

KARMA CO-OPERATIVE BOARD OF DIRECTORS
Minutes of the meeting held on Monday, March 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, Jae Steele

Regrets: Kevin Taylor

Staff Present: Justin McNabb, G.M.

Members present: James Wilkinson, Joerg Wittenbrinck (building committee)

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

The minutes were approved after one minor correction. Moved by Sarah Pretty, seconded by ahdri mandiola.

3) Building Committee Report

James Wilkinson submitted a written report on behalf of the building committee, and summarized it as follows:

- a. There is a growing need for repairs to the roof. Reports were made that there are now new leaks into the kitchen.
- b. They have prepared a document which details the choices available for replacing the roof and their recommendation. The report comments on the green options they explored including – possibility of a skylight and a white roof. There are two prices available that would be of good quality and include insulating and water proofing the roof. The company named Viana has the more competitive of the two prices. Both of the energy saving options would not offset much of the impact Karma has on the environment. Other options that would have a greater impact were not financially viable. If the roof is not repaired there are risks to damaging the repairs that were recently completed.
- c. An alternative that was cited is to overlay the roof which would cost half the amount, but would have a quarter of the lifespan, and could only be done if there is no water damage; it would not upgrade the insulation and would be less durable. This option is only possible if the roof is not wet.

- d. The pricing is said to be fair and the work could be done in a month. The finance committee is in agreement.
- e. The committee has also prepared a list of other work to be done within the coming year. The list has been categorized into things that are more urgent and not costly, and other items that are more expensive and potentially long term projects.
- f. Another item that is of a more important nature is to have the south wall replaced. Both walls need a new coating that is breathable. At present the wall is crumbling and doesn't shed water. The project could happen in the late spring, early summer. The building committee can work on pricing that job.
- g. Issue was raised about the state of the members' room. There have been complaints that it is not a usable space. Some mentioned that there have been storage items placed in the room. A note was made that while the room is inactive, it is likely that people will find a use for it. Comments were stated that it was cut from the renovation plans in attempts to be more fiscally conservative. Once the money to fix the members' room has been approved plans will go ahead. The building committee outlined a phased approach whereby in the short term people will work to make it a usable space, and then farther down the road invest in more appealing décor. At present the roof and wall are more urgent. A suggestion was made that frustrations could be limited if more was communicated to the membership about the estimated time of completion. Joerg said he would write an article in the Chronicle to discuss building issues and mention the members' room.
- h. Renovations to date were under budget, after working with the book keeper to reconcile all of the items.
- i. The following motion was passed:

Be it resolved that we proceed with replacing the roof, accepting the lower bid put forward by Viana Roofing.

**Moved by Art Jacobs
Seconded by Sarah Pretty
Motion passed**

Each environmental recommendation was deliberated separately. The board voted to pass the motion for sky lights, and to postpone implementation of the white roof.

4) Staff Union

- a. Karma received a notice from CUPE that they will meet with us on the 9th of March at 2:30 pm. At this time the board does not know the contents of the contract. It is likely to be a process that will last for several meetings. A suggestion was made that the treasurer participate in the meetings. A report will be made at the next board meeting about our capacity to respond to the union requests.
- b. A secondary group will be formed to advise on this issue. Former president Margaret Knittl has offered her house as a meeting space. Former manager and current Karma member Debra Hayes could be consulted, and supervisory committee member Sarah Pretty could represent the board. Karma member and lawyer Patrick Burke has agreed to help out. Board member Reg McQuaid, who has some union experience, and president Harry Koster will complete the group.

5) Managers report

- a. Karma member Laura Coramai, a homeopathic practitioner, gave a training session for staff.
- b. Rachel Climenhaga, a shift manager, is having a baby in June. She can go on maternity leave after giving two weeks written notice. At present, she covers four shifts. Shannon Waterman would be a good candidate to be a shift manager; she is a current staff at Karma.
- c. Staffing – compared to last year there are less people working less hours. It would be difficult to cut extra shifts. There could be discussion about changing the hours during the slower summer season.
- d. Tim Cott, a building inspector with the Co-operators Insurance Company, has suggested some policy changes, now that the building is more valuable and there is an increase in the amount of inventory.
- e. A note was made that staff are not able to become Karma board members until they have been non-staff for more than 2 years.

6) Discussion of Strategic Report # 1 on the financial future of Karma

- a. Corey prepared slides that gave a visual picture of Karma's financial wellbeing over the past few years, to notice trends. He reiterated comments made in previous meetings about the current challenges – namely drop in sales and drop in membership.
- b. Wages have remained relatively constant, compared to a significant drop in sales revenue. He suggests that we become more flexible, moving to a variable structure that would adjust expenses to meet the changing income of Karma.
- c. The gross margin is at 22% or lower, but should be at 25.8%. Comments were made that more could be done to ensure less is wasted (i.e. less produce is sold at a discount or discarded because it has expired). If this is managed better it will help the store break even. Comments were made that reiterate points in previous meetings, that it is difficult to know if the numbers are accurate because of the challenges in having a clear picture of the inventory statistics.
- d. At present the trends show that Karma will lose about \$75,000 this year. It was noted that the prediction should accommodate for seasonal changes in sales, and also those losses in

sales during the renovations. To spread the sales during this low sales period over a longer period of time might give an inaccurate picture of sales during higher sales periods.

- e. Outreach was mentioned again as being a tool to solving Karma's economic issues. Reportedly membership was down to 730 at the end of February, a significant drop since last year (though some contested these numbers).
- f. The manager commented that they are making an effort to build new tools to control the shrinkage. They have implemented a shrink book where they can take note of products that were sold at a discount or expired. There is a need to ensure that the tool is easy to use. The supervisors will meet with some board members about the choices of products and mix. These issues can also be illuminated after gathering data in the forthcoming members survey. During this meeting a discussion could take place to see how to better determine Karma's competitiveness regarding pricing. The supervisory team will report back to the board at the next meeting.

7) **Reports from Committees**

1. Finance committee - They need to know when the AGM is going to be so they can plan for the audit. It was noted that the meeting will be held Oct. 19th (the third Monday of the month), and the Friends' House has already been booked.
2. Outreach Committee
 - a. The committee will talk to Mary Ellen, who phones members about their shifts, and to member labour coordinator Greg Miller, to attempt to recruit more members onto the committee.
 - b. Sarah and Kevin have prepared a report which they will circulate to the board addressing the outreach activities in which they have engaged.
 - c. They have three potential new members for the committee.
 - d. Jae has some marketing ideas she will share with the committee
3. Events committee – Reg reported that they are canvassing for new members.
4. Chronicle Committee – Jae reported that there have been difficulties in having board participation, as the other committee members have not planned the meetings in collaboration with the board representative. She will find out when the submissions deadline is and report back.
5. Orientation Committee – ahdri reported that they will work more closely with the outreach committee. The volunteers have been using the forms in the orientation process.

8) **Other Business**

- a. A suggestion was made to monitor the mark up at other stores and compare it with that at Karma, same could be done for labour hours, and the discounts available for staff.

- b. Comment was made that Karma could give nutritional store tours – a board member will talk about this to the food issues committee
- c. Jae announced that she wrote an article about Karma that will soon be published.
- d. A comment was made about perhaps raising the non-working member surcharge; a response was given that the fees had recently been raised.

9) Adjourment

The meeting was adjourned at 10 pm.

Next meeting: Monday, April 6th, 7.00 pm, at the Annex Art Centre.