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Council Meeting Minutes
August 31, 2020

Facilitator: Mark Simikaski

Note Taker: Rowan Sherwood

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

Staff Representative: Jess Knapp.

Staff: Kari Bradley, Stephani Kononan, Mary Mullaly, Tim Wingate, Jay Wisner.

Guests: Susan Becker, Nick Kramer, Catherine Lowther, Deb Robinson, John Rosenblum.

1. 5:30PM (0:00:09) Welcome, agenda review, time allocation, guest policy review.
Mark welcomed the group. The agenda was accepted as presented, though Kari mentioned that under Other Business, he wants to discuss the possibility of a special Council meeting and an incident report involving a member.

2. 5:32PM (0:02:05) Cooperative Community Comments

Potential council candidates introduced themselves.

3. 5:38PM (0:08:02) Consent Agenda: Approval of minutes, equity refund requests, LOC renewal

Scott moved to accept the consent agenda. Eric seconded. Eric brought up that when Julia raised the issue of anti-semitism in the Black Lives Matter movement it had not been proven. He suggested it be changed to “alleged” in the minutes and the group agreed unanimously to change it in the minutes.

4. 5:40PM (0:10:23) Financial Report: Draft Q4 and Year End Statements

Kari reported that while 4th quarter and year end sales were down, the gross margin was up. He attributed this to reduced promotional discounting. Personnel expenses were above budget. Operating expenses were down due to the pandemic. Other income was up due to a second patronage refund from National Cooperative Grocers for the year. Overall, it was a very good quarter financially. We had few capital expenditures, partially due to the pandemic and partially due to the fact that we have kept up with maintenance of our infrastructure and no big things came up. From a cash perspective, we are well positioned to weather an economic downturn.

Steven asked why we had a significant drop in inventory. Kari responded that inventory is always in flux and while it was down, it was within the expected range. Olivia added that there’s no truckload backstock, and there is still replenishment required from widespread out of stocks created by pantry loading at the beginning of the pandemic. Tim added that both Wellness and Deli were down in inventory and sales.

APPROVED

5. 5:51PM (0:20:53) Monitoring Report: L5/L7 Financial Condition, Protection of Assets

Kari reported two non-compliances: Long term sales growth and cash holdings. Minimum annual sales growth to meet compliance is 3%. The Co-op has not achieved that level for the past 4 years and it may be time to adjust the expectation. Even without meeting sales growth targets, we have been profitable and our balance sheet looks good.

Due to the PPP loan, we have exceeded our limit at Northfield Savings Bank. It is a temporary situation that will be rectified once the loan is resolved.

Scott moved to accept the Monitoring Report, Olivia seconded.

Andrew asked why we need to keep our money in multiple banks. It is to make sure that is below the level for full CDIC insurance. Scott asked why waste removal isn't listed under contracts. Kari responded that we don't have a contract with Casella, it's a monthly fee. Steven asked what the plan was to get out of low severity non-compliance on sales growth. Kari responded that he had been considering a longer term growth strategy last year and that when the pandemic hit, that fell in priority. It makes sense to see how the market adjusts post pandemic. Steven asked with all the recent sales growth, how did we end up in the negative? Kari responded that the timeframe in question is from April-June. Most of the gains we have been seeing occurred since the end of June. Steven suggested a table for violations similar to what is on page 29. Kari will look into it. Eric noticed that the PPP loan was not listed under indebtedness. Tim said it should be there and he will change it.

The monitoring report was accepted unanimously.

6. 6:02PM (0:31:48) NCG participation Report

This discussion was deferred to the next meeting.

7. 6:02PM (0:32:09) Annual Meeting Committee: Updated Agenda

Eva moved, and Steven seconded to accept the proposed Annual Meeting Agenda. Eva thanked the committee and Eric asked if there were any community award nominations. Rowan reported that there were none. Kari asked if we should remove it from the agenda if we don't receive any. Scott suggested that the council think about potential nominees before taking it off the agenda. Eric agreed that the council should nominate someone if no others come in. Steven asked if the Annual Report will be recorded and distributed ahead of time. Kari explained that yes, it will be available in print and electronically and as a narrated slide show recording and we will have several pre-meetings so members have more time to ask questions. The presentation at the AM will be very brief with a Q&A for mostly pre-submitted questions. Steven asked if we could use a similar format for the bylaws.

Katie asked if Bonnie Hudspeth was good at online facilitation. Kari said she did a good job with the CCMA session she facilitated.

The motion to accept the proposed Annual meeting agenda was approved unanimously.

6:09PM (0:39:19) Other Committee Reports: Diversity, Communication, other

Eva reported on the Diversity Committee's efforts to host a member Listening Session on DEI with CQ Strategies. They are working on nailing down a date and getting facilitators on board. Scott asked if we knew the cost or had a contract. Eva responded that they have accepted the proposal of \$2,500. We will promote it like we would a workshop.

APPROVED

Steven asked if Eva wanted to discuss the diversity statement. Katie said that it came out of the We All Belong trainings and it encapsulates what the co-op believes about DEI.

Communication Committee: Eva said she has nothing to add to the written report and asked if there were any questions. Steven thanked her for a detailed report. Andrew asked if there was any progress on the ambassador idea. There has not been.

Recruitment committee: Scott started by acknowledging that with so much board turnover we will need new executive committee members. Mark asked if someone could give a run down on positions and time commitments. Scott agreed. He said that you can always give more time to the role of president, but you can count on 3-4 hours a month outside of council meetings. He would be happy to have detailed conversations offline. Katie reported that as vice president the main focus of her time is the executive committee and the monthly calls with Michael Healy of Columinate. Steven went over the secretary position and let us know that the main functions are serving on the executive committee, handling the minutes of meetings and participating in the call with Michael Healy from Columinate. Since Pat was not present, Scott reviewed the position of treasurer. That person heads the finance committee, goes over the co-op's credit card statements, is a third signer on financial documents and presents the financial report at AM. They also meet privately with the auditor and is the chair of the 401K committee.

6:25PM (0:55:24) Break

10. 6:31PM (1:01:04) Staff Rep Report

Jess reported that there had been some confusion about mask wearing, but the new policy clarifies those questions. She also reported that some staff do not feel supported by management in terms of customers not wearing masks or wearing them improperly. Eva expressed that she wanted to hear how things are after the new policy is in place for a while. Andrew was curious about the complaint because he has experienced a lot of support from managers in this area. Jess clarified that the gatekeeper has felt a customer's mask was insufficient and managers let them in anyway. Andrew reiterated his experience was not like that. Eric asked Andrew if he has experienced resistance from customers. Andrew responded that in the last few weeks he has noticed more hostility, and it is always unnerving. But overwhelmingly, people are compliant and supportive.

11. 6:40PM (1:09:46) GM Report

Kari reported on holiday planning and Curbside Pick-up.

The holiday planning team is in the process of designing a program to safely handle the 500-600 turkeys expected to sell this Thanksgiving. The plan is to have a tent outside to keep traffic out of the store, though it is still in development. They are also considering overnight stocking shifts to accommodate the extra volume.

The Curbside Pick-up team is running an aggressive coupon to get customers motivated and comfortable using the program in anticipation for the holidays. They are looking at expanding pick-up time options.

Kari acknowledged that many are sensing increased fatigue and anxiety, and there is still no end in sight. With colder, darker months coming, it's going to continue.

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12. 6:44PM (1:13:23) Wrap-up: Actions, Communications, Calendar

Kari has action items on designated parking for employees, listening sessions, suggestions and the NCG report. The Bylaw Committee will set a time to meet in September.

13. 6:45PM (1:14:42) Meeting Eval

Mark asked the guests how we did and all thought it was a well-run, efficient meeting.

14. 6:50PM (1:19:13) Cooperative Community Comments

There were none.

15. 6:50PM (1:19:22) Other Business

Some folks want to have a special meeting for strategic conversations, possibly on September 24th at 5:30pm. They will decide topics offline.

Kari shared there was a tense incident around mask wearing with a customer that resulted in a Do Not Trespass order issued against the individual. The customer is a person of color and suggested he may pursue litigation. Kari assured the council that we were on solid ground in the way we proceeded with this customer and that race did not play into it in any way.

Steven asked if there was a plan for the chronic short staffing at the co-op. Kari said that it is a high priority and all relevant departments are actively trying to hire.

6:59PM (1:28:30) Scott moved, and Steven seconded to enter executive session to discuss GM evaluation. The motion was approved unanimously.

7:33PM (Executive Session Not Recorded) Eric moved Eva seconded to exit executive session.

7:34PM (Executive Session Not Recorded) Eric moved Eva seconded to adjourn.

Both motions passed unanimously.