

KARMA CO-OPERATIVE BOARD OF DIRECTORS

Minutes for meeting of Monday, April 12, 2010

Arthur Jacobs' home, 90 Olive Ave.

Directors present: Arel Agnew, Corey Berman, Hilary Gibson-Wood, Arthur Jacobs, Howard Kaplan, Angela Lee, Danielle Thibodeau, Benjamin Watts

Regrets: Reg McQuaid, Sarah Pretty

Staff Present: Justin McNabb (General Manager)

Chair: Danielle Thibodeau

Note-taker: Aislinn Clancy

Minutes editor: Reg McQuaid

Members: Bill Howson

1. Call to order.

Meeting was called to order at 7:00 pm.

2. Review and accept previous minutes

- There were some minor edits that Howard had made to the minutes.

Moved by Art:

That the amended minutes from the meeting on March 1st be accepted.

All in favour. Passed.

3. Solidarity with Coffee supplier

- Karma member Bill Howson works with a group of coffee producers in Guatemala, called CCDA, who produce Café Justicia coffee that we sell at Karma. The leader of this organization (Leocadio Juracan Salome) has been subject to death threats and assassination attempts, and a robbery of coffee has also occurred. These are politically motivated acts, intended to destabilize the organization.

- Bill is asking the Board to sign-on to a pre-written letter, or to work with him to draft our own letter, to state our concern about this situation. Two letters would be sent - one

letter would go to the Canadian Ambassador to Guatemala asking her to put pressure on officials there, the other would be sent to the Guatemalan government to ask them to ensure Leocadio's safety.

- Bill asked that these letters be sent as soon as possible.

- Howard suggested that we assign someone to help draft the letter, and have Danielle sign it (as VP). Danielle agreed to be the person to help draft the letter as well as signing it – she will work with Bill on this. (Letter included as attachment to minutes.)

Moved by Danielle (but drafted by Howard):

Moved, to authorize Danielle to work with Bill Howson to customize two letters of support for Leocadio Juracan Salome and the CCDA, and to sign them on the Board's behalf.

The motion was passed.

4. Manager's Report

a. Membership numbers are down 5 people from last month to 903 members. Moving out is the main reason for leaving. Membership has not been growing, suggested goal is to reach 1000 members (peak reached in 2007). Finance committee suggested previously that Karma could be out of business in two years if membership was not brought up to a reasonable level again.

b. Sales and expenses are steady.

c. Ideas to grow membership include the following;

- credit members their building fee for recruiting a new member,
- repeating membership drive initiated last year (raffle of gift basket, each new member that was referred earned a person a ticket, Sarah and Kevin organized it, Justin got baskets from suppliers),
- Howard suggested that we provide a store shopping credit in the value of the membership fee for recruiting a new member, rather than crediting the membership fee itself, because of timing and record-keeping issues.

d. Managers from two Montreal coops recently visited Karma. They have members who work on recruiting new members and events. They have different levels of memberships, such as users – shoppers, family memberships, etc. Although they have more members than we do, their sales are less than half of Karma's. The community development committee could build its capacity to resemble the Montreal model.

- e. There was a discussion about whether we should approve Justin's proposal or repeat last year's procedure, in which people who recruited new members got raffle tickets for gift baskets contributed by our suppliers. It was not clear how effective that procedure was. Justin suggested that the \$18 rebate would be a much stronger incentive to recruit a new member. Justin will find out how many people the membership drive last year recruited.
- f. Each new member contributes a loan of \$70 to Karma, while the cost would be just \$18 for recruiting.
- g. Suggestion to ask the membership drive be a project for the outreach committee – Angela will contact the outreach committee and have them liaise with Justin to develop the membership recruitment ideas.

5. Proposal to create a membership category, “Community Partnership Members”

- a. Justin proposed that we institute a group membership whereby their work contribution for Karma could be active promotion of Karma to the public. Similar to what the West End Food Coop does.
- b. Changes in the Cooperatives Act have introduced new types of coop models, multi-stakeholder co-ops, which can help people have a stronger voice re the food movement. Such a group membership will help Karma to build relationships with other organizations and the food movement.
- c. Justin was asked what such a membership would mean – would the group as a whole be shopping, or would its individual members have Karma shopping privileges? Justin said that an organization could be a member and a representative could shop at Karma. For example, for large purchases, the buyer would call ahead and the staff could increase Karma's orders from suppliers if necessary.
- d. Some members expressed concern that it would be difficult to monitor how effectively other groups were promoting Karma. Concern was also expressed cross-promoting groups requires our evaluating their politics, while simply letting groups become members can be done even if we disagree with their politics.
- e. Hilary will consult with Justin, develop the idea and put it up for discussion with members in the membership review process, added as an appendix to the February review from the forum.
- f. Justin will send a write up to Hilary by Thursday.

6. \$10 shopping credit.

Finance committee didn't get to it, so it will be deferred to next finance committee meeting.

7. Concern over covering clean-up shifts

a. Justin reported that sometimes only two out of 14 cleanup shifts are covered by member labour during a week, meaning staff must stay longer; they are unable to restock, hurting sales and costing the store lost sales.

b. Last summer bonus hours were offered which led people to bank hours.

c. Discussion of a pilot project whereby those doing a clean up shift would receive store credit. Suggestion to have it become a pilot project and see how it gets members working. Labour shortages happen most in June, July and August, so trial should take place now to prepare for the summer shortage.

d. Discussion about including non-working members in this program – members need not be working members, but they may not be behind in their required work shifts when they work any extra shifts.

e. Justin and Corey had proposed a system worked out – they have developed conditions, etc. to ensure there is no abuse. Howard said that the conditions, such as restricting the proportion of a purchase that could be paid for with credits, were unnecessary.

Moved by Howard:

Moved, (1) to authorize the General Manager to offer \$10/hour shopping credits to members who work on cleanup, provided that this not be available to working members who are behind in their work commitments; and (2) to direct the General Manager to work with the Treasurer and the Bookkeeper to devise an appropriate way to implement the work credits.

Passed.

8. Local & Organic Food Coops Meeting

In early April Justin attended a conference of "LOFCoops", which was sponsored by the Ontario Cooperative Association and the Ontario Natural Food Co-op (ONFC). "LOFCoops" is still an informal group. If, in the next year or two, it becomes a real co-op, it would be up to the Board to decide whether to join it or not. Two documents presented at the conference were forwarded to the Board as attachments to the manager's

report. (These are included as attachments to these minutes.) Another excellent presentation was made about the Carrot Cache Community Resources Inc., a foundation linked to the Big Carrot, which assists innovative co-op projects to get off the ground. (<http://carrotcache.com/>)

9. Discussion about various versions of membership handbook

- a. Howard noted that the credit policy Justin circulated was said to be an excerpt from our members' booklet, but the policy did not match the text in the booklet being distributed in the store in hardcopy format. Justin agreed to find out why there was such a discrepancy. Howard noted that there was some confusion in the past minutes, with the term "members handbook" sometimes used to refer to a document intended for staff use.
- b. Justin said that our staff handbook is now a defunct document. The collective agreement replaces it, but there is an operations handbook.
- c. Justin said that the membership handbook is a guide for new members. Justin will look into posting the updated electronic version on the website. Howard agreed to format the text, when he had obtained it from Justin, into a form that could be distributed to the board. Justin will send it to Howard for review.
- d. Arel agreed to try to find out what credit policy the Board had actually intended to pass last April, the minutes of that meeting being unclear.

10. Committees Secretary

Angela sent the committee report (attached to these minutes). Action item for discussion, the governance review committee in Marilou's records, now defunct. Proposal to board should formally dissolve it effective immediately.

**Moved by Angela:
Moved, to dissolve the Governance Review Committee of Karma Co-operative,
effective immediately.
All in favour. Passed.**

11. Building Committee

- a. Art reported on work on the members' room. Committee aims to complete the room this spring.

- b. The exterior wall on the south side needs to be moisture-proofed. Art hope to get some quotes and move on it.
- c. There are some small projects in addition to report on, projects, expenses and priorities. He will come to the board later with that expenditure.

12. Finance committee (See attached treasurer's report – 2 items)

- a. The committee had prepared a resolution on annual fee collection (including Justin's suggestions with amendments). The policy will be that those who are in bad standing be allowed one shop as a warning, and then can't shop any more until the fee is paid. Howard will send some publicity about this to Hilary for the e-mail circulation.

Moved by Howard:

The Board hereby establishes the following procedure for the collection of the annual Membership Services fee each June:

- **No later than the Board Meeting held in May each year, the Board will determine the membership services fee for the next fiscal year. It will announce that fee as soon thereafter as possible and will tell members that the fee is due at the first shop on or after June 1.**
- **The membership fees for all members in a household must be paid at the same time.**
- **Collection of the membership fee will be recorded on its own cash register receipt, separate from the receipt for any shopping done at the same time. One copy of that receipt will be given to the member, the other retained for Karma's records.**
- **Payment of the fee will also be recorded on the shop/work card and in the membership database.**
- **If a household shops once on or after June 1 without paying the fee, the shop/work card will be removed from the box, and the household will not be allowed to shop again until its fees are paid.**

All in favour. Passed.

- b. The committee wishes to formally establish the membership fee and building fee to be set at \$18 per year.

Moved by Howard:

The Board hereby establishes each of the Membership Services fee and the Building and Maintenance Fee as \$18 per member, for the membership year June 2010

through May 2011. As in the past, working members who are not behind in their hours may work for an additional two hours beyond their monthly commitments to pay the Building and Maintenance Fee. The Board directs the Communications Secretary to inform members of these fees and of the rules for their prompt payment.

All in favour. Passed.

c. Committee would like to see trial shopping monitored to avoid further abuse of the privilege. Suggestion was made to make shoppers pay a surcharge when trial shopping. There was a discussion about offering to rebate the surcharge if they become working members, as originally proposed by the committee. All agreed to not rebate the surcharge, so that clause was dropped from the motion.

Moved by Howard:

The Board hereby changes the procedures for trial shopping, effective immediately.

- **Until the new cash registers are installed, all non-member shops will incur a 10% surcharge.**

- **When the new cash registers are installed, all non-member shops will incur a 15% surcharge.**

All in favour, with one abstention (Ben). Passed.

Howard and Hilary will discuss how to communicate this.

d. Shopping on behalf of non-member groups – An interim policy has been formulated, which will be communicated as such in the April newsletter.

Moved by Howard:

Karma members are welcome to shop for their households, including occasions where the households have guests, host parties, and so on. Karma members are also welcome to pick up the occasional product for their friends or associates. However, when Karma members purchase significant quantities for non-household groups, such as daycares or clubs, they should do that shopping as a separate transaction, telling the cashier that it's a "group purchase". This group purchase will incur the standard non-working members' surcharge, even if the member is ordinarily exempt from surcharge for household purchases. Members should note that they are welcome to bring other group members along to help them shop, but this group purchase privilege is not extended to people who are not themselves Karma members.

All in favour. Passed

e. There was debate over how to recognize the overtime worked by non-unionized staff. There was debate over the number of hours worked in a week at which to pay extra for overtime worked by non-unionized staff. The board agrees that non-unionized staff be paid overtime at the same threshold as unionized staff.

Moved by Howard:

Whereas the collective agreement specifies that, whenever a work week exceeds 40 hours, all unionized staff will receive overtime wages for the excess hours at the rate of 1.5 times regular wages or lieu time equal to 1.5 times the excess hours, we hereby extend the same overtime policy to all employees receiving hourly wages.

All in favour. Passed.

f. There was discussion on ways to advertise Karma through group membership purchases. Justin was requested to prepare a sign advertising Karma, to be used by groups serving Karma products.

g. Suggestion made for Justin to track group purchases to evaluate possible new membership categories.

13. Implementation committee

a. There was discussion about revising and formalizing contracts for manager and Michael. Currently no job description exists for Michael. Margaret Knittl is willing to work with Arel on this. The Committee would like to create a proper job title for Michael, and have a job description for him. There is a request to involve Margaret in this process. All approve of Arel involving Margaret on the Implementation Committee, and sharing confidential information with her when necessary.

b. The Committee is currently gathering information from Justin on job descriptions for him, staff and Michael. It wants permission to develop content and timelines of training, and to establish a management training session (consultant charges \$125.00 dollars an hour). Arel will get a quote from the consultant and come back for final approval at the next meeting.

14. ONFC Delegate

a. The Ontario Natural Foods Cooperative (ONFC) is holding its AGM in Mississauga Sunday the 25th of April, including a tour of their premises and a meal. Attendees can phone and get documentation.

b. It was agreed that Ben will attend as Karma's official delegate



Moved by Danielle:

That Benjamin Watts be appointed Karma's delegate to the ONFC Annual General Meeting.

All in favour. Passed.

15. Report on Discussion Document created from February Meeting

- a. Hilary has almost completed the draft report, aiming to send it out to participants in the February forum by the end of this week, thereafter allowing 2 weeks for comments. She will then take another week to incorporate comments received into a final draft to go out to all the membership.
- b. Discussion about sending a newsletter this week. Howard will ghost write something for Hilary to send as the April communication. The discussion document will go out in May.

16. April newsletter items

- a. Will include the following items: announcement of membership and building fees for this year, announcement of new procedure for collection of these fees, item regarding shopping on behalf of groups, announcement of shopping credits 'pilot project' for clean-up shifts, item regarding changes to trial shopping, and advertisement for note-taker position.
- b. The May Newsletter will concentrate on the February forum, mentioned in the April communication.
- c. Hilary checked in with Jason about the e-mail issue (keeping an updated list). She will follow up with him if people have further distribution problems.

17. Board Box

The Board Box in the office has not been used well. Sarah had checked it, but not regularly. Howard dug through it and is unsure what to do with its contents. He will try to scan a small collection of documents from Karma's first year, including minutes, newsletters, an invitation to a city-wide meeting on co-ops, etc. Discussion of this item was deferred to next meeting when Reg is here.

18. Other business

Board members are requesting to have the meeting minutes circulated sooner.

Moved by Hilary:
Resolved to adopt a policy that the Board meeting minutes be distributed by the Secretary to all members of the Board no later than two weeks after the Board meeting which they record. This policy will be enacted as of the April 12th 2010 Board Meeting.
All in favour. Passed

19. In-camera session

The Board held an in-camera session to discuss some personnel-related matters, including the need to formally evaluate the General Manager's performance, a task that had been deferred from last fall. Howard agreed to send Arel and Corey some previous documents related to the General Manager's role. Board members were asked to provide suggestions about an appropriate way to evaluate the General Manager in the absence of an approved role description for his position.

20. Adjournment. The meeting was adjourned shortly before 10:00 pm.

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Attachments (see separate files):

- 1. Letter to Guatemala Ambassador**
- 2. GM - Board report April 7**
- 3. GM - Karma Credit Policy**
- 4. GM – Baseline Market Research – draft**
- 5. GM – Sustainability Scorecard**
- 6. Treasurer's report for April 12, 2010**
- 7. Sales graph through January 2010**
- 8. Committee Secretary's report, April 12, 2010**