



## Council meeting minutes, December 10, 2024

### Present:

Council: Carl Etnier, Jeff Roberts, Steven Farnham, Dvora Jonas, Catherine Lowther, Giles Brule, Lauren Antler, Nona Estrin, T. Gram

Staff: Mary Mullally, Alison Goyette, Elly Wood, Jess Knapp, Rowan Sherwood, Tom Wright

Guests: Joshua Youngblood, Laurie Veatch

**Facilitator:** Elly Wood

**Note taker:** Alison Goyette

These minutes and the full audio recording of the meeting are available online at <https://hungermountain.coop/meeting-info/> (Co-op Home → Membership → Council Meetings).

 Please note that the time stamp next to each agenda item is a LINK to that section of the audio recording. Click on the **TIME STAMP** to listen to that portion of the meeting.

### 1. Welcome: Meeting Ground Rules, Agenda Review **(5:30pm/00:00:00)**

The first meeting of the 2025 council began with introductions around the table.

**Motion:** Steven moved to add more time to Agenda Item 4, Officer Election, extending the duration from 15 minutes to 20 minutes. Dvora seconded.

Steven suggested it would be beneficial for candidates to be allotted time to make a statement to the group and pitch their candidacy before the vote. Dvora and T. said they would like to hear from the nominees.

**Vote:** Catherine voted yes; Dvora voted yes; Giles voted yes; Jeff voted yes; Lauren voted yes; Nona voted yes; Steven voted yes; T. voted yes. Motion passed.

### 2. Cooperative Community Comments **(5:39pm/00:09:28)**

Comments were contributed by Laurie.

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### **3. Consent Agenda: Minutes, Equity Refund Requests (5:42pm/00:12:37)**

**Motion:** Jeff moved to accept the consent agenda and Nona seconded.

**Vote:** Catherine voted yes; Dvora voted yes; Giles voted yes; Jeff voted yes; Lauren voted yes; Nona voted yes; Steven voted yes; T. voted yes. Motion passed.

### **4. Officer Election (5:44pm/00:14:10)**

Dvora nominated Steven for Council President and T. seconded. Giles nominated Carl for Council President and Nona seconded.

Steven said the bylaws and council rules forbid council members with a conflict of interest from participating in related discussions and votes. He said that while recusal from the vote makes sense, he is wondering why it is necessary for members to also recuse themselves from the discussion as a blanket rule. He would like to see more flexibility within council processes and a more liberal and functional interpretation of guidelines as opposed to what he perceives to be an ever-shrinking box with diminishing space for efficiency and wiggle room. He would also like the council to be walking a more flexible line in their interactions with staff in order to counteract what has been a relatively negative dynamic for some years now. He wants to smooth relations between the council and staff as well as among council members given the split results of the council self evaluation survey. He would like to unify the group.

Carl reflected that he was the only council member last year who was willing to assume the role and responsibilities of Council President and he stepped up to lead. He has received encouragement to continue in the role this year and is willing to do so again if that is what the other council members want.

Nona asked whether the council has ever considered electing co-chairs, and Carl pointed out that the bylaws state there shall be four officers (president, vice president, recording secretary and treasurer), but the president and vice president can certainly work as closely together as the individuals wish.

Jeff observed that Steven's vision for the council requires cooperation and action from all council members in order to be accomplished, regardless of who is president.

Dvora noted that under Carl's leadership the previous year, two council members and the Staff Rep. resigned. She advocated trying something different this year.

Nona said that the Co-op has been through hell, and any organization that has weathered exceptionally challenging times eventually needs its members to cut each other some slack and focus on stabilizing. The Co-op needs a honeymoon period of a year to do that.

Giles pointed out that there were only six responses to the council's self-evaluation survey and any information gleaned from the results should be interpreted as anecdotal; the survey results were not statistically significant. He thanked both Carl and Steven for their forthrightness, cooperation, and the spirit he heard from both of them.

Carl confirmed that on the 2024 Council there had been a total of 13 members, eight of whom were active at the time the self-evaluation survey was conducted and received it, and six members who responded to the survey.

The council voted for Council President by secret ballot. The ballots were counted by Elly. Carl was elected Council President by a vote of 6-3.

For Council Vice President, Carl nominated Jeff and Devora seconded. Jeff accepted and no other nominations were put forth. Vote was by acclamation and Jeff was elected Council Vice President.

Giles nominated Steven for Council Recording Secretary and Jeff seconded. Steven accepted and no other nominations were put forth. Vote was by acclamation and Steven was elected Council Recording Secretary.

Carl nominated Dvora to be Council Treasurer and Jeff seconded. Dvora accepted and no other nominations were put forth. Vote was by acclamation and Dvora was elected Council Treasurer.

## **5. Conflicts of Interest/Statement of Ethics (6:05pm/00:35:17)**

Council members disclosed all known and potential conflicts of interest that could necessitate recusal from a discussion and/or vote. Carl is employed by Manghi's Bread, which is a Co-op vendor. Nona has many close friends (including the Manghis) who are Co-op vendors. Giles is employed by the Co-op as the IT department manager and reports directly to Mary. T. is considering starting a soap company that may one day be a Co-op vendor and is currently enrolled in the Co-op Cares program. Jeff, Dvora, Steven, Catherine and Lauren disclosed no conflicts of interest.

## **6. Financial Report: First Quarter Statements (6:09pm/00:39:26)**

Tom presented the Q1 financial statements. He gave some Finance 101 instruction defining short and long-term assets and liabilities. Net income for the quarter was about \$176,000, or 2.3% of gross sales. The Co-op's current Assets:Liabilities ratio is 3.1 (and has been holding steady for a while in that region), which is a very strong place to be financially, as grocery retailers in general are often closer to 1.0. If the Co-op chooses to undertake a large capital project in the near future, it is very well-suited financially to do so. The Liabilities:Equity ratio has been fairly stable if not improving slightly over the last few years and now sits at 0.41, which is notable considering that when the current building opened, the ratio was 6:1, so this indicates solid financial growth over the years. The Q1 gross margin was 35.1%, which is down 0.3 percentage points from the same quarter last year. Despite this, the dollars earned were still ahead of budget, so Q1 is looking good overall and the gross margin was just higher than planned. Compensation came in at 27% of sales, which is down from last year's Q1 figure of 28.1%. This was partially due to several positions being unfilled for the last few months, but also to the 5.8% increase in gross sales.

## 7. Monitoring Report: L5 Financial Condition, L7 Protection of Assets (6:33pm/01:03:17)



Mary answered questions submitted to her by council members, including:

*\*Please tell us about the Cooperative Fund of the Northeast and Vermont Community Loan Fund.*

Both of these are organizations that played a critical role in helping the Co-op secure financing from Northfield Savings Bank to build its current building. We are investing back in them now that the Co-op is financially successful so they can support other organizations that are in the same position we once were in, and so those businesses can grow and thrive as we have. The VCLF specifically is an alternative lender that puts Vermont money back into Vermont communities, so the Co-op is supporting its surrounding communities indirectly by investing in this organization and supporting them in their work. The CFNE invests in other cooperatives in the region, so in addition to recognizing how helpful they were to us in our time of need, the decision to invest in them can also be traced directly back to Cooperative Principle #6: Cooperation Among Cooperatives.

*\*If we're doing so well, maybe we can afford to pay our staff more.* Looking at the CoScore, which is a number used by NCG to indicate financial performance and is calculated using a formula incorporating sales growth, earnings, expense control and turns-times-earns (a score below 40 signaling fiscal jeopardy and a score of at least 50 indicating financial preparedness), the Co-op is currently at a 71.6 which, compared to the other 148 participating co-ops, is right in the middle of the pack in terms of how we are doing. The Co-op also provides a gain share to staff when we do especially well and meet the criteria.

*\*How do you interpret no Material Losses due to theft or damage from the past quarter? How large does a loss have to be to qualify as a Material Loss?* Tom responded to this one, saying that the accounting definition of materiality is roughly 0.5-0.75% of sales. The Co-op estimates that loss due to spoilage accounts for 1-3% of losses in grocery and as much as 10% in produce. We do not currently have the IT or staffing capacity to track everything as specifically as, say, "We lost [insert number here] heads of lettuce and [insert number here] of those were lost due to theft vs spoilage." Theft and damage essentially wash out in the margin (which we budget for), but are not nearly as significant as losses due to standard industry spoilage.

*\*Why do we collect birth dates?* When members sign up, providing a birth date is optional but it is required if a member wishes to receive the senior discount.

*\*Has Tim retired?* Tim Wingate, our former finance manager, will be with us for another six months or so to help Mary and Tom and oversee the transfer of the Co-op's T-Bills.

*\*Why the sudden drop in members in good standing in June, and nearly as sudden a recovery in July?* The end of June/beginning of July is the end of the fiscal year. If members have not paid their equity for the following fiscal year by the end of the current one, their accounts are suspended and they are no longer members in good standing at the time this report is pulled (the June report). As people trickle in to shop in July, a great many of them reactivate their suspended account by making an overdue equity payment, thus shifting them back into the category of members in good standing which is reflected the next time the monthly report is pulled (the July report).

**Break began at 6:50pm and ended at 7:01pm.**

**Motion:** Jeff moved to approve the monitoring report and Steven seconded.

**Vote:** Catherine was absent for the vote; Dvora voted yes; Giles voted yes; Jeff voted yes; Lauren voted yes; Nona voted yes; Steven voted yes; T. voted yes. Motion passed.

## **8. Council self evaluation results and discussion (7:02pm/01:22:19)**

With six responses to the self-evaluation survey out of 13 total people who served on the 2024 Council (eight of whom received the survey), the results can be read as anecdotal rather than as data. Even with the small respondent pool, it is clear that there are some divisions when it comes to how the council members think about the council and their understanding of certain issues.

Giles asked if there is a corresponding public-facing survey with the council self evaluation where member-owners can give feedback about the council's performance. Carl said that currently there is not.

Jeff remarked that Joshua's distillation of the survey results reflects the conversations the council has been having for the last four or five months and the council should use that document to identify bridges they share. He thinks it is important to engage with staff on every level in order to get a sense of who the council body is and how they are coming across.

Giles shared that as a council outsider, Joshua's document reflects what he observed in the handful of meetings he attended last year.

Steven pointed out that in Joshua's report, he says, "An even split between whether ideas are exchanged or not. This speaks to a conceptual difference of opinion between the two sides," but Steven sees it as perhaps more of a difference in experience. It might be more accurate to say difference of perception than difference of opinion.

Dvora called attention to the fact that there was an even split on question 36 about whether the council adds value.

Jeff said that at the retreat he felt initially that they had accomplished something. The retreat was really valuable and helped build bridges that they all needed, and he does not want next year's evaluation to show that the council has not worked together.

Carl said he is proud of the year's accomplishments, especially getting the council committees up and running and the open and transparent process that the council created from scratch. He acknowledged that visioning and free-thinking were not as much of a priority over the last year but will be going forward. He hopes that council members will be more communicative with each other in person and not just in meetings.

Lauren added that the last two years were traumatic and she hopes they can talk less about how to work together and just do the work (which comes with the side benefit of learning how to work well together).

T. offered that he sees himself as the person in the room representing a skeptical community. He thinks the council should think about being more sensitive in the coming year to the reasons people have disgruntled feelings.

Carl asked Mary to speak to how the council has supported her and how they can support her in the future. Mary said that simply checking in regularly and asking questions has been much appreciated. We will all be stronger as we build our relationships further. She added that she felt very much supported by the council when she started.

Joshua commended the council for their thoughtful consideration of the survey and its results, and he feels encouraged and optimistic that the council can take this information and use it to help them move forward.

### **9. 2025 Council Meeting Format and Calendar (7:26pm/01:46:40)**

Steven suggested scheduling two meetings per month because special meetings can be so difficult to put together. It would be easier to always have two meetings on the calendar and cancel one if it is not needed than to coordinate everyone's schedules and warn an extra meeting each time one is necessary.

Carl suggested that the council meet next on the second Tuesday in January (keep the current schedule for at least one more month) and asked council members to think about their scheduling preferences in the meantime. He added that a two-meetings-per-month schedule had been proposed in the past, with the second meeting reserved for council continuing education where no business would be conducted so there would quorum required. Lauren strongly advocated for a once-per-month meeting schedule if the council wishes to encourage diversity within the body and allow people in all stages of life to have representation.

Carl asked for thoughts about the timing of the Annual Meeting. Dvora supported holding the next Annual Meeting in September so as to distance it from the busy holidays. T. suggested the council survey the membership about this if the goal is more community involvement.

As for the meeting format, Giles advocated keeping the hybrid in-person/remote option to ensure the doors remain open for maximum participation and representation. Dvora and T. also said they prefer the hybrid format.

Carl next addressed the upcoming council retreat and asked if people would be open to an overnight option. Nona, Dvora and Lauren expressed a hard No. Jeff suggested that instead of an overnight, perhaps two retreats spread out during the year could be valuable. It would allow time for a focused regrouping after the group had some experience working together for a few months. Giles said he, too, prefers no overnights and concurs with Jeff. Steven said the purpose of a retreat is ostensibly to plan for the year, so it makes more sense to do everything in January or early February rather than having a second retreat mid-year. If two retreats are scheduled, they should be no more than two weeks apart to maximize the benefit of having the entire council year to execute plans. T. thought it was a good idea to keep it to one day.

**10. 2025 Committees (7:45pm/02:05:15)** 

The council members went around the table to say which committees they would be interested in joining. Steven: Governance, Engagement, Sustainability. T.: Sustainability, Engagement. Nona: Sustainability and Engagement. Jeff was not ready to declare. Giles: Engagement, Perpetuation (but happy to serve wherever needed). Dvora: Governance. Lauren: Engagement. The Executive Committee will discuss this input further at their next meeting.

**11. Annual Meeting Reflection (7:52pm/02:12:36)** 

Rowan presented a summary of the feedback the Co-op received about the Annual Meeting. 138 people attended, 91 in person and 47 over Zoom. Exit survey data showed that people felt overwhelmingly positive about the meeting.

Technical difficulties in the lead-up to the doors opening prompted some discussions about the Co-op purchasing its own equipment to run hybrid meetings as opposed to relying on a third-party contractor with varying levels of expertise. This would leave us less vulnerable and allow us to troubleshoot and remedy any problems ourselves as they arise.

The Q&A format was well-received and having questions written down ahead of time helped to maximize the time allotted and allowed a diversity of voices to be heard.

Dvora said she wanted time in the meeting for council candidates to make a presentation and take questions in person. Carl noted that the council hosted a Council Candidate Forum prior to the meeting where people could do just that. Each candidate also shared an introduction/pitch video during the meeting for people who missed the forum. He also suggested that candidates who arrive at the meeting early have an opportunity to work the room and talk to people about their candidacy in person that way.

Rowan requested an answer about the timing of the 2025 Annual Meeting by March (whether or not the council would like to move the meeting to September).2223299

**12. Wrap-Up: Action Items, Calendar, Future Agenda Items (8:02pm/02:22:33)** 

Action	Who	Notes
Discuss the collection of birth date information internally.	Mary	
Executive committee meets 12/27	EC	
Consider alternative Tuesdays for Council meeting, be prepared to discuss at January meeting.	Council	

Consider needs of council committees and make a proposal to Council.	EC	
Create and distribute meal cards to Council	Mary	These will be ready before the January meeting.

**Motion:** Jeff moved to adjourn and Dvora seconded.

**Vote:** By voice; motion passed.

**Adjourned at 8:04pm.**