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**May 18, 2020 – Special Council Meeting
Video Conference**

Present: Scott Hess, Katie Michels, Steven Farnham, Olivia Dunton, Julia Goldstein, Eric Jacobson, Eva Schectman, Andrew Sullivan.

Staff Representative: Jess Knapp.

Staff: Kari Bradley, Stephani Kononan, Jay Wisner

Staff Representative: Jess Knapp

Facilitator: Mark Simakaski

Note Taker: Rowan Sherwood

1. Welcome and Community Comments 5:30PM (Not recorded)

Mark welcomed everyone and there were no initial comments.

2. PPP Loan return 5:32PM (0:00:16)

The Co-op received a loan from the Paycheck Protection Program to mitigate negative financial impacts stemming from the coronavirus pandemic. These loans were provided on the basis of financial stability and access to liquidity. The money is to be used for payroll expenses, mortgage payment and/or utilities. Given that the Co-op is financially stable so far, and concern about potential penalties, the executive committee voted to return the loan on a recommendation from staff. Subsequently, more specific information from the Small Business Administration became available that led the Scott, Tim and Kari to reverse that decision and keep the loan.

Steven asked about the terms of the loan. Tim replied that it's a 2 year loan at 1% interest and a portion of it may be forgivable. Tim is currently working through the forgiveness application. No one voiced objections to keeping the loan.

3. Strategic Planning Discussion 5:48PM (0:16:26)

Scott launched the discussion by asking the council to consider in what direction(s) to direct the co-op given the pandemic. How can we face the new future?

Kari said that management is asking for help with strategic thinking, especially in terms of what shoppers will need from the Co-op in the future. He asked that Council members share their perspectives and resources to help develop the "What" and "Why" of where we go next.

Julia expressed concern about mask wearing in the store and how the Co-op enforces it. She also thought that we should expand our supply of non-meat proteins in light of potential meat shortages. She thinks we could be a resource for helping people to grow their own gardens.

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Scott has heard feedback that our stringent safety measures are well received in the community. He suggested we hold a membership focus group or survey to learn what customers want going forward.

Eva thought we could continue to offer anti-bias training, along with training to de-escalate aggressive situations. She also wants to support partnerships with the community, including community gardens. The co-op can be an “amplifier” for doing good.

Scott reminded people not to simply repeat what has been written in the google doc.

From his experience with customers, Andrew shared that most people have been receptive to mask wearing, and thankful for HMC’s policy. Only a handful of people have been resistant. He then asked Olivia what trends she was seeing in grocery.

Olivia responded that it’s hard to nail down trends just yet, but she’s seeing more interest in packaged grocery, pantry staples, and easy meals; less interest in grab ‘n’ go, convenience, and fresh. She’s seen big growth in Co-op Basics/Field Day brand which indicates that people are focusing on affordability in their shopping.

Scott brought up that the Montpelier Food Security Coalition may be a good group to partner with about helping folks to plant their own gardens.

Eric is wondering if the council should brainstorm best case/worst case scenarios for winter.

Katie thinks we should focus on expanding on more affordable products, and a product selection that helps to minimise trips to stores by accommodating one-stop shopping... to the degree that HMC becomes the destination for those seeking one-stop shopping. Katie asserted that maintaining a feeling of hope, positivity, and creativity is important, because the next six to nine months may well be really hard for people, and anything HMC can do to facilitate a sense of community that feels more hopeful and happy is great.

Andrew added that it is our prerogative to deny entry to individuals not wearing masks.

Jay is concerned that among the folks who are working in the store there is a high risk of burnout. He also said that as a shopper what he is looking for is safety both in the store itself and safety in the products he takes home from the store.

Stephani added that we are focusing on sending a reassuring message. We’ve reduced promotional work; increased energy on basics. We saw a real surge in exposure through social media, but the analytics have started to drop.

Steven initiated the best case/worst case scenario conversation by pointing out there are many facets of best and worst. How long will a “wave” of the pandemic last? How many

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waves, and how severe? Does it/they make the supply line “wobble” a bit, or completely shut it down for months? In the face of these uncertainties, he wondered if the Co-op could build, hire or facilitate a local food-processing hub. We would have to look at how much demand there is for that and the costs involved. He pointed out that the traditional role of Council is fiduciary - to safeguard the members’ investment, and see that it remains viable - but reminded everyone that the point of it is to meet members’ needs, and that we should place meeting members’ needs at a higher priority than meeting the needs of the bricks, mortar, and machinery.

Eva likes that idea and mentioned another co-op which has a dedicated facility for food preparation and she wonders what they’re doing and thinking about in terms of canning/flash-freezing/dehydration. Is there is a facility already in operation with which HMC could partner.

Andrew asked if folks could initial their suggestions on the google doc. He then asked if we have the capacity to play a more active role in local food systems. He raised the point Olivia made about the spike in sales of low-price items, and expressed concern about what financial stress that may foretell.

Scott explained that we are probably in our best-case scenario; worst case would be the closing of the co-op, forcing us to utilise curbside, or home delivery exclusively. How would the co-op meet members’ needs in that situation?

Eric asked what are our online and curbside order capabilities. How can we prepare to execute that effectively? Even if not deployed, he believes the dedication and effort expended to prepare for this would win hearts and minds of Montpelier residents.

Katie expressed that the supply chain and product mix is what is key for the three-year timeline. How to bring about a more resilient local food system and ensure affordability. Explore synergies in helping local food businesses scale up in a way that increases affordability.

Olivia’s three-year timeline seeks the development of a vision for the store. How long are the hot bar and café shut down? If they don’t open back up for an extended time, what do we do with those spaces? If a department is struggling, what to do with that space to continue to make money? What physical changes are necessary to the store? How do we get back to being a place of education and community?

Julia said that people’s financial insecurity is going to hang on for a while and we should really focus on affordability. This will also bring in new customers.

Jess said pandemic or no, online shopping is probably here to stay, so we need to make that sustainable.

Jay seconded the ideas of affordability, and partnering with other local business to promote local. He said Jess’ comment is accurate. Online shopping and curbside was

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already in our plan in the one to year timeframe, and we've launched it in a one to two month timeframe.

Stephani asked how we maintain sense of community and belonging. How do we stay connected?

Kari appreciated all the thinking and summarised that the important points in the six to nine month timeframe are safety, affordability and community connection. Will we be willing to prioritise these things? If we have to make sacrifices, what will go? All of these ideas will be considered in business planning this year. There'll be worst-case/best-case considerations, and there'll be a strategic component.

Tim said we are taking a new approach to budgeting this year given the uncertainty. Departments will be creating rolling quarterly budgets instead of trying to budget a whole year.

4. Council/Community Comments 6:47PM (1:15:29)

There were no comments.

5. Other Business 6:47PM (1:15:42)

None.

Scott motioned to adjourn. Julia seconded. The motion was approved unanimously. Meeting adjourned. 6:48PM (1:16:44)