Beginning this month, staff will email our quarterly financial statements separately from the Council packet so that our financial information is not posted to the Co-op website. It is not considered best practice to make such specific financial information available to the general public.

This month's report includes our financial statements (balance sheet, income statement and cash flow report) for the first quarter (July-September) of our fiscal year. As this is the first financial report of the new Council year, staff will offer a very high-level presentation including an introduction to each of the statements. There will be time for questions about the content of the report, but we will also take a few minutes to consider what financial training individuals and/or the team would like to pursue.

Here is a very brief summary of the three financial statements from Mark Goehring's 2007 article "Balance Sheets: Getting the Picture of Your Co-op's Financial Position".

***Income Statements** (also referred to as Profit and Loss, or Operating Statements) are meant to capture all that is necessary to get to the bottom line—net profit or net income. This report shows sales, cost of sales, expenses and profit for a period of time (week, month, quarter, year, etc.) and then starts over for the next reporting period.*

*A separate **Cash Flow Statement** is used for the management or reporting of cash flow, showing sources and uses of cash flowing through the organization. The "bottom line" of each of these statements is linked to and appears on the Balance Sheet (ending cash becomes cash on hand, and net income becomes or is added to current earnings).*

*Hence, the **Balance Sheet** shows the co-op's overall financial condition at a given point in time. The balance sheet shows what the co-op has and where it came from.*



December 2022 Monitoring Report

Prepared by Kari Bradley, General Manager

I am reporting compliance with all parts of the L5 and L7 policies.

I certify that the information contained in this report and attachments is true.

Signed:

A handwritten signature in black ink, appearing to read "K. Bradley", is placed on a light blue rectangular background.

Note: Changes to the operational definitions/ interpretations since last L5/L7 report presented to the Council are indicated by *italics/underline* typeface.

Attachments: Financial Statements for Quarter 1 Fiscal Year 2023 (unaudited), Insurance Broker Letter 2022

Available Upon Request: HMC Employee Handbook, 2019-2022 Labor Agreement, Co-op Safety Manual, FY2022 Audited Financial Statements

Policy Type: **Executive Limitations** Policy Title: **L5 Financial Condition**

Actual financial conditions and performance shall not place the Cooperative in fiscal jeopardy or leave it financially unprepared for future opportunities.

Interpretation/Operational Definition, Short-Term:

“Actual financial conditions and performance” mean as reported in internally prepared quarterly financial statements. “Fiscal jeopardy” means violation of loan or contract agreements or failure to meet specific benchmarks while “financially unprepared for future opportunities” means failure to meet other benchmarks. Specifically:

Fiscal Jeopardy Benchmarks:

- A CoScore of at least 40 on the most recent CoMetrics report of NCG food co-ops. The CoScore is a number used to indicate financial performance with particular emphasis on income statement metrics. The CoScore is calculated using a formula incorporating sales growth, earnings, expense control and Turns x Earns.
- Current Ratio of at least 1.3 to indicate sufficient liquidity to meet short term financial obligations.
- Liabilities to Equity ratio of less than 4.0 to indicate sufficient solvency to meet long term obligations.

Preparedness for Future Opportunities Benchmarks:

- A CoScore of at least 50 from the most recent CoMetrics report.
- Current Ratio of at least 1.5 to indicate ability to withstand reduction in liquidity.
- Liabilities to Equity ratio of less than 2.0 to indicate ability to withstand reduction in solvency.

Data: Co-op compliant with all but all benchmarks and there have been no violations of loan or contract agreements. I am reporting compliance.

	Fiscal Jeopardy Benchmark	Preparedness Benchmark	FY2023Q1	Compliant?
CoScore	>40	>50	57	Yes
Current Ratio	>1.30	>1.50	3.20	Yes
Liabilities to Equity	<4.00	<2.00	0.44	Yes

Accordingly, the General Manager shall:

L5.1 Not cause or allow the organization to incur indebtedness other than trade payables incurred in the ordinary course of doing business and/or leases for equipment required in the ordinary course of doing business, except as authorized by the Council.

Operational Definition/Interpretation:

Management may not incur new indebtedness without Council approval except as trade payables, ordinary credit lines, and leases for equipment necessary in the ordinary course of business. Compliance will be achieved if no new indebtedness appears on the balance sheet other than those described above. The general manager will make a determination of compliance quarterly based on unaudited financial statements.

Data:

A “No” below indicates no new indebtedness as described above, and compliance.

Q1-FY23	Q4-FY22	Q3-FY22	Q2-FY22
NO	NO	NO	NO

Note: The Council approved the following liabilities, or potential liabilities, that are still active. Items 1 and 2 are listed on the co-op’s balance sheet. FYI: The table below also compares interest rate and a current rate, Federal Home Loan Board 10 year plus 1.35%.

Summary of Co-op Indebtedness- Oct. 2, 2022

Item		Date of Council/ Member approval	Original Loan Amount	Total Loan Amount* 10/2/2022	Interest Rate %	FHLB 10yr Interest Rate +1.35%
1	Northfield Savings Bank	February 2022	\$500,000	\$462,537	3.25%	6.23%
2	NCGA – contingent liability	November 2006	The Council approved the contingent liability that may arise from participation in the joint purchasing agreement. The current value is \$32,145, which we treat as an asset.			N/A

*Note: includes current portion of the loan

Accordingly, the General Manager shall:

L5.2 Not cause or allow circumstances that would result in the Cooperative being in violation of the terms of its loans, its tax liabilities, and/or its other contractual obligations.

Operational Definition/Interpretation:

- A. Loans are anything listed as “Notes Payable” or “Long-Term Debt” on our Balance Sheet. They are considered settled in a timely manner if we make payments according to the note as evidenced our not receiving notice of a past due payment or letter of violation of loan covenant.
- B. Contractual obligations are agreements between the co-op and another party. Contracts will be honored by timely payment and if we do not receive notice that our payment is past due.
- C. Co-op will remain current with all federal, state and local tax obligations, including state unclaimed property rules. In consultation with our finance manager, the general manager will make a statement as to our various obligations.

Data:

- A. Loans: We received no past due notices or letters in recent history.
- B. Contracts: We paid all contract obligations according to terms this reporting period. We received no notices of late payment for any contracts.
- C. Taxes: According to the co-op’s finance and general managers, the co-op is current with all tax obligations:
 - All 941/940 (payroll tax withheld) deposits by Paylocity (payroll service) have been verified and tied to the payroll. The CARES act is allowing us to defer the payment of the employer’s portion of Social Security. The total amount is \$129,939 and is due 12/31/2022.
 - All City of Montpelier property and equipment taxes are paid and current.
 - All State Withholding deposits have been made and Returns File by Paylocity.
 - All Vermont Sales and Use, and Rooms and Meals are current and paid.

Accordingly, the General Manager shall:

L5.3 Not allow financial record keeping systems to be inadequate in detail, accuracy, or timeliness, or to be out of conformity with Generally Accepted Accounting Principles (GAAP).

Operational Definition/Interpretation:

The Manager will provide financial information such that the Council is informed of the co-op's financial condition and able to fulfill its fiduciary duty. Specifically, this means:

1. Quarterly statements and financial condition monitoring reports are acceptable to the Council for prior year.
2. A qualified third party from outside the organization will audit the co-op's accounting systems at least once every two years to a level of depth necessary to provide an opinion regarding compliance with GAAP. Compliance will be achieved if the auditor provides a "clean" or unmodified opinion letter regarding conforming to GAAP.

Data:

1. The four prior financial statements were presented on time and received no significant criticisms internally or externally and the four prior L5 monitoring reports were accepted by the Council.
2. The Co-op alternates between an audit and a review of financial statements each year. The FY2022 financial audit found no material modifications that should be made for them to be in accordance with GAAP.

Accordingly, the General Manager shall:

L5.4 Not fail to report to the Council at least quarterly on financial condition, net income, sales growth, and member equity in the context of industry benchmarks and/or operating plan targets.

Operational Definition/Interpretation:

The manager must report quarterly on key metrics to allow the Council to monitor financial performance. Benchmarks have been established for both fiscal jeopardy and for preparedness for future opportunities.

Data:

See top level policy and L5.3

Policy Type: **Executive Limitations** Policy Title: **L7 Asset Protection**

Assets shall not be inadequately maintained, unnecessarily risked, or unprotected.

Operational Definition/Interpretation: As trustees of our Cooperative's assets, our management team must have in place policies, procedures, insurance and other measures necessary to avoid unnecessary losses or undue risk to our enterprise. Criteria for adequate protection of Co-op assets has been fully specified by the Council in the following sub-policies. Compliance will be achieved when compliance is established for the sub-policies, L7.1-L7.11

Data: See below, L7.1 – 7.11

Accordingly the General Manager shall:

L7.1 Not allow equipment, facilities and inventory to be inadequately insured against replacement, including coverage for any losses incurred due to business interruption.

Operational Definition/Interpretation: The Co-op must maintain insurance adequate to protect against loss of assets and significant business interruption. Specifically:

1. The Co-op will have in place insurance that will cover at least 90% of the replacement value of Co-op's fixed assets and inventory. Compliance will be demonstrated by a comparison of coverage with:
 - current book value, based on purchase value and accumulated depreciation
 - an estimated replacement value based on a recent valuation performed by a credible source.
2. The Co-op must carry business interruption insurance sufficient to cover reasonable expenses for up to 6 months of closure.
3. Additionally insurance carriers must have a Financial Strength rating of "A" or better as determined by a third-party rating service.
4. A reliable professional must assess the insurance coverage and find it to be adequate.

Data:

1. Compliance detailed in following table.

Summary of Insurance Coverage- October 2022

Item	Book Value	Est. Replacement Value	Amount of coverage	Compliant?
Inventory	\$566,835	\$570,000	\$2.8 million*	Yes
Machinery and Equipment Net of Depreciation (Includes Solar)	\$1,276,313	\$1.25 million	\$2.8 million*	Yes
Building and Site Improvements net of Depreciation	\$2,121,754	\$5.2 million	\$5.2 million	Yes

*Notes: Inventory and machinery and equipment covered by a business personal property policy with single maximum coverage limit for both. Patriot Insurance calculated replacement value last in early 2022 and an annual inflation factor will be applied annually until next valuation.

2. The Co-op carries business income insurance up to \$2.5 million through Patriot Insurance Company, which management judged to be adequate based on an analysis supported by our broker.
3. The above insurance policies are covered by Patriot Insurance Company which received an "A" rating (excellent) from A.M. Best Rating, signifying compliance.
4. This month our insurance broker Brian Aitcheson of Dennis, Ricker and Brown assessed our insurance coverage and found it to be adequate. See attached broker letter.

Accordingly the General Manager shall:

L7.2 Not allow unnecessary exposure of the organization, staff, or Council members to losses and claims of liability, and shall not fail to operate without reasonable and customary liability insurance against such losses and claims.

Operational Definition / Interpretation: “Unnecessary exposure” is insurable risks that could have been prevented by knowledge of and adherence to labor laws and personnel regulations, safety procedures for staff and customers, and all employment policies and procedures of the co-op. Compliance will be achieved by demonstrating that the co-op has written policies regarding personnel and safety issues; and adequate liability insurance, including director’s and officer’s liability.

Specifically, compliance for this policy will be achieved by evidence that:

1. Policies: The co-op has written policies regarding harassment, equal opportunity, progressive discipline, and safety.
2. Insurance: Insurance coverage for general liability, directors and officers and fiduciary liability is deemed sufficient by co-op’s insurance brokers. Additionally, insurance carriers must have a financial strength rating of “A” or better as determined by A. M. Best Rating.
3. A system for protecting the co-op’s retirement benefits plan. Specifically, the system will include identification and education of fiduciaries, a qualified third-party administrator, an annual review of plan performance, and insurance to protect the fund.

Data:

1. Policies: The co-op’s employee handbook details policies for harassment, equal opportunity and progressive discipline and is scheduled for an update this fiscal year including a legal review. The Safety Manual details all of the aspects of the co-op’s safety program.
2. Insurance: The co-op carries the specified coverage and was deemed customary and reasonable by the co-op’s insurance broker, as stated in their 2022 letter.

Summary of Liability Insurance Coverage December 2022

Type	Individual Occurrence	Aggregate Limit	Carrier	Rating	Compliant?
General Liability	\$1,000,000	\$4,000,000	Patriot	A	Yes
Workers Compensation	\$100,000	\$500,000	A.I.M.	A	Yes
Employment Practices Liability	\$500,000	\$500,000	Cincinnati	A+	Yes
Director & Officer	\$1,000,000	\$1,000,000	Cincinnati	A+	Yes
Fiduciary	\$1,000,000	\$1,000,000	Cincinnati	A+	Yes

3. Retirement plan- The Co-op's 401k plan meets each of the criteria:
 - a. The Retirement Plan Committee, HR Manager and advisor (Hickok & Boardman) serve as fiduciaries for the Co-op's retirement plan and have been informed of their duties. We meet twice annually, document our meetings and actions thoroughly and ongoing education is provided as part of our review.
 - b. The co-op contracts Acensus as its third-party administrator.
 - c. Co-op finance committee reviews performance, expenses and diversification twice annually.
 - d. The co-op holds fiduciary insurance coverage of \$500,000 for the plan.

Accordingly the General Manager shall:

L7.3 Not allow purchasing practices that present opportunities for any staff member to exploit the co-op's resources for personal gain, or to damage the co-op's integrity or finances.

Operational Definitions / Interpretation:

Co-op assets are protected via a complete set of purchasing controls for all aspects of purchasing, including products for resale, supplies and capital items. Wholesale purchases are monitored such that inventory levels are consistent with sales growth and cash flow needs. Compliance will be achieved by evidence that:

1. The existence of purchasing policies that address conflicts of interest and limit the amount of non-inventory purchases.
2. No material violations have occurred. Material violations are those that, according to existing procedure, require an employee be placed on probation or terminated due to the violation, or are included in the annual audit.
3. Monitoring of retail inventory by product category on a quarterly basis and the value of retail inventory (for individual categories and in the aggregate) must not increase more than 15% for the most recent 12-month period, unless as a result of planned business activity.

Data:

1. The Co-op's employment policies address conflicts of interest and gifts for personal use and limit the purchase of supplies and capital items according to employee's position and level of responsibility.
2. No material violations with respect to purchasing to report.
3. A physical inventory count is taken quarterly and reported on a category basis. Managers and buyers review overall inventory levels and average annualized inventory turns regularly. The total inventory of retail products (listed on balance sheet) decreased 1.4% from end of Q1FY2022 to Q1FY2023.

Accordingly the General Manager shall:

L7.4 Not allow receipt, processing, or disbursement of funds under controls insufficient to meet the standards of an auditor appointed by the Council, regardless of the frequency of actual audits scheduled by the Council.

Operational Definitions / Interpretation: Financial controls acceptable to independent auditor. Compliance will be achieved by lack of significant criticism regarding receipt, processing or disbursement of funds in auditor's notes or management letter.

The co-op will have procedures for security of cash handling and will have no significant losses due to inadequate security, regardless of the findings of an auditor. Specifically:

1. The co-op has written policies and procedures in place to protect against loss of cash due to employee theft or error.
2. No significant cash-handling losses will occur during the period since the last reporting of L7. In judging the degree of significance, the General Manager will consider the amount of losses and the intentions of the people involved.
3. The co-op will document all known losses, and respond appropriately to all significant losses, to include informing the Council President and/or the Council as a whole as appropriate.

Data:

(Audit) There were no significant criticisms or material deficiencies in FY2022 financial audit.

(Procedures/Losses)

1. Front End Department has training materials and cash accountability policy that describes co-op's policies regarding cash handling, available upon request. Systems for tracking cashier overages/shortages and ensuring accountability exist. Finance department also provides strict written guidance for depositors.
2. There were no significant cash-handling losses of funds in the past quarter.
3. Co-op documents losses daily through cashier declarations which are independently verified by depositor and resulting over-short reports. Losses due to theft and/or policy violation are documented through the co-op's personnel records.

Accordingly the General Manager shall:

L7.5 Not operate the organization with inadequate security that unnecessarily risks theft, loss, or damage to property, building, and equipment.

Operational Definitions/Interpretation: Co-op must have in place written policies, systems and procedures that reasonably minimize the risk to co-op property. Compliance will be achieved by demonstration that co-op has:

1. Written policies for prevention of shoplifting and backroom theft
2. A security alarm system
3. A security camera system
4. Basic fire prevention and emergency response policies and procedures
5. No material losses due to theft or damage from the past quarter.

Data:

1. (Theft policies) The co-op's employment policies contain sections that cover store security, shoplifting, robberies, and employee purchases. Receiving department policies address backroom theft liability, including potential vendor theft.
2. (Security alarm system) The co-op employs a security alarm system for protection against fire, refrigeration failure and break-ins.
3. (Security camera system) We also employ a digital security camera system (with currently 27 cameras) which monitors the front end and deli cash registers, the exit/entrances, our back room and the cash room.
4. (Fire prevention and response) The co-op's safety manual describes fire prevention, response and evacuation procedures; all employees regularly receive retraining in fire response and evacuation. Co-op fire detection and sprinkler systems up to code and tested annually.
5. (Losses) There are no material losses to report.

Accordingly the General Manager shall:

L7.6 Not fail to utilize current best practices to secure all deposits against any bank loss, and not fail to protect any invested cash by accepting only the lowest reasonable risk of loss.

Operational Definitions/Interpretation: The co-op’s funds should be fully insured with limited exceptions. Compliance will be achieved by evidence that all cash holdings and investments are less than \$250,000 (FDIC limit); or a) in a single primary checking account that contains less than three weeks of average sales in the previous two quarters; b) invested in or backed by Treasury securities; or c) are Council-approved investments in other cooperatives. Note: Interpretation for primary account changed in consultation with Finance Committee.

Data: All accounts below thresholds and I am reporting compliance.

Summary of Co-op Funds Oct 2, 2022

Institution	Amount Deposited	Amount Insured	Notes	Compliant?
NSB	\$1,043,265	\$250,000	<\$1,570,000 (3 weeks of average sales)	Yes
TD BankNorth	\$152,492	\$250,000	FDIC- Insured	Yes
People’s	\$247,719	\$250,000	FDIC	Yes
Community National	\$217,646	\$250,000	FDIC	Yes
VSECU	\$249,813	\$250,000	NCUA	Yes
Treasury Securities	\$2,740,219	\$0		Yes
Co-op Fund of New England	\$139,804	\$0	Council Approved Jan 04	Yes
Investments in various Co-ops	\$58,589	\$0	Council approved	Yes
Equity in various Co-ops	\$9,271	\$0	Per investment policy	Yes
VT Comm. Fund	\$104,082	\$0	Council Approval Oct 2018	Yes

Note: Cash balance on balance sheet includes cash in drawer not listed in table and does not include CFNE and HELP account. “Investments in co-ops” does not include investments in NCG, Fedco and Frontier which are required in order to do business with those co-ops.

Accordingly, the General Manager shall:

L7.7 Not fail to secure data; intellectual property; files; and staff, member-owner, and customer personal information against loss, theft, or damage.

Operational Definitions/Interpretation: Sensitive co-op information is provided adequate protection. Specifically:

1. Sensitive paper records will be kept in locked files.
2. Member-owner contact and purchasing information is secure.
3. Electronic records will be regularly backed-up.
4. Access to sensitive co-op information will be determined and restricted by job description.
5. Precautions will be in place to protect key intellectual property.
6. Credit/debit transaction will be PCI (Payment Card Industry) compliant.
7. A training program for internet security awareness is provided to all key employees.
8. There will be no reports of failure to protect data in the past year.

Data:

1. Personnel files and other sensitive documents are stored in locked file cabinets with keys provided to designated employees.
2. Individual Member data available to limited staff and never provided to outside parties. In addition to basic contact information, we are now collecting member birthdates but not social security numbers.
3. Electronic server data are backed up nightly to external hard drives and data cartridges which are stored offsite for up to two weeks. Some data is also backed up to the cloud.
4. Personnel information limited to general manager and human resources staff with some access provided to department managers, payroll staff and union officers upon request. Sensitive financial documents available to only senior finance department staff and the general manager.
5. We judge that the co-op has no intellectual property considered to be at risk.
6. The co-op is fully PCI-compliant.
7. The co-op uses KnowBe4 service to train employees in detection of email threats including initial training, weekly reminders and periodic tests for managers, buyers and HR and payroll personnel.
8. There have been no reports of data breaches in the past year.

Accordingly, the General Manager shall:

L7.8 Not fail to exercise due diligence in negotiating and executing contracts with third parties and employees.

Operational Definitions/Interpretation: Due diligence will mitigate risk to the Co-op assets when entering into contracts, especially those valued at greater than \$5000 per annum. Our investigation and evaluation may include management team, legal counsel, industry experts, co-op peers and consultants and others as necessary. Compliance will be demonstrated by documentation of process and key factors involved in contract decision-making.

Data: The Co-op does perform due diligence in researching options prior to entering contracts typically including competitive bidding and legal review when appropriate. The following table provides basic information about the process and people involved for a sample of the Co-op’s more significant current contracts:

Contract:	End Date:	Involved:
Labor Agreement: UE 255	June 2025	Employee Union, Management Team, Legal Counsel, Council-ratified, considered budgets, industry data, more
Purchasing Contract: UNFI	June 2024	Negotiated on our behalf by NCG with extensive legal review, cost plus pricing, comparisons to other purchasing agreements, evaluation of other potential suppliers, wholesale costs auditable
Payroll Services: Paylocity	No End Date, 60 days’ notice	Negotiated based on previous rates, legal review
Inventory Services: RGIS	No End Date, 30 days’ notice	15+ year relationship with virtually only service provider in area
Linen Service: Foley Services	Feb. 2024	Renewal, considered alternative bids with review by NCG staff
Maintenance Agreement: New England Air Systems	Feb. 2023	Renewal, considered alternative providers, references from other co-ops, Co-op vendor for over 12 years
ECRS License and Maintenance Contract	June 2023	Competitive Bid, Includes Maintenance & Support on POS Catapult plus Gold Service Contract on Hardware, annual auto-renewal with opt-out
Parking: Stonecutters Way City of Montpelier	Renews every 6 months	Discount from typical city rates
Parking- Granite/Barre St. Lot: Downstreet Housing	Nov. 2023	Negotiated based on city rates, legal review

Accordingly, the General Manager shall:

L7.9 *Not fail to protect the Co-op's public image and brand identity.*

Operational Definitions/Interpretation: The co-op will in practice and in results maintain its position as a trusted agent for our member-owners and the public. Evidence of this trust will be maintenance of our membership and customer base. Specifically:

1. The co-op will have in place systems for maintaining brand and public image including an emergency communications response plan.
2. Customer satisfaction will not decrease significantly as measured by average satisfaction rate in the annual shopper survey.
3. In the past six months, there will have been more positive stories than negative stories and letters about our co-op in local print media outlets.
4. At least 10 visible community partnerships and sponsorships tied to cooperative values.

Data:

1. The co-op maintains a manual detailing brand standards (color, design, etc.) that is used by marketing staff to maintain consistency and effectiveness in all of our printed materials; this manual is in the process of being updated to reflect new standards. The co-op also maintains a crisis response communication plan.
2. In the 2022 shopper survey, 96% of satisfaction categories received an average rating of “good” or better (>3.5 on 5-point scale). Shoppers gave prices an average rating of 3.42.
3. During July – November 2022, there were 13 HMC mentions in local media stories, and none were negative. Outlets included Montpelier Bridge, Times Argus, Seven Days, and WCAX. Topics included the Co-op's lead sponsorships of the Hunger Mountain Co-op Brown Bag Concert Series, Taste of Montpelier presented by Hunger Mountain Co-op, and Montpelier's Fall Festival, along with our 50th Birthday in September.
4. During July – November 2022, the Co-op has maintained at least 16 significant sponsorship-partnership relationships, including (in addition to the events listed above) supporting Community Harvest of Central Vermont's gleaning efforts at the Capital City Farmers Market, Central Vermont Medical Center's Health Care Share program (weekly CSA shares for low-income Central Vermonters), Cabot Arts & Music Festival, Point to Point to benefit the Vermont Foodbank, North Branch Nature Center's naturalist-led nature walks, September beer tasting event, Outright Vermont's Fire Truck Pull, and Granite City 5K Run/Walk for Veterans. Below is a banner from the Library's program to be fine-free which we sponsor.



Accordingly the General Manager shall:

L7.10 *Not fail to operate with a clear policy for employees to report suspected fraud to the Council President or Treasurer.*

Operational Definitions/Interpretation: The co-op must have written employee policy that clearly communicates how an employee can notify suspected fraud to the President or Treasurer.

Data: Excerpt from Section 19 of co-op employment policies: “Employees may report suspected fraud to the Council President or the Council Treasurer. All information will be treated confidentially and there will be no retaliation against the reporter”. This policy was recently included in the daily staff update as well as the spring 2021 all-staff training. In 2022, the Council adopted a procedure for responding to concerns about suspected fraud.

Accordingly the General Manager shall:

L7.11 *Not allow the Co-op to operate without contingency plans for disruption to operations from force majeure.*

Operational Definitions/Interpretation: The co-op must have written policies and procedures for responding to pandemics, fire, flood, other disasters or situations requiring emergency response.

Data: The Co-op has a detailed pandemic plan last updated in 2022. The co-op’s safety manual details the co-op’s policies regarding fire, flood, earthquake and other unplanned emergencies. Every employee is supplied with a copy of the manual and receives training in key policies during new employee orientation and regularly store-wide safety trainings. The co-op also has written procedures for the handling of power and water outages and refrigeration failure.

Update on Prior Non-compliance Issue

L2.3 Not allow employees to be without annual evaluation by a supervisor, using pre-established criteria for evaluation.

Operational Definition: Co-op employees shall be evaluated on their performance every year according to pre-established and consistent criteria.

Interpretation: Specifically, compliance will be demonstrated by:

1. Evidence of an evaluation policy and system which includes pre-established criteria.
2. Statement from General Manager that the organization is current with its annual evaluations, with the exception of employees on leave of absence.

Data:

1. Policy/System: New employees are formally evaluated after their introductory period and annually within 30 days of their anniversary date. Employees are evaluated within 30 days of their anniversary dates thereafter, per Co-op's labor contract. The Human Resources department maintains a calendar schedule for the evaluation of all employees. For staff annual evaluations, there is both an employee self-evaluation and a manager evaluation. All staff evaluations utilize standardized forms (updated recently) which have the employee and manager provide comments and suggestions. All employees receive a written copy of their evaluation (per union contract, at least two days in advance of meeting) and a final copy is placed in their personnel file. Managers are evaluated by their supervisor with input from department staff. The GM is evaluated annually by the Council with input from employee surveys.
2. Current- As of this writing, we have 14 employees with overdue performance evaluations and **I am reporting non-compliance**. I hope to report compliance at the Council meeting.



November 14, 2022

Hunger Mountain Coop Inc
623 Stone Cutters Way
Montpelier, VT 05602

Hunger Mountain Board of Directors:

As of April 1, 2014, our agency has served as insurance agent for Hunger Mountain Cooperative. For the Policy Year commencing 4/1/2022 coverage continues to be placed with Patriot Insurance Company for the Property, General Liability, Auto Liability and Umbrella. The Workers Compensation is placed with A.I.M. Mutual Insurance. As a duty to provide value, our agency bid the workers compensation with other carriers which confirmed current carrier placement to be most competitive.

As done each policy year, a thorough analysis of coverage was conducted by our agency along with Coop management to assure that policy coverage and limits are adequate, customary, and reasonable for an operating retail grocery store such as Hunger Mountain Coop. As a result of this year's review, agreed amount valuation was added to the building which waives any coinsurance requirements, and the current building limit was increased 4%.

The Cyber Liability policy remains with CFC at the 4/1/22 renewal. We structured the Management Liability (D&O, EPLI & Fiduciary) to a guaranteed rate 3-year term 7/9/2022 – 7/9/2025.

Policies were also put in place for the solar array purchased in February 2022.

Along with this review, we are continuing to assist Hunger Mountain Coop on managing workers compensation claims and provide services with our Hickok & Boardman Safety & Risk Management Team, who offer safety training and consulting. 2022 experience mod decreased 18 points from 2021.

We appreciate the opportunity to service HMC.

Kind Regards,

Brian Aitchison
Vice President

HMC JEDI Committee Meeting Notes November 2022

Eva, Shanda, Elaine, Julia, Kari (notes), Elly, Suzanne

We started with introductions. Eva moved, Elly seconded and the committee approved its October meeting notes.

Membership Update: Eva welcomed Shanda as a new member and Julia as a guest. We have three Co-op members-at-large on the committee.

JEDI Education Reflection: Eva explained that she compiled a version of the Council's year-end reflection notes broken down into categories including education, recruitment and outreach. Julia spoke to hiring a consultant to help with next steps. Elaine shared that listening sessions can be a powerful tool. Shanda asked about recruiting folks who are low-income to participate in the co-op through Capstone Community Action and Suzanne expressed interest as well. Elaine suggested outreach to a local organization with connection to folks who are low-income, and Elly shared that we have some ties with Another Way. Suzanne asked about the intent behind requesting a consultant. Kari suggested perhaps a broad approach might be useful this year with council development, outreach, recruitment and policy development as possible areas of focus. Eva shared about a couple of projects previously discussed: inviting guest presenters and a DEI audit of the Council's practices. Julia said her interest in using a consultant includes helping to create future plans for the Council. She shared that she feels a tension on the council between time allocated to learning and action. Eva expressed optimism for striking a balance between learning and doing things.

Suzanne inquired about underlying tensions hinted at in the reflections. We had a somewhat frank conversation about tension within the Council about how to move forward. There is a desire for action and yet we are still challenged in having uncomfortable conversations amongst ourselves. Shanda recommended bringing in Abbi Jaffe, (who is part of the Everything Space and co-facilitator of My Grandmother's Hands workshops) to help the Council with next steps.

Charter Update discussion: deferred

Couscous: A member requested re-naming French couscous because of its problematic colonial background. There was consensus that North African couscous is more appropriate. Kari will check to see if the product is branded vs. being a commodity. If its not branded, we will move forward with changing the name and label.

Eva will share a draft of takeaways from today's meeting. Julia offered to help with a menu of options with timelines for the Council. Elaine asked about materials recruiting new committee members. Eva suggested putting this item on the December meeting agenda.

Next Meeting: Dec 9 at 2:30pm



**Council Meeting
October 3, 2022**

Present: Eva Schectman, Jen Porrier, Steven Farnham, Julia Scheier, RJ Adler, Lauren Antler, Catherine Lowther, Jeff Roberts, Andrew Sullivan.

Staff Representative: Nick Sivret

Staff: Kari Bradley, Tim Wingate, Jay Wisner, Elly Wood

Guests: Eric Jacobson, Claire Wheeler

Facilitator: Mark Simakaski

[Meeting Audio Here.](#)

I. Introduction

1. Welcome: Agenda review, time allocation, meeting ground rules, guest policy review. 5:30PM (0:02:22)

Eva welcomed everyone and read the ground rules. There were no changes to the agenda.

2. Cooperative Community Comments 5:32PM (0:03:03) Eric Jacobson offered compliments to the council, in particular for diversifying the co-op's energy sources. He will be available to speak to his nomination for the community award during that portion of the meeting.

II. Regular Business

3. JEDI Education: Confronting whiteness, white privilege and white supremacy 5:34PM (0:04:13) Eva introduced this evening's topic, and explained the process for discussion, encouraging council members to participate in the committee. The group entered breakout rooms to discuss the material. Mark facilitated sharing a word or phrase about the topic.

Julia: reparations. Nick: symbolic hierarchy. Lauren: caste system. Kari: more

questions than answers. Jay: we all carry so much privilege. Steven: would like to see study evolve to action. Eva: time spent on this work is time well spent. Jeff: impressed with the perspectives of his group members. Jen: inspired by insightful conversation. Catherine: awareness of privilege. Andrew: how we can delve more deeply so we can act. RJ: is on the beneficial end of all constructs. Elly: what can I/we do next?

Eva reiterated the call for council members to help join in crafting the November session.

4. Consent agenda: minutes, equity refunds 6:00PM (0:30:15) RJ moved to accept. Steven seconded.

Kari shared that there are 3 refund requests for \$240. Steven asked why we would ever reject a refund request. Kari said if there were a run on requests it could be financially damaging so approval retains a measure of control. **The motion passed unanimously.**

5. 2022 Ends Report 6:02PM (0:32:34)

Kari explained that Ends is the most important report because it exhibits progress on both short and long-term goals. Overall, the co-op is financially and

environmentally sound. Membership is steady. There are many reasons to be proud. There is a typo on page 19: *increase* in discounts of 12.9%, *not* decrease. This was a 53-week year. New this year is a notes section at the end. Between this and the business plans it is clear that staff take the ends seriously.

Mark asked for a round of what is exciting in the ends report.

Steven: 40% of total sales from local. Catherine: the environmental and sustainability part. Jen: local product sales went up 11.6% and 5% decrease in electricity usage. Julia: impressed with growth of HMCCF. RJ: pleased with growth in cooperative investments. Jeff: appreciates what we do with our community support. Nick: local sales are exciting. Lauren: local product increase. Andrew: sales growth was significant. Eva: happy that more folks are taking advantage of Co-op Cares and that we are doing so much to support the community.

Eva moved to accept the report. RJ seconded.

Discussion: Steven asked what the difference is between local sales vs purchased from Vermont vendors. Kari replied that local sales are retail value of products grown or significantly value-added here in Vermont. Purchases refers to the wholesale value of goods and services bought from VT-based vendors.

The ends report passed unanimously.

RJ added that sales growth after inflation is less than 1% and asked if Kari was worried about that and Kari responded in the affirmative. HMC is a mature store with extremely high market share in a market that is not growing. There are not obvious current options for more growth.

Andrew asked if sales increase not based on sales volume is less meaningful. Kari

agreed. Catherine is impressed with membership growth.

Break 6:17PM (0:47:47)

6. Patronage Refund Consideration 6:29PM (0:59:22)

Kari explained there was **no taxable income for 2022, and since taxable income is the basis for a patronage refund, the recommendation is not to distribute one this year. Eva moved to accept the proposal, Steven seconded.**

Discussion: Eva noted that she understands that retiring the solar tax credits was a good thing but wanted clarification on the other adjustments. Tim explained that we have accruals for gain share and PTO. There was more paid out on a tax basis than a book basis for those two things, so they were higher on a taxable income.

Julia asked for context as to how often it happens that we don't have a patronage refund. Does this mean the co-op is in trouble? Tim responded that taxable income has been decreasing for some time. Our growth is slowing, and expenses are increasing. Kari said that since 2010, we have consistently offered a refund.

Steven asked for clarity on the amount. Kari reiterated it would be zero. Steven asked why not this year when we didn't give it all out last year. Kari said last year we distributed only 20% because the income was primarily the result of federal COVID relief funds (not patronage) and we didn't want to set expectations too high for future years.

At this point, the meeting was interrupted by a hacker. The meeting resumed via an alternative platform, but the remainder was not recorded.

Kari reiterated his answer to Steven's question.

Ayes 7, Nays 0, Abstentions 1. The motion to accept the patronage refund determination passed.

7. Hunger Mountain Cooperative Community Fund Grant Recommendations 6:43PM Claire Wheeler, chair of the HMCCF committee, joined the group to present the recommendations. After a brief history of the fund, she noted that there was both a record number of applications and amount of funds available. The committee's recommendation is that 14 of 27 applications be funded, totaling \$14,200. She described the scoring process and the priorities that guide the committee. A few highlights are two BIPOC farms, as well as projects representing a good mix of food access and distribution. A few are out of our standard geographical range, but the committee sees that as an opportunity to serve beyond our regular area. They wanted to fund more groups, so amounts are a little smaller.

Eva moved to accept the slate of recommendations. Steven seconded.

Discussion: Eva thanked the committee and requested an explanation for the discrepancy between funds available and funds dispensed. Claire noted the possibility of no patronage refund, which supports HMCCF, and the group wanted to set aside funds for next year.

Steven noted the caterpillar tunnel requested by one of the applicants appeared to be quite expensive compared to options found online. Claire thought there was probably more involved than just the tunnel and she would check and get back to him. Andrew asked for a list of those who were rejected. Claire said she would provide that.

RJ thought it would be good to include that in reports going forward.

The motion to accept the slate of recommendations passed unanimously.

8. Hunger Mountain Cooperative Community Award 7:00 PM

Eva summarised progress on the process to determine a winner. There are 5 nominees, and this is the most nominations ever. It's the first time the council has ranked their choices. The council took turns sharing their opinions and then voted.

It was moved and seconded to name Fox Market as the winner. Ayes 7, Nays 0, Abstentions 1. The council voted Fox Market the winner of the 2022 Hunger Mountain Cooperative Community Award.

9. Work In Progress committee report 7:11PM

Steven led the discussion by requesting a quick adjustment to the agenda in which he would make a request on behalf of bylaw committee.

The WIP committee met in September. He recapped this by stating the objectives of the committee around strategic thinking. He requested the council name deliverables desired from the committee. Does the council desire designated time in each meeting for strategic conversations.

Eva answered by saying she thinks it makes sense to start in December, with the new council year. She is open to suggestions as to how much time to devote to this. Is the council open to recommendations that could free up time for more strategic thinking?

Maybe the annual council retreat is a good place to start. She is excited about making time for strategic conversations.

Lauren added that the committee discussed structuring the committee's work similar to JEDI's study/discuss model.

RJ wondered if the discussions are only ever food related. He thinks we could grow beyond that.

Steven summarized, and supported starting in December and modeling on the JEDI modus operandi. Julia added that it would be hard to add another chunk to already full meetings. Maybe shorten other aspects of the agenda. Would it replace equity work? She advocated for creative solutions.

Eva thanked Julia for her thoughts on sharing time.

The bylaws committee charter expires at the end of the month, and the committee is requesting a renewal wrap its work. **RJ moved to extend the Bylaws committee charter 6 months. Eva seconded. The motion to extend the Bylaw committee charter passed unanimously.**

10. Ballot committee formation 7:23PM

Eva nominated Andrew to chair the ballot committee. Andrew accepted. It's only one meeting. Eva asked for any new members on the committee. Andrew, Kari and Sue Zekas are already on it. The only requirement is that a council member is not running. Jen offered to be an alternate. **The council voted unanimously to support the slate of ballot committee.**

11. November meeting preview: JEDI reflection, council self-evaluation 7:27PM

Eva referred to the questions in the packet asking folks to reflect on the last year of JEDI education. She then asked the council to authorize the executive committee to review and adopt changes to the council self-evaluation survey. The council approved.

12. CBLD renewal 7:30PM

Eva shared that early renewal yields substantial savings. She encouraged the council to approve. She also talked about other Columinate opportunities for development.

Steven moved to renew participation in CBLD. RJ seconded.

Steven asked if this was our only or best option for development and how do we know that. Kari is not aware of any comparable opportunities that specialise in co-ops.

Jeff asked about the different tiers and where we are in the chart – basic, regular or complete. Kari said we opt for the regular package. Jeff clarified the price being annual. **The motion to renew passed unanimously.**

13. Closing 7:34PM

Kari listed Action Items.

Meeting Evaluation – Mark noted the smooth switch to new platform after the hack and thanked RJ.

RJ shared that his brother owns Scout digital, which was selected to redesign HMC's website. He clarified that he has not spoken with his brother about it. Eva thanked him for disclosing. Kari said that staff had not been aware of that connection. Jeff expressed concern over the optics of no patronage refund offering coinciding with council compensation rollout, and it would be advisable to get ahead of it. Kari will draft talking points. Eva contextualized the decision to compensate the council. It is not new, and agreed with Jeff's suggestion.

14. Council or Cooperative Community Comments 7:41PM

There were no comments.

15. RJ moved to enter executive session to discuss labor contract negotiations. Eva seconded. The

**motion passed unanimously.
7:41PM**

16. Eva Moved to exit Executive Session. RJ Seconded. The motion passed unanimously. 7:46PM

17. RJ Moved to Adjourn. Eva Seconded. The motion passed unanimously. Meeting adjourned. 7:47PM

Action Items		
What	Who	✓
Patronage Refund Taking Points	Kari	
Update Guest Policy	Kari	
Include not selected HMCCF applicant information	Kari	
Notify grant recipients, and those not selected	Staff	
Provide plan to protect meetings from hackers	Kari	
Post committee charters on website	Kari	
Renew CBLD Program	Kari	