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**Present:** Eric Jacobson, Eva Schectman, Steven Farnham, RJ Adler, Olivia Dunton, Catherine Lowther, Jen Porrier, Andrew Sullivan.

**Absent:** Deb Robinson.

**Staff Representative :** Rachel Andreyev

**Staff:** Kari Bradley, Giles Brule, Kendra Mills, Mary Mullally, Jay Wisner.

**Facilitator:** Elly Wood

**Note Taker:** Rowan Sherwood

**1. Welcome, agenda review, time allocation, guest policy review. 5:31PM  
(0:00:50)**

Elly welcomed the group and asked if there were any additions to the agenda. Catherine asked for time to discuss the [video she circulated about sea level rise](#), and what the co-op can do to reduce its carbon footprint. Kari introduced Giles Brule, who recently accepted the IT Manager position. Giles spoke briefly.

**2. Cooperative Community Comments 5:34PM (0:05:52)**

Rachel shared that she appreciates the monthly council packet being provided on the website. She asked if this practice will continue, and if access to an archive of previous packets could be provided. Eva expressed support for this idea. Going forward packets will be posted, and it may be possible to post previous packets. Eva expressed a desire to see committee charters posted on the website.

**3. Consent agenda: minutes, equity refunds 5:38PM (0:10:16)**

**Steven moved to accept the consent agenda. RJ seconded.** There was no discussion. **The motion passed unanimously.**

**4. 2022 Business Plan: Informational, evidence for monitoring report 5:37PM  
(0:10:57)**

Kari and Mary presented the business plan for Fiscal Year 2022. A central piece will be a renewed focus on customer service. The initiative will start small and be a main theme of the fall all-staff trainings. Mary discussed facilities and equipment upgrades. Kari described financial aspects and the Co-op's conservative approach to budgeting. Expenses are projected to grow faster than sales, partly due to a significant increase in medical insurance premiums, but the Co-op is well prepared, at least in the short term.

Steven suggested that it may be time to revisit the ends policies. RJ asked how concerned Kari is if we compare the coming year to a normal year. Short term, Kari said we should be not too worried; however some reasons for our projected deficit are structural and we need to address those. There are also concerning trends in the labor market.

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Rachel asked if revenue can be raised instead of cutting expenses, particularly labor. We could enter into a larger group to reduce medical insurance expenses; we need to examine all ways to improve the finances.

Eva expressed desire that we continue to treat employees well as we look to improve the financial health of the Co-op.

Jen wondered what effect absorbing medical insurance costs would have on employees. Kari believes it's inevitable that at some point in the future, employees will have to contribute something to towards medical insurance premiums.

**Eric moved to extend this discussion for 5 minutes. RJ seconded. There was no objection.**

Eric expressed concern with a 6.6% rise in consumer prices and the cost to shoppers. Could more member labor be a way to reduce increased prices while increasing wages? Olivia noted all of the untapped potential in the store and wondered what the long-term plan is for maximizing our sales potential. Catherine suggested we sell more local food.

Addressing Olivia's point, Kari said this a one-year business plan due to the high level of uncertainty; he agreed that we need a fresh start on our long-term planning. To Eric's point, customers will see some cost increases; use of member labor is governed in part by the union contract.

#### **5. Monitoring Report: L6 Business and Financial Planning 6:11PM (0:41:05)**

**Eric moved to accept the monitoring report. RJ seconded.**

Discussion: Kari reported two non-compliances: 1. Because of continued uncertainty related to the pandemic, the business plan covers only a one-year period, and 2. a financial loss is projected. All things considered he feels it is a reasonable business plan, and characterised the non-compliances as justified.

Steven asked for clarification on the severity of non-compliances. Kari responded that generally low severity can be tolerated and is non-threatening. Moderate severity poses more risk, but is manageable. High severity could indicate an existential threat.

**The motion to accept the monitoring report passed unanimously.**

#### **6. Committee work: Approve new committee members, HMCCF charter 6:15 PM (0:47:50)**

**Steven moved to accept HMCCF charter. Eva seconded. Eric suggested accepting both the charter and new committee members in one motion. This was accepted by mover and seconder as a friendly amendment. The motion passed unanimously.**

#### **7. Council succession and recruitment 6:18PM (0:50:00)**

Eric asked who will be running for reelection in the fall, explaining that he will not, but he will help with recruitment. Catherine, Jen and RJ plan to continue to serve. Eva will run and recruit. Andrew, Olivia, and Steven will finish their terms. Olivia noted that she may no longer be a staff member, meaning there could be room for another staff person on council. Rachel is undecided if she will stay on as Staff Rep.

Kari informed the council that Rowan will be circulating a packet of information related to our Cooperative Community Fund, award, and council elections.

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**\*\*\*BREAK\*\*\* 6:33PM (1:02:18)**

**8. NCG Participation Report: Q&A 6:43PM (1:12:20)**

Kari introduced the annual report from National Cooperative Grocers which compares our performance and level of participation in their programs with other co-ops. HMC's participation in NCG provides an excellent return on investment.

Andrew asked why the debt-to-equity ratio went up. The PPP loan caused the increase, but it has now decreased since the loan was forgiven. That will be reflected in next year's report.

Rachel asked what strategies the co-op will use to address challenges. Kari responded that we will strive to avoid loss, focusing on medical insurance and productivity.

RJ asked if we could promote sales of products that require less labor. Yes, that will factor into our promotion plans.

Olivia asked why we did not participate in the free product program. Kari said it was a new program last winter and we were still trying to limit foot traffic in the store. If it continues, we will participate.

Eric noted that our labor costs are high compared to other co-ops and asked Rachel what she thought of using more member labor. Rachel said that she could not speak for the union and could not venture a guess. She thought maybe it could be negotiated in a side letter. She then asked what percentage of labor costs are management. She also shared that Uncommon Market's starting wage is \$17.50/hour and wondered how we can compete with that?

Steven asked if we planned to bring back the \$5 meals. At some point we probably will.

Catherine would like to see more bulk items and sales. Kari said that we hope to increase sales this year through reopening the deli, restarting promotions and in wellness.

Andrew wondered if the co-op has discretion with core workers since they existed before the union. Kari reiterated that use of core workers is covered by the contract and does not foresee the program growing beyond its pre-pandemic scale.

**9. Staff Rep Report 7:05PM (1:33:30)**

Rachel responded to Kari's comment about the Co-op absorbing the cost of the 18% medical insurance increase. Anything over 14% triggers a reopening of the contract but management decided unilaterally to not do that. She thinks it's because the whole contract would be on the table including wages. She does not think it was a very collaborative move. She also brought up the whistle blower policy and wondered what the council had in place if a complaint was filed. Eric responded saying that there really is not a protocol in place and he thinks the council should take it up next year.

**10. GM Report 7:09PM (1:37:48)**

Kari reported that sales were down slightly from the prior year, but overall it has been a successful year. We will provide a tent out front by the picnic tables for outdoor dining since the café remains closed. Kari will be leaving for vacation tomorrow. Mary is the designated interim general manager in his absence and Kevin is also available to handle any issues. Steven requested Mary and Kevin's contact info.

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**11. Additional Items 7:12PM (1:42:00)**

Catherine encouraged any who hadn't to watch [the video she circulated](#). She emphasised that we all need to continue to reduce our carbon footprint, especially through local food. Elly asked if folks had ideas on how the Co-op could accomplish this.

Rachel asked if we had plans to replace the open refrigerators. Kari said it was under consideration but a lot of our aisles are too narrow to accommodate open doors. Steven asked if loss from refrigerators was truly a loss, or if it is cancelled by a reduction in need for air conditioning; Kari confirmed it is a loss.

**12. Wrap up 7:19PM (1:47:54)**

Steven asked if the council had an action plan for modifying ends policies. Kari said the JEDI committee is working on the JEDI aspect.

**13. Meeting Evaluation 7:22PM (1:50:55)**

Steven noted that when we have such strict limits on time, much less comes out of it. He noted that in the past, meetings ran longer and felt more productive. Eva thought that longer meetings are more realistic in person. Several people voiced concerns over significantly longer meetings.

**14. Cooperative Community Comments 7:27PM**

As no guests were present, this item was skipped.

**RJ motioned to adjourn. Catherine seconded. The motion passed unanimously. Meeting adjourned at 7:28PM (1:57:14).**

Action Items	Who	Done
Consider plan to update the Ends policies	Executive Committee	
Consider posting old packets and committee charges to website	Executive Committee	
Activate discount for new committee member	Rowan	
Email Mary and Kevin contact info to council	Kari	✓