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Council Meeting Minutes

November 2, 2020, 5:30PM

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

Staff Representative: Jess Knapp

Guests: Jed Davis, Billy Donovan, Stephanie Kaplan, Catherine Lowther, Deb Robinson.

Staff: Rachel Andreyev, Kari Bradley, Stephanie Kononan, Kendra Mills, Mary Mullally, Tim Wingate, Jay Wisner, Elly Wood.

Facilitator: Mark Simakaski

Notetaker: Rowan Sherwood

Note: **Red timestamps** indicate timer reading of item in Meeting Audio.

- 1. Welcome, agenda review, time allocation, guest policy review 5:30PM 0:00:36:** Mark welcomed the group and clarified the agenda.
- 2. Cooperative Community Comments 5:32PM 0:01:58:** Billy had not joined the call so it was decided to postpone his time to speak until later.
- 3. Consent Agenda: Approval of minutes, equity refund requests 5:33PM 0:03:10:** Scott made and Steven seconded a motion to accept the consent agenda. The motion passed unanimously.
- 4. Council Appointment Process 5:36PM 0:06:15:** Scott and Katie will be stepping down from the council in the new year. Members may apply for a one-year appointment to those seats. Kari explained that it's been hard to pin down interview dates; we could incorporate it into the next meeting, be ok with people missing, or try again. Eric voiced support for doing it at the next meeting. Scott said the executive committee will decide how to proceed at their next meeting.
- 5. Cooperative Community Comments 5:41PM 0:10:40:** Billy wants to wait until after the threat of COVID has passed to hold a special bylaw meeting. He wanted to know if a special meeting was going to be recommended at the annual meeting. Scott replied that the bylaw committee was going to meet to revisit the question. Billy reiterated that he is opposed to virtual meetings and believes they are not allowed according to our articles of incorporation. If we want to allow electronic voting, we would need to change the articles of incorporation. Billy wanted to know if the committee was aware that we were not allowed to vote electronically. Olivia recalled that this was brought up and the council agreed to take the advice of a lawyer. Andrew agreed that in person meetings are best and would be inclined to postpone. Mark summarized Billy's comments which allege that

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the plan to hold a virtual special meeting to amend the bylaws does not conform to the articles of incorporation. Mark acknowledged Billy's concerns and said that the council will take it into consideration. Billy reiterated that there is no need to do this now and it does not serve the members.

- 6. Audit Report: FY 2020 Financial Statements 5:59PM 0:29:04:** Bruce Mayer from Wegner CPA in Madison, WI presented an audit of the Co-op's financial statements. An audit is more comprehensive than a review. He shared that by most measures, the Co-op is doing quite well financially. Sales growth is good for these times at 2.4%. Our personnel costs are high relative to other food co-ops. Our operating costs are low and our bottom line is good.

Scott and Pat each met the lead auditor and there were no major questions or concerns. Eric asked how the gross margins got so good. He also wondered why our personnel costs were so high. Bruce explained that there were many factors and it is something to monitor. Andrew asked if we knew when we would know if the PPP loan is forgiven. Tim responded that we are waiting for Congress to act.

- 7. Finance Committee Report 6:14PM 0:44:13:** Pat laid out two recommended scenarios for 2020 patronage refunds based on whether or not the PPP loan is taxable. If it is, 20% would be paid out, 80% retained. If not taxable, 45% would be paid out, 55% retained. **Pat moved to accept the recommendation. Olivia seconded.** Scott asked if everyone understands the reasoning. Tim summarized that if the PPP loan is taxable, we need to recognize the income. **The motion passed unanimously.**

Pat also recommended an acceleration of debt repayment. The co-op could save \$33,000 in interest over the course of the loan. **Pat moved and Steven seconded to accelerate debt repayment. The motion passed unanimously.**

Pat moved that we maintain the full equity requirement at \$180. Olivia seconded. No discussion. **The motion passed unanimously.**

- 8. Annual Meeting Overview 6:23PM 0:53:05:** Kari explained the steep learning curve required to execute a large virtual meeting. Pre-recordings will be used to minimise technological glitches. He asked that the council please promote the roundtables and viewing of the pre-recorded reports.

Eva asked how participants will submit questions. Members can submit questions in advance on the website and through email. Katie asked who will be answering questions during the meeting. Kari, Scott, Katie and Carl will be able to answer questions. Kari mentioned that we will not be able to have a very deliberative conversation in this format. We will debrief at the December meeting and consider if this is the right format for the bylaw meeting. Steven asked what would happen if someone wanted to join a live meeting remotely, and what, legally, is the difference between that and all attendees meeting in

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person, remotely. Billy said that voting is either in person or electronic according to state rules.

Break 6:36PM 1:05:53

9. Council Self-evaluation 6:42PM 1:11:50:

- Scott thanked the group for full participation in the survey and asked for comments from the group.
- Andrew noticed a decline in the maintenance of confidentiality/code of conduct score and was surprised by that.
- Eric thinks we need more time for a proper discussion. He has no quick comments.
- Eva thinks we should save a more thorough discussion for the annual retreat.
- Katie was happy to see that folks feel good about meeting facilitation and she thanked Mark and Elly.
- Scott noticed some glaring consistencies and wants to dig in to why some things are consistently low.
- Jess liked to see that the council seems more clued into trends.
- Pat wanted to see more details in the questions.
- Olivia echoed appreciation for good facilitation. She is concerned about a lack of shared vision and would like to see more vision planning.
- Steven was happy to see good numbers in the relationship between the council and the general manager. He also noted that some questions asked two questions. He noted that the council should be more of a leadership group and these questions could be brought to the retreat. He thinks that the council should be more specific with their goals and periodically check in on them.
- Kari asked about the council's communication with members. He thinks it could be better and we could develop a plan.

10. Diversity Committee 6:53PM 1:22:39:

Katie shared that the council has developed an aspirational statement and the next step is to develop metrics to measure how we are doing.

Steven moved to accept the diversity statement. Olivia seconded.

Steven asked if this statement was etched in stone or more of a living document. He would like it to be more global; rather than stating opposition to racism, it should state that we do not tolerate any form of "meanness." Katie clarified that it is a broad statement that can get more specific as we flesh out policies.

The motion passed unanimously.

11. Ballot Committee 6:57PM 1:26:55:

Olivia and Scott agreed to count the ballots following Annual Meeting.

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12. CBLD Consultant 6:58PM 1:27:56:

Eric began by asking if it was possible to have a different consultant. Eva is interested in exploring this and Steven wondered how empowered we are to make a change. Scott explained that if there is someone else available and willing the council can switch. Kari said it would require a conversation with Columinate to see if there is a good match. Olivia expressed some concern for switching consultants with such a young council. Andrew is interested in exploring new possibilities. Kari said that not all of the Columinate consultants work with boards and councils. Steven asked if we could have more than one consultant. Scott replied that we get a certain number of hours, but he does not know if it can be spread between people. Mark suggested we move it to the executive committee to present at the next council meeting.

13. Monitoring Report: L8 Support and Communication to Council 7:01PM 1:41:00:

Kari reported full compliance. **Scott motioned to accept the report. Pat seconded. The motion passed unanimously.**

14. Staff Rep Report 7:03PM 1:43:14:

Jess reported that the chronic problem of short staffing is still an issue, though a bunch of new hires promise some relief. There are concerns about the holidays and the early start times. It is also nice to see several internal promotions. There were no questions.

15. GM Report 7:04PM 1:44:26:

Kari reported that there have been a lot of new hires at the co-op – 26 since April. Curbside was 4.2% of sales last week and sales were up 7.5%, and it did translate into fewer customers in the store. The next 9 weeks are going to be challenging, and stress levels are high. Kari said there are openings to help in the turkey tent and will email council to gauge interest. Steven asked if there was anything the council could do to help with the stress. Kari suggested showing appreciation to the staff. Steven added that a special acknowledgement during Annual Meeting may be in order.

16. Wrap-up 7:10PM 1:49:50:

The executive committee will set up council appointment interviews and a meeting to further discuss CBLD consultants. A Ballot Committee will count the election ballots. The council will express appreciation for staff during annual meeting. Eric recommended that the outgoing executive committee meet with the incoming executive committee. Someone needs to prepare a response to Billy's concerns.

17. Meeting Evaluation 7:19PM 1:58:34:

Were we respectful and open to all? The consensus was yes.

18. Cooperative Community Comments 7:19PM 1:58:58:

There were no additional comments.

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19. Other Business 7:20PM 1:59:08:

Kari thanked Pat and Jess for their time serving on the council, presented gifts and bid them a fond farewell. Pat thanked the group and said it was wonderful working with everyone.

20. Adjourn 7:22PM 2:01:15:

21. Scott moved to adjourn the meeting. Steven seconded. The motion passed unanimously.

Action Items:		
Action	Who?	Done?
Schedule Appointment Interviews	Exec. Committee	✓
CBLD Consultant Next Steps	Exec. Committee	✓
Prepare “Everyone Welcome” Resolution	Kari and Diversity Committee	✓
Schedule Ballot Tally	Olivia and Scott	✓
Prepare Council Appreciation of Employees Statement for Annual Meeting	Kari and Scott	✓
Respond to/Dialogue with Billy	Kari and Scott	In Process