

MINUTES: July 6, 2009

KARMA CO-OPERATIVE BOARD OF DIRECTORS

Minutes of the meeting held on Monday, July 6, 2009, 7:10 – 10:15 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, Kevin Taylor.

Members present: Bill Howson, Howard Kaplan (finance committee), Margaret Knittl (negotiating committee), Maggie Robertson

Note-taker: Aislinn Clancy

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

Meeting was called to order at 7.10 pm. There were no conflicts of interest declared.

2) Approval of Agenda

The following items were added to the agenda as circulated: budget, general manager's report, committee reports. Moved by Sarah Pretty, seconded by Kevin Taylor. Carried.

3) Minutes of previous meeting

The minutes of the June 1/09 meeting were approved as amended. (Jae Steele added to "Regrets." In Item #4, p.3, insurance *broker* replaced with insurance *agent*.)

Moved by Art Jacobs, seconded by Sarah Pretty. Carried.

4) By-law question re staff as members

CUPE wants their employees of Karma to resign their memberships.

- a. Questions were raised about whether Karma can adjust their by-laws to address this issue and find ways for staff to shop. Howard says that he can respond to this and other concerns if they are sent to him in writing.
- b. Currently staff who aren't members shop there, 5 members who are staff would be affected by this CUPE bylaw
- c. Questions were raised if Karma by-laws state that only members can shop. If not, this possibility would mean Karma by-laws wouldn't have to be changed to meet the needs of these staff.
- d. Some mentioned that it shouldn't be an issue Karma must deal with. It should be addressed by CUPE members, with their union.
- e. We can look into the issue to see if any by-law changes are needed to be presented at the AGM. Debate was had over whether this is necessary.
- f. A tangential discussion took place about the staff discount, whether it should be reduced or removed. Mention was made that no other grocer offers wholesale prices to staff.

5) Children's Garden

- a. Some Karma members (Margerie, Henrietta etc.) would like to grow beans in boxes around the store, to show children that vegetables grow on plants, not just arrive in trucks.
- b. They require no resources from Karma in the development of the area, care and maintenance. They are seeking the board's permission.
- c. Discussion took place over whether this would mean that the bike racks and other items would need to be relocated, or if there will be an increase in the animals visiting Karma.
- d. Note was made that there is no staff present at the meeting – which is problematic for discussions such as this that are operational.

- e. The garden should be considered beyond this season; it should be attractive.
- f. Some think, it would help if the plan for the garden was circulated among members of the board before making a decision. Reg said that he would send the plan to all and leave the original with Harry.

6) Managers Report: Corey offered to present the report in Justin's absence

- a. Membership to Karma is up 120, but Justin would like to see it reach 890 before 2010.
- b. Outreach committee commented that the word of mouth campaign and attending 3 events were helpful in increasing the recruitment of new members.
- c. Discussion about how to find the most effective outreach strategies – this topic is raised in the member survey.
- d. Discussion was also had about how to integrate this question into the orientation sessions – “How did you hear about Karma?” ahndri says that it is difficult to guarantee that this is happening, it would be best to add it to the existing forms being filled out at the session (membership form).
- e. Marilou Lawrence (membership secretary) has the form. Harry mentioned that he can check with her. We can also check with the person who processes the application. Another column should be placed in the membership database. Kevin said that he will talk to Marilou about how to capture this new information.
- f. Another option is to send a welcome e-mail and ask this question; however this method is also less reliable.

7) Offsite Storage

- a. Everything in the locker cannot fit in the membership room. It would fill half of the room from floor to ceiling. Some of this should be purged. While this information could be scanned and put on disc, this can be an expensive process. The information was formerly stored in the ceiling of the kitchen. This current storage is expensive, costing \$182 a month, while we could save this money and invest it in the members' room if fitted for more storage. Art can ask the building committee about this. Safe keeping should also be considered (protecting important documents from fire/water damage).
- b. Howard and Karen Kaplan did a purge of archival material 15 years ago. Apparently since then people discarded some things which should have been saved. A list of documents to be saved would be useful to base decisions on, and could be used for subsequent purges. Howard has a list that can be used as a starting point. A record should be made during this purge to ensure preparation for next time. Sarah will talk to Justin about this.
- c. Mention was made that there is archival material in various other locations (members' basements, e.g., Charles, Justin, Margaret Knittl)
- d. Donald pointed out that our copy of the Line of Credit agreement should be kept at the office.

8) Members' Room

- a. Conversations have taken place with the architect, building committee and Joerg, who seem to be divided about the cost. Some say that the cost of the renovations can be dramatically decreased by using recycled materials. However, others say that since the room requires electrical work and proper installments of other items, this might be very difficult to achieve.
- b. There is a need for a new vapour barrier to be purchased to stop moisture, and new purchases may be required for some plumbing and electrical.
- c. Using reclaimed materials could impact the timing of when the room can be completed.

- d. There has been little effort by staff to ensure that the room is not used for storage. This will become more of an issue when the room is completed. The control over inventory should be managed more closely.
- e. Note was made that member labour should not be thought of as “free” (i.e. in the building of the members room), rather as worth 10 dollars an hour, etc.
- f. Discussion about how to separate different categories for the investment (building improvements from room design, etc.), also to provide a range of money allocated to adjust for other expenses.
- g. Karma will need to purchase backflow preventers for the water supply line to comply with city regulations (though no officers seem to check).

Moved that we allocate 2800 dollars to prepare the room, do the electrical work and plumbing before the walls go up, and secure the electrical behind accessible doors; and that the building committee be encouraged to use as much donated time and materials as possible, with no completion time guaranteed.

Moved by Donald. Seconded by Art. Motion carried 5-2.

9) Non-Working Member’s Fees

- a. Comments were made by some members (a letter was received from Deborah Cherry), who have expressed interest in being consulted about the proposal to do away with the percentage option in favor of a flat fee. Margaret spoke about how two hundred dollars is the breaking point for members who will pay the fee rather than the percentage. Discussion was had about how it

was difficult to determine how much fee payers are spending on their shopping by only monitoring four days in the month, as was done in last year's informal survey. The survey was compiled by Harry from cash register tapes, and a summary of the results was presented by Margaret.

- b. Some say that this is a very large change to be considering, at a time when there have been many changes resulting from the Union developments.
- c. People want notice, they want communication and an explanation of the problem.
- d. An ad-hoc committee could be created in September or October to look into the issues.
- e. Finance committee is not looking at this only from a financial crisis perspective but more from a fairness/equity perspective. This would mean that costs would be shared equitably among all members; we are not doing this at present. There is an advantage to the flat fee in that people will either shop to make it worth their while or leave.
- f. It cannot be done for August 1, or September. There should be a discussion before taking it to a vote. The board should consult the membership before approving. At present the change is endorsed by the finance committee, and has general support from the board. With this we can get feedback. There will be less loss and bad feelings if a committee is created. It will address the issue of transparency. Thoughts were to consult the membership but not bring it to a vote with them.
- g. Some say the board has the power to make these decisions without consulting members, as they often make decision re fees, hours and other types of policy changes.
- h. The Finance committee mentioned this discussion in the Chronicle in April. In future this should not be the only medium for communication (perhaps try e-mail, posters). Maybe we can use the survey to collect the data.
- i. Discussion whether to decide before the budget or not. Howard noted that, given the finance committee's current predictions, the financial impact of the

change would be small enough that the budget could be approved without deciding about the issue.

j. Howard drafted a motion, similar to the one below, but the exact text of that motion was lost. By subsequent email, he and Kevin approved the following text as a reconstruction of the intended sense of the motion.

Moved that Howard Kaplan, Kevin Taylor, and Jae Steele be appointed as a working group to organize a consultation with the members, describing the proposal to change the rules for non-working members and requesting member comments on the proposal. The working group is to publicize this consultation by all practical means and report the results of the consultation back to the Board.

Donald moves, Art seconds, all in favour - carried.

10) BUDGET FOR 2009-10

Howard presented the store budget for 2009-10 drafted by the Finance Committee. It is essentially a break-even budget, indicating a net loss of less than \$1,200. After some discussion, with input from Margaret Knittl, it was realized that the \$10,000 budgeted for contract negotiations was insufficient. A more realistic figure would be \$20,000. In the light of this information, the Finance Committee withdrew the motion to approve the budget. They will rework it to present a revised budget to the August meeting, indicating what changes need to be made to bring it back into balance.

Donald pointed out that it was essential for the Finance Committee and treasurer to receive timely notice of projected major expenditures such as the negotiations. Donald also expressed concern about the recent fraudulent

cheque written on Karma's account, and stressed the importance of immediately notifying the treasurer in case of anything that could have a major impact on our status with our bankers, Alterna Credit Union.

Howard pointed out that we don't have clear job descriptions for the general manager, treasurer, etc., which gives rise to situations such as important info not being communicated in timely fashion.

11) Reports from Committees

- Kevin reported that the response to our survey has been very good, about 200 to date, with closing date July 12th. The Outreach Committee will get a chair. They have taken part in several events.
- The Events Committee held a health fair at the store in June.

12) Board changes.

- ahdri announced that due to work commitments which take her out of town over the next few months, she is unable to fulfill the last three months of her 2-year board term. Howard suggested that she consider formally resigning, to make it easier to achieve a quorum at meetings.
- Kevin noted that his family situation dictates that he will not be able to complete the second year of his term. He intends to submit his resignation after the October board meeting, to allow for proper election of a replacement at the AGM.
- Jae Steele gave her regrets for the August meeting.
- Howard Kaplan noted that ahdri's departure and Jae's regrets would make it increasingly difficult for the 8-member board to have a quorum for the August and subsequent meetings. He therefore offered to serve on the board till the October AGM.

Moved by Corey, seconded by Art, that we appoint Howard Kaplan to the Karma board. Motion carried.

13) Adjournment

The meeting adjourned at 10.15 pm.

Next meetings:

Monday, August 10th, 7.00 pm (Aug. 3rd is a holiday)

Monday, September 14th, 7.00 pm (Sept. 7th is Labour Day)

Monday, October 5th, 7.00 pm

Annual General Meeting, Monday, October 19th, 7.00 pm, at Friends' House.