

KARMA CO-OPERATIVE BOARD OF DIRECTORS

Minutes of the meeting held on Sunday, November 16, 2008, 2:00 pm – 5.00 pm
90 Olive St.

Directors present: Donald Altman, Arthur Jacobs, Harry Koster (from 2.30 pm), ahndri mandiola, Reg McQuaid, Sarah Pretty, Jae Steele, Kevin Taylor

Absent: none

Staff Present: Justin McNabb, G.M. (first part)

Members present: Corey Berman

Minutes recorded by: Reg McQuaid

1. Call to order

- Meeting was called to order at 2.10 pm, followed by introductions. The agenda was approved as prepared by Harry Koster and presented by Art Jacobs.

2. Declaration of any conflicts of interest

- None declared

3. General Manager's report - Justin

(Since today is the manager's day off, it was decided to receive his report first, so that he could leave the meeting early.)

- The Receiver General has been paid. PST and WSIB payments are up to date.
- Justin's one-year contract expired yesterday. The Supervisory Committee took note and will meet with him shortly to discuss renewal.
- Staff changes (normal for fall):
 - **Philip Haderer**, shift manager, resigned and is now working at Organic Planet. He will have his exit review Nov. 18. Wages may have been a factor, as the pay for a shift manager could be considered low, given the level of responsibility. Wages are frozen during the period of unionization. Philip worked Wednesday and Thursday nights and Sunday afternoons. He was on staff for three years. He remains a Karma member.
 - **Audrey Bolhuis**, who was helping us recently on a casual basis, has returned to the Netherlands.
 - Karma member **Rachel Climenhaga** has recently been hired. Another member, **Shannon Waterman**, will come on staff soon. She already was working for us sometime back, so training requirement are minimal.
 - **Christine Delay** has resigned from her role as Member Labour Co-ordinator, while continuing her duties as shift manager. **Greg Miller**, shift manager, is now taking on the role of Member Labour Co-ordinator.
- Collection of the building fee was launched on Nov. 15th. It is easier on the membership secretary to launch it in mid-month.
- Renovations: For budgetary reasons the contractor completed only certain specified tasks. A lot of things are still pending. The members' room is still not done, as it was not included in last summer's contract.

- Justin will be meeting with the Building Committee on Nov. 19th. They will see what are the next steps, and with what budgetary implications. Their recommendation will be referred to the Finance Committee, and thence to the Board for approval.

Discussion:

- Kevin noted that the leaky roof must be considered a priority, to protect what has already been done. Building materials may be cheaper now, with the economic downturn. It may make sense to get a completely new roof.
- Donald said we need to raise some more big-buck loans. We have the cash to embark on the next phase of renovations, backed up by our Alterna line of credit. The path to follow is from Building Committee to Finance Committee to the Board for approval. Then the Building Committee has to prepare a detailed set of specs in order to get some quotes from contractors. Even though we are satisfied with the work of the current contractor, we must take the time to get at least one other quote.
- Denise is working on the October financial statements for the Nov. 17th Finance Committee meeting.
- All Karma staff have permanent contracts. Justin and Michael Armstrong are salaried, while other store personnel are paid at an hourly rate. Marylou Lawrence is contracted to maintain membership records, and Denise Stapleton to provide book-keeping services.
- Donald pointed out that there is too much turnover in staff, so we have no collective history. The Board also turns over too often.
- Margaret Knittl, who was on the Supervisory Committee last year with Harry, is preparing a job evaluation for Justin regarding his contract renewal. For his part he is willing to continue.

4. Acceptance of the minutes of October 6 and Nov. 2

(Harry chaired from this point on)

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| <ul style="list-style-type: none">• Harry moved to accept the minutes• Art seconded• Motion passed |
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5. Outstanding Requests from the Food Issues Committee

On behalf of the Food Issues Committee (FIC) Ken MacDonald has requested the cooperation of the web team to list all GMO-free products on Karma's shelves, as well as products that potentially contain GMOs. The following motion was introduced by Harry:

<p>Be it resolved that the Food Issues Committee and the Web Committee cooperate in the assembling and uploading of a database to the Karma website, to have a separate page linked to the FIC page that lists all GMO-free products and any potentially GMO-containing products carried on Karma's shelves.</p>

Discussion:

- Donald noted that the situation is fluid with regard to the GMO content of food products. Any information posted on the website should include the date the information has been received, and also a disclaimer, to avoid potential lawsuits. The standard for GMO-free is

containing less than 1% or 2% GMOs. The big guys are watching us. Monsanto can be ferocious. The disclaimer should be vetted by a lawyer.

- Harry said that the task of identifying GMO-free products was given to the FIC by the Karma board and the AGM in 2002. They want to put it on the website so that folks can check it at home. Companies will be asked by the FIC to respond regarding the GMO content of their foods within a limited time. They can give a preliminary response, provided that they follow up. The Big Carrot did a GMO scan in 2002. The FIC will err on the side of caution, which will see products removed from shelves within a reasonable amount of time.
- Donald warned against duplicating a lot of research already done. FIC should focus on products not carried elsewhere. They should liaise with Big Carrot and Whole Foods on this. The website could make our information available to others.
- Ken MacDonald is able to encrypt the site so that it can't be altered. He will design the site and the web committee will set it up. The web committee feel they are underutilized. This is a situation where the food committee needs their assistance.
- Corey said it would be useful to track how often the website is visited.

- Harry moved the resolution placed in the box above
- Jae seconded
- Motion passed unanimously

- FIC chair Michael Szabo and Harry will meet this week with Justin and Michael Armstrong. They want to feature local products that meet all FIC criteria. Possibly a special label can be put on the shelf indicating such products. The FIC plans to have a forum in January to discuss this with Karma's general membership.

6. Distribution of board duties

- Some committees require continuous liaison, e.g. Finance.
- Every committee requires a liaison from the board

- Food Issues Committee – Jae (Harry will co-liaise till she is up to speed)
- Orientation Committee – ahdri
- Finance Committee – Donald
- Chronicle Committee – Jae
- Events Committee – Reg (Stephanie Brown contact)
- Web Committee – Kevin (Neil Benvenuti contact)
- Supervisory Committee – consists of Harry (president) and Sarah (v.p.)
- Building & Maintenance – Art (James Wilkins contact)
- Outreach Committee – Sarah, Kevin
- Member Labour Committee – Harry (Greg Miller has been advised that his job as Member Labour Coordinator is temporary.)

- Staff liaison – Sarah (Kevin in the event that Sarah’s supervisory cttee role creates a conflict)

- Staff (and others) are agitated by lack of a member labour committee. We will try to start it up again. Donald suggested checking out the description of this committee. At this point we want a liaison with Greg Miller.
- Donald questioned whether it was a good idea to have the same person serve on the supervisory committee and as staff liaison. We should check with Justin before proceeding on this. Kevin agreed to do staff liaison on an interim basis if Justin has a problem with Sarah doing it.
- The outreach committee was not very effective. We can draw on members with communications skills.

7. Membership: Working member vs. non-working member contributions

- Member labour is set up as a separate business. We need to put together some ideas for a member labour committee.
- Charles is revising the membership handbook. This project is on hold while we are awaiting a union contract.

8. Committee Accountability

- We need a list of committee members to see about member labour credit. The information must get back to Marylou. We should check with Marylou re committee membership.
- The web committee found itself with members who had nothing to do.
- We may be able to draw upon the services of a member lawyer, if we can find one who really knows co-op affairs. Harry will get a list of lawyers who have co-op experience. Brian Iler is no longer a member. His rate is \$360/hr. In the past he has sent articling students to do the work.
- Donald: We need to have a session on co-op directors’ liability. We need to specify what our legal needs are. With a union labour matters will be ongoing.
- We tabled talking about our legal needs to a future meeting.

9. Other Issues:

Long-term Strategic Planning

- Corey Berman introduced himself as an economist, with a background in finance and accounting. If Karma identifies long-term strategic planning as a current priority, he feels he may be able to contribute significantly to the process.
- Donald noted the absence of long-term strategic planning. We have to move away from year-to-year budgeting. We have taken some decisions which will affect Karma for the foreseeable future. We decided that we were not moving from the current location. We have introduced changes in the store that have an impact on the product mix.
- The Finance Committee is waiting to see cost estimates for the next phase of the renovations and unionization costs before doing an 09-10 budget.
- What is Karma’s “brand”? How do we differentiate ourselves from Fiesta Farms?

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- Harry: we need a member evaluation. Karma has changed over the years.
- Donald: information is one of our biggest problems. The Finance Committee is pushing point-of-sale (POS) technology at the cash register, to finally get us the information we need. Strategic planning has never been an “if”, rather the question is “how” and “when”.
- Sarah and Kevin are also ready to contribute their skills to long-term planning. Kevin suggested a sub-committee of the board on this topic.
- Donald suggested Harry should make the presentation to the board on the results of his research into membership issues that he did at the AGM.
- Corey is willing to put in his member hours working on a business plan.

Building Fees Memo

- There seems to be some confusion among members at the cash when asked to pay the building fee. Kevin will draft a one-page memo to go to all cashiers, explaining the building fee as the cheapest and fairest way for members to pay for the renovations.

Payment of Membership Fee

- There is also an ongoing problem with some members postponing payment of their member fees for virtually the whole year. We need to institute some protocol at the cash to deal with this situation, e.g. a member would lose shopping privileges after three months’ non-payment of fee. We will look at this question at our next meeting. POS would simplify matters such as this.

Unionization Next Step

- We are looking at a March 2009 (one year from certification) deadline for reaching a contract with the union, according to Labour Relations Board rules. As the union has not yet submitted any contract proposal to us, it is unclear what initiative, if any, we should take in view of the approaching deadline. Harry will clarify what our obligations are on this point before the next meeting.

10. Adjournment

- Meeting was adjourned at 5.00 pm.

Next meeting, Monday, Dec. 1, 7.00 pm, at the Annex Art Centre, 1073 Bathurst St.