

MINUTES: August 10, 2009

KARMA CO-OPERATIVE BOARD OF DIRECTORS

Minutes of the meeting held on Monday, August 10, 2009, 7:05 – 10:40 pm

St. Alban's Boys & Girls Club, 843 Palmerston Ave.

Directors present: Donald Altman, Corey Berman, Arthur Jacobs, Howard Kaplan, Harry Koster, ahdri mandiela, Reg McQuaid, Sarah Pretty, Kevin Taylor.

Regrets: Jae Steele

Staff present: Justin McNabb (general manager)

Members present: Margaret Knittl (negotiating committee – in camera session), Marjorie Shu (public session).

Also present: Ken Godevenos (labour contract negotiator)

Members who tried to attend but were unable to do so due to extended in camera session: Deborah Cherry, Phillip Haderer

Note-taker: Aislinn Clancy

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

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

2) Approval of Agenda

The agenda as circulated was amended to give greater priority to the AGM item.

3) Minutes of previous meeting

The minutes of the July 6/09 meeting were approved as amended. (Kevin Taylor had given notice of his intention to resign due to family reasons at the October board meeting, to allow for election of his replacement at the AGM.)

4) Negotiations update (in camera, with Ken and Margaret)

The next negotiating session is Aug. 11. Ken Godevenos with the help of a projector summarized the state of negotiations to date, clause by clause, and occasionally asked for direction on specific issues. He then gave his personal comments:

- i) CUPE is a social union. You have to be serious about precedent setting. The expensive part of the union process is administering the agreement.
- ii) Karma managers will need training in labour relations.
- iii) Human resources policies have to be put in a manual and kept up to date.
- iv) Record-keeping is essential on all aspects of the collective agreement. Discipline must be tracked.
- v) Karma can't afford to have a hands-on board. What is needed is a governance board and strong management.
- vi) The manager must be able to make tough decisions.
- vii) You always need to have a non-union employee on site.
- viii) Karma needs to be simplified. It is too complicated re membership fees and working members. All should be charged the same amount at the cash register, and working members can get shopping vouchers to pay some of those charges. You are now mixing too many variables.

5) Budget Issue: Variable or fixed markup?

(At this point in the meeting Justin re-entered.)

- Justin reported that shrinkage is up significantly since the last inventory.
- Howard: we cannot continue in business unless we solve the shrinkage problem.
- Cory: we have to increase our marketing budget, to attract more members and improve the bottom line.
- Donald: we should find a different way to charge non-working members. The new cash registers may make this possible. The administration of the budget is critical.
- Justin: Our prices on supplements are half of what the Big Carrot charges. Our organic milk is a bit below Fiesta Farms.
- Howard: the new cash registers should help us understand shrinkage because they'll let us track sales and eventually inventory on specific items, not just large categories of items.
- Donald: last year there was a big discussion on markup at the AGM.
- Corey: as a co-op we have to be transparent in administration, but management must have flexibility to raise prices on certain items.
- Reg: some items are priced significantly below nearby food stores, and could be raised without affecting price competitiveness.
- Kevin: as long as it is transparent, a variable markup would be OK. Preliminary results from our survey indicate that most members who shop elsewhere do so for convenience or selection; price didn't seem to be the highest priority in shopping decisions.
- Howard: bulk items bagged by member labour are not fully costed.

- Ahdri: I pay what it costs to be a Karma member. I don't need to see price transparency on each and every item.
- Corey: we are effectively exposing our suppliers' confidential information if we publish a fixed markup.
- Donald: we are not expected to simply parrot what Fiesta Farms charges minus 4 percent.
- Howard: The finance committee can consult with Justin about having more categories, e.g. 3 regular markup categories and 3 exceptional categories. We can approve in principle being much more flexible in markup because of our financial situation.
- Justin (in response to Howard's question): Having about six more categories at the cash register would allow us enough flexibility to improve the average markup while remaining competitive.

The following resolution was passed:

Be it resolved that the Finance Committee and the General Manager determine how much the average markup could be increased by the addition of more categories and report to the next board meeting.

Moved by Harry, seconded by Kevin. Motion carried.

(At this point, the group needed to leave the building where it had been meeting and reconvene outdoors. At that point, Marjorie Shu joined the meeting as a guest.)

6) AGM Preparations

Hilary Krupa has volunteered to oversee logistics for the AGM. The times for registration, food, and the meeting will be the same as last year.

Deborah Cherry handed over the binder containing the organizational templates for the annual reports to members, etc. to Reg. He was asked to provide the board liaisons with a copy of the submissions guide for committee reports.

Sarah Pretty agreed to serve as nominations committee chair.

Howard suggested that, since we already knew that Deborah Cherry wished to attend the September meeting to suggest putting an item onto the AGM agenda, we issue an invitation to all members to make suggestions for the AGM and attend the September

meeting to discuss those suggestions. The Board agreed, and Reg offered to send the invitation as Secretary.

7) Cash registers

Howard reported that market research reveals that two new cash registers with scanning capacity, complete with price management software (but not inventory management software) and training, are available for \$10,000. This sum should be recovered within two years by labor savings and better control of shrinkage.

Moved that Justin be authorized to acquire two new cash registers with scanning capacity, together with software and training, at a maximum expenditure of \$10,000.

Moved by Howard Kaplan. Seconded by Donald Altman. Motion carried.

8) Working Group on non-working members fees

A 3-member working group consisting of Howard Kaplan, Kevin Taylor and Jae Steele had been appointed by the July meeting to consult with members regarding possible change of rule for non-working members. However, Jae Steele has been unable to take part in the group, apparently due to being outside the country. Therefore the following resolution was passed:

Moved that Jae Steele be removed from the consultative group on non-working members' fees.

Moved by Howard. Seconded by Harry. Motion carried.

9) Difficulties with the Chronicle

It was mentioned that the Chronicle was unable to publish in June-July due to lack of material, and there is also some doubt about the August-September issue. It was agreed that it was important that there be an August-September issue to inform members about issues around the upcoming AGM.

Since board liaison Jae Steele is not available, Marjorie Shu offered to liaise with the Chronicle on behalf of the board for the next three months. This offer was accepted.

10) Adjournment

The meeting adjourned at 10.40 pm.

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Next meetings:

Monday, September 14th, 7.00 pm (Sept. 7th is Labour Day) at Annex Art Centre

Monday, October 5th, 7.00 pm