

**MINUTES: FEBRUARY 4, 2008**

**KARMA CO-OPERATIVE BOARD OF DIRECTORS**

Minutes of the meeting held on Monday, February 4, 2008, 7:00 pm – 9:30 pm

**Directors present:** Donald Altman, Rachel Birenbaum, Deborah Cherry, Charles Danzker, Deborah Finestone, Orla Hegarty, Arthur Jacobs, Margaret Knittl, Harry Koster, Ahdri Mandiela

**Regrets:** none

**Absent:** none

**Staff Present:** Justin McNabb, G.M.

**Members present:** Rolf Struthers, Andrea Rosen

**Minutes recorded by:** Sylvia Kym

**1. Call to order**

- Meeting was called to order at 7:11 pm

**2. Motion to accept the agenda**

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| <ul style="list-style-type: none"><li>• Margaret moved to accept the agenda</li><li>• Charles seconded</li><li>• Motion passed</li></ul> |
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**3. Declaration of any conflicts of interest**

- None declared

**4. Acceptance of the Minutes of the Board Meeting of January 8**

- Rachel explained the process that occurs with each month's minutes; an email will be circulated approximately one week before the following meeting, feedback is received and the final amended copy is brought in for review at the meeting.
- It was noted that the name Vandendool was misspelled
- To avoid future confusion Deborah Finestone will be referred to as Deborah F and Deborah Cherry will be referred to as Deborah C.
- It was noted that the names of the individuals that seconded and passed the motion to empower Margaret and Harry to appoint an individual as the negotiator for CUPE 1281 were missing from the minutes.

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| <ul style="list-style-type: none"><li>• Deborah C. moved to accept the minutes of the January 8 board meeting as amended</li><li>• Harry seconded</li><li>• Donald abstained</li><li>• Motion passed</li></ul> |
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**5. Building Committee Report Charles**

- More or less the committee is on schedule and is completing tasks per schedule and plans to get a contractor on time
- Orla is concerned that the committee won't find someone on time. The July date is soon and it may not be feasible because contractors and material take a lot of time to secure

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- Charles explained that it is a small job and the committee is confident and the architects know people that will be able to assist
- Ahdri noted that what is in the committee's control is so far on schedule
- Donald asked for clarification about whether board members can do paid work and if this would make Art's work on Karma's refrigeration a conflict of interest.
- Art is not being paid for his work and his expertise is being used as a volunteer

### 6. General Manager's Report Justin

- The Receiver General has been paid.
- PST and WSIB payments are up to date.
- Sales and Marketing:
  - January sales were strong, at \$144,351.96, which is 1% growth over January of last year. Karma is currently budgeted for 4% growth. We may also have seen some financial success recently through a reduction of expenses.
  - Karma's surplus has been moved to a new high interest savings account at Alterna.
  - The Karma jute shopping bags have been delayed; we look forward to their arrival at the beginning of March.
  - We will be closed on Monday, February 18<sup>th</sup> for the new statutory holiday.
- Staff:
  - The staff have chosen February 18<sup>th</sup> to have their annual party.
  - Shannon Waterman, who has been a clerk for two years, has resigned. Her last shift is February 5<sup>th</sup>.
  - Mike Halichuk, produce clerk, will be on leave for six to eight weeks.
  - Scott Maynard, a former staff member, has returned temporarily to help fill some shifts.
  - Vanessa Butterworth, having completed her three month probationary period, has become an official staff member.
- Membership:
  - Marliou has reported that, as of Jan. 3, Karma has 1016 members, which is near the bottom end of our normal range. She does highlight the trend of an increase of non-working memberships; we currently have 517 working members to 499 non-working members.
  - An examination of IOUs at Karma has shown that the majority of members who use IOUs do so infrequently and repay promptly. This is not the case with every member, and we may need some restrictions on IOU use. Rosemary Dyke, of the Finance Committee, and I will create a draft policy.
  - Also, we are behind on the collection of **membership** (clarify with Justin) fees and will be working to get caught up.
- Donald noted that in the old days the finance committee got info about working /non-working members by month, and asked whether this different way of reporting the statistics is enough information
- Margaret wants a count of members and how many of them are taken up in committees and as board members. She would also like to know how many 2 hour slots are available for member labour.
- Donald feels the board should be in control of this issue
- Orla would like to know who makes decisions on how many working members are available for tasks and the number of hours for the different tasks.

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- Justin explains that the numbers were established a long time ago
- Margaret volunteers to do more research on this member volunteer hours issue and to see if there is a shortage
- Orla would like clarification on the sales and if they are in fact going up.
- Justin replied that they are close to last year's December sales, within a few hundred dollars
- Donald points out that it is a complex issue since the rising price of U.S. products, the rising Canadian dollar and inflation all need to be considered.

- Donald moved to accept the general manager's report
- Charles seconded
- Motion passed

### 7. Finance Committee Report Donald

- When the committee received the finance figures they figured that they cannot be correct so Denise went through the numbers on an excel spreadsheet and now someone is going through the calculations to check if there was a problem in the calculations. Donald may have found one error which would account for \$6000 difference in salaries but there hasn't been full agreement on this \$6000 and on some of the estimating process. That is why there is no report tonight
- The offering statement will be sent out next week
- there are four ways to increase resources
  1. surplus
  2. building maintenance fee
  3. getting a line of credit
  4. borrowing money from members "Big Buck Loan"
- Margaret asked who would go out and look for the possible lenders
- Donald replied that the finance committee was not prepared to take on this responsibility. He would need to be asked formally and then discuss it with the committee
- Donald noted that there has been resistance from members to pay membership fee which is slowing things down; the people that who will make loans must read and sign the offering statement
- Margaret said that copies of the offering statement need to be put by the cash register
- An article should be placed in the Chronicle - Deborah C offered to do this

- Orla moved to create a member relation liaison, held by a board member, to look after the "Big Buck loan" and other member relation issues. A written job description would be included.

- Deborah F seconded

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- Donald moved to table it till the March meeting
- Ahdri seconded
- Motion passed

### 8. POS Committee Report Rolf

- Discussion surrounding the POS is reflected in President's Report, below

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### 9. President's Report      Margaret

- To date we have not received a renewed application from CUPE local 1281. I have had several responses from members versed in the art of labour contract negotiating.
- A crew from Rogers TV will be in the store at 11:30 on Tuesday Feb. 5 interviewing and filming us as part of their programme on a greener Toronto. If you can, rise, shine, and shop!
- The Sup Committee met on Friday Jan. 25 to consider how best to remedy an anomaly our GM had alerted us to in the hourly rates of pay of staff members. We found the status quo so unstructured that the best we could do was to ask the GM to prepare a schedule of the categories of employees from clerks up to purchasing managers with clearly identified responsibilities for each group (or individual) and a range within which the hourly wage should fall. We hope to see that soon.
- The Governance Review Committee has provided us, among much else, with an up-to-date version of our by-laws. On the basis of last year's experience I believe we should make one addition and one amendment to these by-laws, the first to clarify who is in charge in the interval between the striking of the incoming Board at the AGM and its organizing itself. The second is aimed at making it less difficult to keep quorum, especially in meeting called in emergencies
  - The outgoing Board and its officers shall continue in office until an orientation of the incoming Board has been held and until the incoming Board has chosen its president, secretary, treasurer and vice president, or at the least, its president and secretary.
  - The number of Directors shall be reduced from 10 to 9.
- If eventually accepted by the Board and by this year's AGM, the first could be acted on at once, the second only at 2009 AGM elections:

BIRT We request the Governance Review Committee to review the above motions, put them into appropriate legal language, and give us their recommendation at the March meeting re adopting them.

- I spoke with a representative of the Ontario Co-operatives Association on Monday Jan. 28 about their grant to Karma of \$1,500 four years ago now and still unspent. I learned the following:
  - The programme under which the grant was given (with a follow up grant of a second \$1,500 upon a satisfactory report of the use made of the first \$1,500) is closing at the end of March.
  - The programme was and is intended to be used to hire outside consultants to allow co-ops to access skilled advice they could not otherwise afford. It was not meant to support functions which any prudent co-op would budget for year by year, such as repairs and outreach.
  - The person I spoke with showed interest in the proposal to hire an outside firm to search cyberspace for the best software to meet our need for better recording our purchases and sales, along with all the information we now store on cards re our members and employees. Her reason was that what we learned might serve as a template for other co-ops with needs similar to ours.
- So our POS project is the only one we have that is ready to go and meets OCA's requirements. They are not happy with what is happening right now with Karma – two expensive projects going on now – union and renovations. I got no promise that they would fund it, in whole or in part, but it is our one chance of retaining the \$1,500 we already have

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and of receiving the second \$1,500 we may hope for. The two together would cover the cost of using the chosen firm. But can they complete the job in 6-7 weeks? We need to show paper of what is done by April 15.

- Donald moves that the Board accept the POS Committee's recommendation to employ Freeform solutions in the amount of \$2,880 plus GST for technical assistance to provide a report outlining Karma's requirements, evaluation report outlining options and providing time-line which would provide the basis for a Request for Proposal from potential POS providers with interim report by mid march and final report in mid April and Charles be authorized to talk to the POS committee to ensure that the report get in on time.
- Harry seconded
- Orla opposed
- Motion passed

### **10. Initiating an Outreach Programme: Organizer, Plans, Budget      Orla**

- Not addressed

### **11. Developing a 'business plan'**

- Not addressed

### **12. Other Business**

- Rolf suggested that members should be able to talk first in the future so that they can leave before the board discusses issues that are only relevant to the board members

### **13. Adjournment**

- Meeting was adjourned to an in-camera session