

KARMA CO-OPERATIVE BOARD OF DIRECTORS
Minutes of the meeting held on Monday, Feb. 2, 2009, 7:00 pm – 9:30 pm
Annex Art Centre, 1073 Bathurst St.

Directors present: Donald Altman, Corey Berman, Arthur Jacobs, Harry Koster, ahdri mandiola, Reg McQuaid, Sarah Pretty, Kevin Taylor

Regrets: Jae Steele

Staff Present: Justin McNabb, G.M.

Minutes recorded by: Aislinn Clancy

1) Call to order. Declaration of any conflict of interest.

Meeting was called to order at 7.05 pm by Harry Koster. There were no conflicts of interest declared.

2) Minutes of previous meeting

Amendments to the December minutes were noted. It was pointed out that the resolution which passed, calling for suspension of membership for those with fees 90 days in arrears, contravenes Karma's by-laws, which allow for a four-month period. It was decided to let the December resolution stand, and to include the following motion in the February minutes:

Be it resolved that all members not in good standing, have their cards marked, and be notified membership fees are due four months from that notice, or they will have their Karma membership and shopping privileges suspended.

Moved by Kevin

Seconded by Donald

Motion carried

Donald pointed out that the corporate secretary should bring a copy of Karma's by-laws to every meeting, to help avoid passing any motion contravening them.

The minutes for the December minutes were approved as amended. Moved by Art, seconded by Reg. The January minutes were accepted as submitted.

Thoughts were shared about having private and public versions of the minutes, due to occasional presence of confidential material. All agreed this was preferable. Reg noted the

changes and will post the public versions on the web. A set of confidential minutes is to be kept in a fire-proof locked box. Another fire-proof box should contain Karma's official documents. Justin informed us that two boxes exist for this purpose, but are presently in storage, awaiting completion of the members' room.

Kevin noted that the previous board had allowed some confidential salary information to be posted on the web in the September and October minutes. He has removed these from the web, and will take out the confidential sections from the version to be reposted.

3) Manager's Report:

- a. There are 4 items listed on the building committee "to do" list:
 - 1) A new roof is the number one priority. They have three quotes for the finance committee, and will have a selection for the next board meeting. It is difficult to get an accurate quote with snow covering most of the roof. The structure cannot support a green roof. A potential \$4,000 rebate from the city on an energy-reflecting roof is being looked at. Insulation will be installed on top of the existing roof.
 - 2) The preferred track lights turned out to be too expensive, so they are looking into getting a more basic set of tracks at a cheaper price.
 - 3) New windows on the east wall will be put in. The plan is to consolidate the fridges and relocate the bread shelf.
 - 4) Completion of the members' room is pending due to delays in getting member input. Construction is meant to take place in the spring. The building committee will consult informally with the membership via the Chronicle as to how it should look. Insulation, dry-walling and painting can go ahead at any time.
- b. The new shopping carts have been delivered and are now in use.
- c. While the store experienced a blackout on the 16th of January, there was little loss, aside from Friday sales. THANKS TO THE STAFF FOR SUCH GREAT WORK DURING THIS TIME!! In future perhaps power protection for the debit machine (i.e. a battery) would eliminate any IOUs that resulting from power outages.

4. Food Issues Forum:

- a. Harry reported that the Jan. 25th event was a success. Thanks to Kevin for putting information about the forum on the web, thanks to Reg and the events committee for helping with the posters. There is increased interest in the food issues committee as a result of the forum.
- b. Reg showed the group a recent copy of *The Ram's Horn*, a publication about food issues and food systems worth reading.

5. Declining Membership:

- a. There is a trend of growing numbers of non-working members versus working members. At present the Coop has 878 members, 140 members less than this time last year. A comment was made that there have been complaints about the level of fees.
- b. A discussion was had over whether the breakdown of members should include a separate section for seniors, of whom some are considered working but are not, and those on leaves from work.
- c. Some mentioned that we need to follow up on why people who attend orientation sessions are not joining, as there still seem to be adequate numbers attending sessions.
- d. A discussion was had about shifting the type of co-op that currently operates in order to improve the bottom line. Perhaps creating a store that is more accessible to the public and having a three-tiered pricing structure. Care would need to be taken not to contravene the letters patent issued to us by the government ministry.
- e. All agree that there is a lack of information about why people are leaving the co-op, and why those oriented don't join.
- f. A comment was made that sales are down in meat, dairy, packaged foods etc, while they have risen in the bulk section – perhaps a response to the recession.
- g. Perhaps we need to discuss this issue with the orientation committee to get a list of people who attend, to phone those who did not join, and also to phone those who are inactive, or have asked for their deposit back.
- h. Posters went up about attempts to increase the outreach committee, but there was no response; a notice will be put in the Chronicle next issue. There is work to be done but it is challenging with few members on the committee.
- i. Perhaps creating a feedback form to distribute after orientation sessions would be helpful.

6. Feedback from Committees:

1) Outreach Committee:

- a. Kevin reported that the committee is “rolling” on getting people in. For example – they wish to launch the “bring a friend” campaign - they are working on getting a prize basket, they will have the draw in May. Kevin will talk to Justin about the basket.
- b. Another idea they have is to have open houses, so that groups from the community could tour the store.
- c. They are working on creating their committee; they will tell the member labour coordinator of the need for working members to join the committee.
- d. Maybe the cloth bags could be used as a marketing tool.

2) Events Committee:

- a. Member appreciation day happened; there wasn't much feedback as of yet. Reg will get back to the board after he has talked to the committee members involved.

3) Orientation Committee:

- a. ahdri reported that their work continues as per usual, 3 sessions per week.

4) Finance Committee Report:

- a. An electronic version of the previous member survey has been found. Donald reported that the finance committee hopes to have their suggested questions to add to the survey prepared by the next board meeting.
- b. A draft budget was presented which predicted the necessary increase in membership/sales in order to reduce losses over the next few months. A debate was had whether to address the losses by reducing expenses, or to anticipate a change in the existing trend with additional attention to outreach.
- c. The idea of conducting additional inventory sessions, which was proposed by the board to reduce uncertainty of inventory, was however rejected by the finance committee. The committee sees a point-of-sale system as the ideal solution.
- d. There was a debate on whether to move the budget given that it supposes increases in sales and membership. At present Karma is losing money, and may have to dip into the line of credit for operating expenses. Something should be done to curb expenses considering the decline in sales and membership.
- e. There is a need to take action now – perhaps reduce goods purchased for sale, other costs, delay replacing the windows, perhaps raise the price of goods by 2 – 3% to increase sales; this would still keep us competitive. The roof expenses are not written into the current budget, but this is a capital versus operational expense.
- f. It was mentioned that having a variable mark-up rate makes it hard to determine the cost of goods sold. This makes it difficult to control and manage expenses.
- g. Karma needs to cut back on labour and slow-moving inventory, and push sales more quickly. We could increase sales by doing more marketing and increasing prices.
- h. A growth budget of 3.2% was proposed by the finance committee. This was thought to be unachievable by some – we look to the outreach committee to develop the new-member campaign.

7. Appointment of director to fill board vacancy.

Since only eight directors were elected at the 2008 AGM, the board was left with two vacancies. **Corey Berman** having offered to serve as a director, a resolution was moved and seconded to appoint him to the Karma board as its 9th member. The motion was carried

8. Adjournment

The meeting was adjourned at 10.15 pm.

Next meeting: Monday, March 2, 7.00 pm, at the Annex Art Centre.