

KARMA CO-OPERATIVE BOARD OF DIRECTORS

Minutes of the meeting held on Monday, September 8, 2008, 7:00 pm – 9:30 pm
720 Bathurst St., Suite 402

Directors present: Donald Altman, Rachel Birenbaum, Deborah Cherry, Charles Danzker, Deborah Finestone, Arthur Jacobs, Margaret Knittl, Harry Koster, ahdri mandiola

Regrets: none

Absent: none

Staff Present: Justin McNabb, G.M.

Members present: Kevin Taylor

Minutes recorded by: Sylvia Kym

1. Call to order

- Meeting was called to order at 7:15 pm

2. Motion to accept the agenda

- An item was added next after the building report to address whether or not the building fee can be paid with labour
- Margaret noted that the board may need to defer some of the agenda to another meeting

- Harry moved to accept the agenda
- Deborah C. seconded
- Motion passed

3. Declaration of any conflicts of interest

- None declared

4. Acceptance of the minutes of August 5

- Spelling corrections were noted (Justin, not Justine, on p. 2; appointments, not appoints on p. 4)

- Charles moved to accept the minutes of August 5th as amended
- Deborah F. seconded
- Motion passed
- Deborah C. moved to accept the in camera minutes of August 5th
- Rachel seconded
- Motion passed
- Donald abstained from both motions

5. Formalizing Orla's Resignation

- Rachel moved that the board declare Orla's position vacant on account of her having missed three consecutive meetings without leave
- Charles seconded
- Motion passed

6. Building Committee Report Charles

- Construction was on schedule to finish by the end of August, but we hit problems in that month which resulted in a three week delay to completion. The items include additional mould removal (schedule 2 remediation), ceiling/floor finish and the condition of the East (laneway) brick wall, which was exposed as part of the work.
- Ceiling and Floor finishing will allow the work to proceed with the store operating or facing minimal closure time. Some time was needed for an additional step of sandblasting the existing wood ceilings to accept paint. An alternative would require off site storage for a substantial amount of stock. Finishes are best done in open unoccupied areas such as we have in the East end and south end of the main sales area, where the work has already been carried out expeditiously.
- The decision was taken to split the remaining work, originally phase 2 into two phases, 2 and 3 and relocate goods and fixtures from 2 to phase 3 between them. The resulting third phase of construction has added time to the project. Phasing allows the east and south areas of the store to be used while construction and finishing of north east section (currently a sales area) is completed.
- When exposed during demolition, the existing East brick wall revealed minor bowing of the wall and some deterioration of existing brickwork. Work was interrupted to allow a structural engineer to inspect the wall, and his recommendation for a structural wood frame wall inside of and anchored to the existing wall to allow the two walls to function in tandem, and the replacement and repair of loose brick joints in the wall was implemented. The revised construction of the east wall as a complete assembly was reviewed by an engineer with expertise in building envelope design whose recommendations confirmed the proposed design and recommended one additional minor change which was done. The design, which requires a specific approval from the City, was inspected and passed on receipt of a report from the engineer.
- Construction has progressed rapidly towards the new proposed deadline which is expected to be met. The ceiling is painted, the floor ground and sealed, the 25 foot long dairy cooler is installed but as yet not connected and operating, and electrical work is progressing. The project is close to the budget estimate, and may well, in the end, be within it.
- Donald noted that he was in the store on Friday and found that the staff were not happy about the material in the air and were in the process of covering the produce
- Charles responded that he had talked to the contractor about the staff concerns, then went home to bring his own fans into the store to clear the air, which, once plugged in, they did. This appeased the staff. He noted that the contractor was very accommodating and understanding of the co-op's wish to stay open

7. Building Fee

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| <ul style="list-style-type: none">• Donald moved that the building fee for 2008 and 2009 be collected in cash only• Deborah C. seconded |
|--|
- Discussion:
 - Harry noted that about 70 people opted to use labour instead of cash equalling \$1260. This is a small amount for the building budget that is being generated in total
 - There are two reasons, philosophical and practical, to oppose this motion. Philosophically, if the co-op is supposed to appreciate labour but it goes after this \$1000 it puts out the message that that the co-op does not value members' labour; going after

this small amount sends the message that the co-op wants money, not labour. Practically, this does not seem like a large enough amount of money to make this much effort over

- Donald stated, however, that there is a \$4000 gap between the amount collected and owed, not a \$1000 (referring to the \$1260 cited by Harry)
- Harry agreed that there may be gaps but not because labour is given rather than cash. Another gap is that there were several that just did not pay. Some of those who did not pay may have been seniors and members on leave of absence, rare shoppers that assumed that they don't need to pay, and so on. These accounted for the gap, according to Harry
- Charles stated that we should go after those who have not paid. Members can now see the changes in the store and he would like to see everyone pay for it in cash.
- Ahdri stated that it doesn't seem like a big enough amount of money to make it worthwhile to enforce if we risk losing those members through enforcement. In the long run it seems like the co-op will get paid back in terms of labour

- Votes for – Donald, Charles
- Votes against – Art, Harry, Deborah C., Deborah F. Margaret, ahdri
- Abstentions – Rachel
- Motion did not carry

- Given the failure of the above motion to carry, a different motion was put forward:

- Donald moved that the cash equivalent represented by those members opting to work for the building fee, be transferred to the building reserve
- Harry seconded
- Motion passed

8. Treasurer's Report Donald

- As you may know John Biggs has had to step down from the chair of the Finance Committee. Rolf Struthers was unanimously voted in as the new chair.
- 2007/8 audit
 - the Committee will be recommending that the Board adopt the auditor's report and financial statements at its October meeting once we can get a clean copy to the Board
 - Margaret asked Donald to convene an e-vote on the 3 motions below:
 - Please find enclosed an e-copy of the auditor report and the financial statements for fiscal 2008.

- Donald moves that the board receive the auditor's report
- Donald moves that the board receive the financial statements as at May 31, 2008
- Donald moves that the board reappoint the firm of Berman, Lofchick and Lum as Karma auditors for the year ending May 31, 2009.
- Votes in favour of all of the above motions: Donald, Charles, Margaret, Deborah C., ahdri and Rachel
- Motion passed

- July statements – the version given to the committee is incomplete but you should know that sales are below budget, but expenses are on target and we have probably made money so far this year.
- Bookkeeper supervision

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The supervision structure for the bookkeeper was discussed.

- Offering statement update – I could not address where the Board is on the creation of a BigBuck letter to members. I gather that at the regular meeting of the Finance Committee which did not have a quorum there was some discussion of the letter; but is there a final version and when is it going out to members?

- The final version was circulated and next steps were identified: copying the offering statement for members, and creating a declaration form and a receipt. The Committee addressed the questions that Denise and Howard Kaplan had about the administration of the loan program and Rolf will convey the details to Denise shortly.

- Donald asked that the GM to do three tasks for the Big Buck loan program: 1) summary;
2) declaration form that they read and understand the offering statement; and 3) receipt

- Donald said neither he nor the finance committee is going to be in charge of raising funds; now that there is a new letter written to members requesting big bucks loans, we need to send it out immediately and begin the process of raising funds
- Donald assumes that the staff will take on this task of fundraising
- Margaret requested that someone review the two documents (the declaration and the receipt); Donald has offered to do this

- Deborah F. moved that Donald vet the documents and supervise the final copies and have this task completed by September 17th
- Donald seconded
- Motion passed

- The letter can be sent out on the 12th and be put in the next Chronicle

9. Appointment of a Negotiating Team

- The structure of a negotiating team was created to include the following proposed members: Ken, Charles, and Patrick or Leslie
- Margaret will speak to Patrick Bourk, Leslie Lester to invite them

10. By-law amendments

Donald's proposed amendment: Article IV Section 3(b) be amended by changing 4 to 6.

ARTICLE IV – DIRECTORS

Election and Term of Office of Directors

3. (a) At each annual general meeting, a number of Directors equal to half the size of the Board shall be elected to hold office for a term of two years, and immediately following this election additional Directors shall be elected for a term of one year if required to fill any vacancies remaining on the Board, unsuccessful candidates in the first election being eligible in the second.

Limitations on Duration of Service as Director

(b) Any person who has served as a Director for any part of each of four consecutive Board service years shall not be eligible to serve as a Director during any part of the fifth consecutive year. A "Board service year" is the time between successive commencements of term. No member may be elected to serve as a Director unless he or she is eligible to complete the term for which he or she is elected.

Revisions to amendment re transition from outgoing to incoming Board

6. Prior to the constitution of a new Board by the AGM the Outgoing Board shall facilitate the transition to an incoming Board as follows:
a) *Within 30 days of the annual general meeting*, the Board of directors shall set the day, place and time of an Orientation meeting between outgoing and incoming Board members, supply this information to the Chair of the Nominating committee and through her/him to each candidate who offers to stand for election to the Board prior to the date of the AGM. He/she shall also give this notice at the AGM before accepting any nominations from the floor. The orientation meeting shall be held not later than 14 days following the AGM.

- b) The outgoing Board shall prepare an agenda for the Orientation meeting and shall distribute it at the AGM to members of both the outgoing and the newly constituted incoming Boards. It shall include the determination of the day, place, time and basic agenda for the first working meeting of the incoming Board. If all members of the incoming Board are present and so desire, the first working meeting of the new Board may be held at the close of the Orientation meeting.
- c) At its first working meeting the incoming Board shall appoint at least a President and a Secretary and other officers as it sees fit, and having made such appointments assumes the full powers and responsibilities of the Board.
- d) Until the incoming Board has appointed its President and Secretary, the outgoing Board and its officers remain in office, but their powers are limited to taking any actions that cannot be reasonably deferred for consideration to the incoming Board or its officers.

- Donald moves to accept the amendment proposed by Howard which changes ‘At its September meeting’ to ‘Within 30 days of the annual general meeting’, italicized above
- Harry seconded
- All in favour
- Motion passed

11. Set day, place and time of Orientation meetings

- Charles moved that the date of the orientation be set for Nov. 2, 10am – 4pm at 70 Mill St.
- Ahdri seconded
- Motion passed
- Deborah C. will book her condo

12. General Manager’s report Justin

- Staff:
 - Vanessa Butterworth, grocery clerk, has returned from an unpaid leave.
 - Frank Norquay, grocery clerk, has successfully completed his three month probation.
 - Phillip Haderer is on unpaid leave and is due to return late September.
 - While we have all been enthusiastic about the renovations, we are now very much looking forward to the completion of the project.
- Store:
 - Removal of the drop ceiling, and a portion of the east wall, exposed another problem area of the roof. The roofer hired in July has agreed to come back and patch it up.
 - New shelves were installed in the overstock room. They are heavy-duty, re-enforced metal, colour coded and adjustable (everything the old shelves were not).
- Other projects:
 - Karma members, Jane Ansara and Paula Kutacova, are doing great work on Karma’s member database. They are updating and improving the software. A significant improvement in its reliability has already been seen.
 - Ben Yanchyshyn has begun work as Karma’s digital archivist. We intend to preserve all of Karma’s useful documents in a secure and accessible database.
- Donald commented that Justin and the staff are doing a great job keeping the store open
- Justin reported that it’s cool and exciting!

13. Liaison Reports

- Deborah F. reports that the letter of appreciation to staff went out by Aug. 15 as moved in August
- Actions arising from Deborah F.'s staff engagement process is to be included in the agenda next month

14. Motion to revalue the Karma member work hour from \$9 to \$10 Deborah C.

- Deborah C. put forward the following motion, but discussion was postponed till next month's meeting:

- Given that our unwritten practice has always been to assign a cash value to member labour equivalent to the hourly wage paid to a clerk, or to casual labour, and given that the said hourly wage is subject to fluctuation, and has indeed gone up, and given the need to reflect this reality in our established practice, BIRT when determining what is owed by working members who have missed a work shift, and by those members who have elected to pay the flat fee, the replacement value of member labour be explicitly tied to the most current hourly wage of casual staff, or of a clerk employed at Karma, in order to introduce more fairness and create a clearer link with the economic realities of managing the Co-op.

15. Report on work done for a new Staff handbook

- Postponed till next month's meeting

16. Adjournment

- Meeting was adjourned at 9:45pm

Action items

- Donald to discuss the issues raised surrounding supervision of the bookkeeper with the finance committee
- Donald to vet the big buck loan documents and supervise the final copies by September 17th
- Margaret to speak with Patrick Bourk, Leslie Lester to invite them to join the negotiating team
- Deborah C. to book her condo