

MINUTES (FINAL)

Karma Food Cooperative: Board of Directors Meeting

Thursday, May 26, 2005 (7pm)

St. Alban's Boys and Girls Club

Board Present: Nina Bregman (Business Planning Committee Liaison), Grif Cunningham (Member Labour Committee Member), Jason Diceman (President), Melissa McDonald (Chronicle Committee Liaison), Amy Stein (Treasurer and Finance Committee Liaison), Christie Stephenson (Secretary), Andy Summers (Vice President and Supervisory Committee Liaison) and Todd Parsons (Member Labour Committee Liaison and Business Planning Committee Member). Regrets: Lachlan Story (Business Planning Committee Member and Member Labour Committee Member). Absent: John Deluca-Howard (Promotions Committee Liaison).

Staff Present: Graeme Hussey (General Manager).

Members Present: Michael (Chronicle Committee Member)

1. A pproval of Agenda

There was agreement to approve the agenda as ammended.

2 . C orrespondence and Announcements

There was a discussion of board members' summer schedules and it was noted that quorum would probably not be reached for the June meeting.

There was agreement to cancel the previously scheduled June and July board meetings and schedule a new board meeting on July 14th.

There was agreement to postpone the caucus meeting scheduled for June due to the limited number of board members who will be in town and the short timeline.

3. M inutes

There was agreement to approve the March and April 2005 board meeting minutes.

4 . B usiness Arising from the Minutes

There was no business arising from the minutes.

5. General Manager's Report (Graeme)

The receiver general has been paid.

PST and WSIB payments are up to date.

Sales & Expenses

- The sales appear to below budget and last year sales for the month of May.

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Finances

- Treasurer and I have finished the draft FY 2006 budget. This will be presented to the board at the May (final) board meeting. So far there has been extensive consultation with the finance committee.

- We are on target to make a larger than budgeted net income for FY 05.

Capital Changes

- Purchased the grocery shelf, which will be installed in early June.

Member Labour & Relations

- Attended Karma caucus.

- Two members are in the beginning stages of developing a property assessment of Karma's physical infrastructure. Both members have a structural engineering background and have extensive experience in handy work.

Operational Changes

- We will be closed on Sunday May 29 for year end inventory. Although I have not

been involved in the audit and inventory in the past, I have with Sarah Fairly and developed supporting documents. I do not expect any difficulties with these events.

- There was a one day merchandising assessment and staff seminar from Alain Roy (Natural Business Partners) on May 15th. This included a thorough assessment of our merchandising, layout and basic operations and then a seminar with staff on how to improve our product merchandising.

Promotions and Marketing

- Hoping to have a presence at the Seaton Village fair on June 11. In discussion with the promotions committee as to whether they will do this or myself.
- Helping to support the promotions committee in organizing bike week (June 4). The board should think of having a presence there.

Staff

- No staff changes.
- Have cut one 7 hour shift from overall staff hours and looking at cutting another permanently as we go into our slow months.
- Have received the draft employee handbook with many comments and expect to look for board approval at the June meeting.

Miscellaneous Items

- Attended two workshops, 'Talking to the City' and 'Fundraising', by the Food Animators Project. The project is a partnership between Foodshare, African Food Basket, Second Harvest and the Stop Community Food Centre.

Announcements and Questions to the board and committees

- The Ontario natural Food Co-operative (ONFC) AGM is on Saturday May 28 at 2:30 pm. The AGM includes a dinner and meeting. Approximately 4 hours in length. I will

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attend and can transport others if people want to attend. I will be running as board member of the ONFC.

Discussion

Nina asked about the outcome of the merchandising assessment. Graeme said he was awaiting the final report.

Graeme noted that he was thinking of having Karma staff sell food at the Seaton Village Fair booth. The point was raised that it would be nice to have members involved in the fair and booth. Graeme said he had been in discussion with the Promotions Committee and Stephanie had expressed primary interest in doing internal Karma community events as opposed to external outreach work.

6. Executive Reports

6A. **President** (Jason)

Recent Meetings:

Karma Caucus - May 15th

Orientation Team - May 18th 6pm

Business Planning Committee - May 19th

Up-coming meetings:

Staff feedback on new GM - May 30, 2pm at Karma

Action Items Completed:

* Helped organize the Caucus

* Met with the Orientation Committee. They are now the "Orientation Team". They are willing to work with staff and be guided by policy.

* I talked with Michelle of the promotions Committee about changing to member initiative model, (i.e. not a committee) but we still need to speak with Stephani before we should consider the committee to be ceased.

* Published new version of Participatory Policy Governance discussion paper (<http://karma.1coop.ca/Participatory+Policy+Governance>)

* Approved diversity and equity / anti-oppression training for the Staff, board and possibly other active members. Need to define mandate, budget and scope.

* Conducted board process survey and drafted new version of our board process (<http://karma.1coop.ca/Board+Process>)

* Discussed complaints policy (via email) with Melissa, Jamie Kerr etc.

* Ceased email discussion the a member (this wrote over 4300 words of criticism, assertions and conjecture without any positive comment, recommendation or clear suggestion for addressing concerns.)

* Scheduled a meeting with the staff for getting feedback on new GM.

* Printed the Board minutes and put them in a binder in the members room.

* Todd and I put up new dotmocracy questions. I did a second round last week. All results were copied and put in the dotmocracy archive booklet hanging by the dotmocracy 050127 Board Of Directors Meeting

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board.

* Added private board only page (not even GM):

<http://karma.1coop.ca/Board+Private+Page+1>

Action Items Not Completed:

* Mailing list policy

Announcements to the board and committees:

Now that we have removed much of our committee liaison responsibilities and we have a board process, I think our new focus should be on answering important questions. For example:

* How do we know the GM is doing a good job?

* What's the difference between our operational budget and the member fees budget?

* What are the greatest threats to the organizations future?

* Why do members leave Karma?

* What's our future business plan?

* What are the demographics of our membership?

* How do we compare to other natural food stores?

* What are the member rights and responsibilities?

* How many trail shops is too many?

* How do deal with member complaints?

* Who can represent Karma in the media?

* What are the goals of the organization?

These are just a few off the top of my head. Some could be answered via tradition, some via policy, some need research, some could use dotmocracy etc. I suggest that we start to collect all our questions in one place, prioritize and the delegate who will find the answers and report back. This will help us direct policy development, and also provide us with key information for making decisions. This question answering focus compliments our already existing tasks and gives us direction for the future work of the board.

The goal is to create a huge and growing list of questions with their answers and related links on the web binder (<http://karma.1coop.ca/Frequently+Asked+Questions>) and we

could print it out before the AGM each year. I think this could become the most important resource for members and others who want to understand the organization. It would be any easy entry point in to the many pages of policy, drafts and information. Let's discuss and see if it makes sense.

Discussion

Jason overviewed the above examples of questions the board might want to begin addressing. There was some hesitation expressed about undertaking a new initiative without membership input unless there clear member support. The suggestion was made that answering these questions be part of the business plan process. Jason agreed to continue working on FAQs about Karma and for the board. See

<http://karma.1coop.ca/Questions+to+the+board>

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6B. **Vice-President** (Andy)

No report submitted.

6C. **Treasurer** (Amy)

Date of last meeting: May 2, 2005

Date of next meeting: June 6, 2005

Action Items:

* No change in action items. May's finance committee meeting was devoted entirely to discussion of the draft budget.

* Graeme and I are working with the bookkeeper to clarify the bookkeeping of committee expenses (the chart of account was not aligned with the committees).

Announcements to the board and committees:

* Please review the attached pages of financials, which includes results through April 2005.

* The draft 2006 budget, also attached, is based on financial information through April 2005.

* The store budget has been reviewed by the finance committee over the course of a few drafts. The committee has not met to recommend this final draft, but as far as I know the committee supports this budget with one huge caveat: we don't know 2005 shrink until we count inventory on May 29. (See note on shrink below.)

* I recommend that the board approve the store budget conditional on the finance committee's final review, which will happen once 2005 shrink is known (by the June board meeting, I believe).

* The member budget has not yet received input from all committees. Could committee liaisons please discuss expected budget requirements with committee members, and let me know if they expect any significant changes in expenditures next year? I've already been in touch with the Chronicle committee, which has the largest budget. Please keep in mind when discussing that the committee budgets are not a "limit" on spending. We are simply looking for a best estimate at this time for planning purposes.

* I recommend that we wait to approve the member budget at the June board meeting.

Other Notes:

* As we approach the end of the fiscal year, we are projecting a small positive net income. However, a note of caution is in order. Our final year-end results will depend heavily on the results of the May 29 inventory count. "Shrink" is broken jars, spoiled vegetables and mouldy bread, but it also includes theft and cashier error, which are difficult to predict. Our monthly financials include an estimate of shrink, but actual shrink

is determined only twice a year, by counting every item in the store. Shrink costs Karma tens of thousands of dollars per year. If the inventory count reveals a higher shrink than estimated, Karma could easily swing into a loss for the year. Given our thin bottom line, even slightly higher shrink than expected will have a significant impact.

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Discussion

Graeme noted that the best way to improve the bottom line would be to reduce shrink. Andy said he would like to see a plan in place to do just that. Graeme said that the work he and Amy were doing in terms of tracking and understanding shrink is already underway.

There was a suggestion that the board set a policy on expenditure for basic committee meeting expenses, as the practice has evolved such that some committees have expenses (such as snacks) covered and some do not.

6D. **Secretary** (Christie)

Action Items Completed:

- Draft May 2005 board meeting minutes and distributed to directors for review
- Checked Karma board email account for messages intended for the board

7. Committee Reports

7A. **Business Planning Committee** (Nina)

Date of last meeting: May 19, 2005

Date of next meeting: June 17, 2005

Action Items Completed:

- Committee members reviewed Business Planning Committee Manual and recommended changes.
- BPC email account has been set up and directed to board liaison.

Action Items Not Completed:

- Changes to BPC Manual will be made on Web Binder before next committee meeting.
- Minutes of meeting will be posted on Web Binder by Friday May 27th.
- BPC members have been assigned to consult with other Karma committees and staff re. their perceptions and expectations of the business plan. Committee members will approach their assigned committee/team to discuss their ongoing role in this process. Todd: Member Labour Committee, Graeme: Finance Committee, Caitlin: Orientation Team, Jason: Staff.
- BPC members to review draft exit interview and provide feedback on Web Binder before next committee meeting.
- BPC members to review Chronicle Themes and provide feedback on Web Binder before next committee meeting.
- Graeme to operationalize exit interviews to be incorporated into staff responsibilities i.e. who will conduct interviews? Where will results be stored? Who will review results to the Board, GM and members? Etc.

Announcements to the board and committees:

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• A Karma member, who is a structural engineer will do an analysis of the structural integrity of Karma's building.

7B. **Chronicle Committee** (Melissa)

Date of last meeting: April 14, 2005

Date of next meeting: June 16, 2005

Action Items Completed:

- June/July issue in progress

7C. **Finance Committee** (Amy)

See Treasurer's report.

7D. **Member Labour Committee** (Todd)

Todd noted that there had not been a meeting held.

7E. **Promotions Committee** (John)

Date of last meeting: NA

Date of next meeting: NA

Action Items completed:

- Karma Caucus
- Discussed committee status with Michelle Webb, both in person and in e-mails

Action Items not completed:

- Did not speak to Stephanie Brown Karma Caucus

Announcements to Board and Committees:

- Michelle Webb would consider continuing to work for the committee if it changed structure, but she sees it working best as a non-formal individual event oriented organization with its own budget which is organized and coordinated by a single member. This person would be a non-board, non-staff related member who's job it would be to help organize around event logistics, dates etc. I have forwarded to the board-list, the most recent e-mails from Michelle on the subject. It's entitled "Fwd: Promotions Committee Status?" Email text: Jason and John, Just to clarify, when I say liason, I think it is vital that that person be a member, not a board member nor staff person. That would be a role of organizing food etc, not approving initiatives. John would continue to be a great board contact for bringing event budgets to the board to be approved. I think that if it is a staff person that becomes the reporting structure of a 'work group' which is what I and Stefani (and other members of the original committee) opposed. Michelle.

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7F. **Supervisory Committee** (Andy)

There was agreement to move the meeting in camera.

There was agreement to strike an Ad Hoc GM Performance Review Committee, the membership of which would be Jason, Amy, Andy and Melissa.

7G. **Web Committee**

No report was submitted.

8. Questions for the Board

8A. Review of the 2005/2006 budget (Amy)

There was agreement to conditionally approve the store budget pending the finance committee's approval and the final inventory figures.

There was a discussion about the membership budget. Amy said she would make some revisions to the membership budget including breaking out the administration and financial line items.

8B. Review and approval board process: <http://karma.1coop.ca/Board+Process> See attached document (Jason)

There was agreement to approve the board process proposal with minor amendments.

(See attached amended document).

8C. Suggestion that we decide soon about the Promotions Committee status. (John)

There was agreement to table this item until the next meeting due in order to include John in the discussion.

8D. Of the 784 email addresses we have of Karma members, only 47 have opted-in to join the announcements list. Should we request they opt-in again? (Jason)

There was agreement to table this item until the next meeting.

9. New Business

9A. Anti-Oppression / Diversity Training Proposal (Todd)

Todd circulated a proposal to hold anti-oppression / diversity training at Karma for board members, staff and interested members. There was support for proceeding but agreement that there were issues to be addressed. Andy said that he felt it should be mandatory for board members and the general manager and that the language in the proposal document should be broadened to address discrimination generally, both ideas which were

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supported. Amy said she would talk to the finance committee about the plan and the costs involved. Graeme said it was important to consult with staff before going ahead, which Jason agreed to do.

10. Adjournment

There was agreement to adjourn the meeting.

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ATTACHMENTS

4A. Review and approval board process (Jason)

Board Process

(In progress - draft)

How the board communicates, makes decisions and carries out activities.

General

* Decisions are made by the board in a deliberative fashion, aiming for consensus, but accepting majority rule when necessary.

* We aim to author all our publications and email message in plain language that is concise and accessible.

* Consultation with related stakeholders is always suggested before any proposals are presented, e.g. talking to a committee before suggesting action items or changes; using dotmocracy to inform policy decisions.

* Reading is expected to be done independently.

* Research may be done in teams.

* The Board works mainly on business days; weekends only for emergencies.

* Board members are not expected to read and respond to more than 7 pages of text within 5 business days.

Step-by-Step Process

1. Board member receives or generates information and/or questions Board member checks the Board Manual to see if this topic is within the board's scope:

* No - Decline and/or pass on to the GM or other appropriate party.

* Yes - Continue to next step...

2. Board Member Informs the Board (and related committees)

Board member sends an email to the Board (and related committee) mailing

lists, including:

- A. One-two sentence summary of the question, issue or information.
- B. Key and related details, e.g. letters, reports, emails, links to web binder.

3. President in Consultation Makes a Plan

Brief discussion to further inform the topic and decide on a plan that includes:

- A. Tasks / Process: how will we address these questions or information e.g. review documents, further research, email discussion, new web binder page, stakeholders meeting, dotmocracy statements.
- B. Outcomes: expectations for results, e.g. correct and approve records, report with recommendations, a one-time decision, a suggested policy.
- C. Delegation: who will be responsible for the tasks, e.g. a committee or one or more directors.
- D. Priority / Time line: milestones and due dates for key stages of the process.

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4. Post Plan on the Web Binder

All plans should be included on either the Board Action Items, the related Committee Action Items and may require time within upcoming agendas.

5. Follow Through on the Plan

The chair of the board or related committee is responsible for making sure all approved plans are followed through. Individual members who have accepted responsibilities will report their progress and outcomes within their monthly reports to the board. Important plans and outcomes will be published in a monthly board poster, within one week following the board meeting.

Board Communications

Email

Board members can send messages directly to each other or to a mailing list that automatically copies a message to all subscribed members. Board members are expected to read and respond to messages:

- * Addressed to the general Board, within 5 business days.
- * Addressed to them or their committee, within 3 business days.

Mailing Lists

(e.g. board-list@karmacoop.org) Board and committee mailing lists are used for internal discussion, for promoting transparency within the board and for archiving of important communication to and from the board. The Board-list is private, i.e. only approved subscribed members view the messages and can access the archives via a password.

Online Decision-Making

The current by-laws assume the board only makes formal decisions within meetings. Outside of meetings the president has the authority to make decisions on behalf of the board.

Informal Decisions

The board may use the mailing list to decide on informal issues. This scope includes:

- * The text of board publications
- * Plans for action on internal board and committee tasks

A proposal can be considered supported by the board if at least 6/8, 7/9 or 7/10 responding board members state clear approval, within 5 business days. Major revisions to a proposal are to be considered a new proposal with it's own 5 days approval schedule.

Formal Decisions

The board may also make use of the mailing list to discuss important decisions inbetween meetings, but the final decision must be either made by the President or by a majority vote at the following Board meeting. A director will be responsible for compiling online discussion of the formal decision in to very brief minutes that will be

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included in the reports for the following Board meeting. Any other director can ask for changes or additions to these minutes.

Formal Board decisions include:

- * Approving a policy creation of addition
- * Budgets over \$200
- * Changes to staff responsibilities
- * Changes to committee structures

Message Format

Messages should always have clear and descriptive subject lines. The first line should always include who the message is intended to be read by. E.g. a director may CC the board on a message meant for a committee. If the first line does not specific the "Board" or your name, then you do not have to read it, but you are invited to. Messages should be concise and to the point. Key points and questions should be at the top of the message.

Links to related WB pages and web sites are always appreciated.

Web Binder

The web binder is used for drafting and maintaining key board documentation. e.g. policies, board terms or reference, committee manuals, project plans, action items, questions for the board, reference information, survey and dotmocracy results. It is meant to be used as an up-to-date reference and drafting tool.

Board Reports

Before every board meeting, each member and each committee is expected to distribute a report of their recent activities, pending action items and announcements and/or questions for the board. These reports will be included in full within the published meeting minutes.

Meetings

Board and committee meetings are for continued discussion and ratification of key decisions. The president decides the priority of potential agenda items in consultation with the board.

Meeting Minutes

Printed minutes from Board meetings are a clearing house for all monthly reports, board activities and decisions. They are posted to the mailing list within 4 days of the meeting, and finalized within 3 days preferably as a single PDF, and in paper in a binder in the members room.

Board Poster

The board publishes the most important decisions and current activities as a large text poster in the store 3 business days after the minutes are finalized.

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