

Minutes of the 2009 Annual General Meeting of Karma Co-Operative Inc.

2009 October 19, 6:30 p.m., Society Of Friends House, 60 Lowther Avenue

Minutes recorded and prepared by Karen Kaplan, condensed by Howard Kaplan

Appendices to the minutes:

- Package of agenda, minutes of the 2008 AGM and reports for 2009, made available to the membership prior to the meeting, and incorporating the one-page Analysis of Operations for year ended May 31, 2009, unaudited, which should have been included in the package but was instead made available at the meeting
- Biographies of six people who had agreed to stand for election to the Board, made available at the meeting
- Discussion Record of the 2009 annual general meeting (containing more detail of the discussions than is in the minutes)

Ninety-four Karma members attended the meeting.

Board members present: Harry Koster (Chair), Sarah Pretty (Vice-Chair), Donald Altman (Treasurer), Reg McQuaid (Secretary), Corey Berman, Arthur Jacobs, Howard Kaplan, ahndri mendiela, jae steele, Kevin Taylor

The meeting was called to order at 6:37 by Harry Koster, Karma Board Chair. Harry chaired most of the meeting, sometimes assisted by Sarah Pretty, Karma Board Vice-Chair.

Approval of Agenda

The Chair called for a motion to approve the agenda.

Moved by Arel Agnew.

Seconded by Terry Fowler.

The motion was carried.

The agenda that was approved follows [bracketed notes indicate ways in which the actual meeting deviated from the agenda, other than deviations from planned times]:

- 6:25 Call to order
- 6:30 Approval of the agenda
 - Approval of minutes of the previous Annual General Meeting
- 6:35 Treasurer's report and Auditor's report
- 6:50 Discussion of the two reports [did not await the completion of both reports]
- 7:10 Motions to receive the financial statements and to reappoint the Auditor
- 7:15 President's report
- 7:20 General Manager's report
- 7:30 Discussion of the two reports [did not await the completion of both reports]
- 7:40 Motions to receive the President's and General Manager's reports [these motions were instead entertained at the end of each report]
- 7:45 Review of election procedures and nominations for two year terms
- 8:10 First ballot, if required, for two year terms * [ballot was not required]
- 8:20 Report from the Negotiating Committee:

- A brief status report about progress in negotiating a contract with Local 1281
- 8:30 Introductory discussion of alternate membership and fee structures:
The meeting will hear some recent ideas about how we might change our membership arrangements, to help the next Board decide whether any of these ideas should be studied in more detail [only the introduction to this item was dealt with in the meeting]
- 8:55 Announcement of winners of election to two-year terms [not needed]
Nominations and second ballot, for one year terms *
- 9:00 Further discussion regarding the financial situation: [this item was not dealt with in the meeting]
The meeting will choose between the following two options
- continue discussing membership arrangements that might increase sales
- discuss other reasons for lower sales and what we can do about them
- 9:30 Announcement of winners of election to one-year terms
Adjournment and cleanup

* If no ballots need to be cast for the two-year terms [as they did not], then the nominations and elections for the one-year terms will immediately follow the declaration that the two-year nominees have been elected by acclamation [as did occur].

Approval of the minutes of the previous Annual General Meeting

The Chair called for a motion to approve the minutes from the 2008 annual general meeting.

Motion to accept the minutes from the 2008 annual general meeting

Moved by Judy Skinner

Seconded by Sue Honsberger

This motion was withdrawn a few minutes later in favour of a different motion.

Many people expressed concerns regarding the quality of the minutes of 2008 as a formal record of the meeting.

Moved by Karen Kaplan that the Board arrange for the minutes of Karma's 2008 annual general meeting to be re-written to make sense and that the Board be delegated to accept the minutes as a record of that meeting when, in its determination, they accurately and coherently reflect what occurred at that meeting.

Seconded by Howard Kaplan.

People offered their annotated minutes to aid in making a better version, and it was agreed these would be collected.

The motion was carried.

Treasurer's report and Auditor's report and discussion of the two reports

Donald Altman, Karma Treasurer, referred to his printed report and said that he would simply highlight a few matters (note that "2009" means the financial year ending 2009 May 31): the \$90,000 larger operating loss in 2009 than one year earlier; the lower membership, sales, and sales per member; the increased shrinkage; the increase in expenses, especially amortization and consulting; the significant conversion of cash, including cash borrowed on our line of credit, to other fixed assets; the cumulative net deficit at the end of the year.

Winston Lum, of the accounting firm Berman, Lofchick & Lum, said this was the toughest year for Karma he ever needed to audit (though our sales decline was similar to that of other businesses in the recession) and commended Donald on his Treasurer's report. As a formality, he read out the last paragraph of the auditors' statement.

The discussion on the report included losses due to power failures, lower utility costs, checkout policies to reduce shrinkage, cash back on debit transactions, member re-orientation, staff reductions, staff costs, quarterly financial reports, and consulting costs.

Motions to receive the financial statements and to reappoint the Auditor

Motion to receive the financial statements as approved by the Board, the auditors' report on the statements, and the Treasurer's report.

Moved by Donald Altman.

Seconded by Terry Fowler.

Carried.

Motion to reappoint the firm of Berman, Lofchick & Lum, LLP, as external auditor for fiscal 2009-2010.

Moved by Donald Altman.

Seconded by Harry Koster.

Carried.

President's report

Harry Koster, Chair of the outgoing Board, called attention to his written report (which was largely about the staff's having chosen to be represented by a union) and added comments on some additional items: our mission statement, and the possible use of variable markup to promote some items.

The discussion on the report included the union situation and the Chronicle, and there was some concern that the last section of the written report could be construed as inappropriately anti-union.

Moved by Arel Agnew [to remove the contentious last section] that the meeting accept the President's report up to and including the sentence: "Our staff is becoming more adept at ordering, and those who are not have had the duties taken over by those who are."

Seconded by Betsy Carter

Discussion of the motion included issues unrelated to the motion, such as the Board's authority to "fire" staff and other models of co-operative organization, and the counter-proposal that the meeting "receive" the President's report, with the idea that this would have no connotation of approval. In response to this suggestion, the motion on the floor was voted on, and not carried.

Moved by Margaret Knittl that the President's report be received.

Seconded by Art Jacobs.

Carried (yes: 42; no 13).

General Manager's report

General Manager Justin McNabb discussed the need to increase membership, the staff's willingness to take on additional buying responsibilities, his continuing good relationship with staff despite the contract negotiations, the personal and organizational difficulties

caused by the large loss, the forthcoming cash registers, and the recent membership increase.

Discussion included re-orientation of current members, the need to enhance Karma's democratic processes, and praise for Michael Armstrong's handling of the produce department.

Moved by James Davis that the General Manager's report be received.

Seconded by Arel Agnew.

Carried.

Justin received an enthusiastic round of applause.

The Chair called a break.

Election of Board members

Review of election procedures and nominations for two year terms

Harry called the meeting back to order at 8:40 for the election of Board members. He named current Board members who would be continuing: Sarah Pretty, Reg McQuaid, and Art Jacobs. Seven seats were vacant, five for two-year terms, two for one-year terms.

A motion was requested to approve James Davis and Niki Popper as joint Chairs of the election process.

Moved by Rob [who?].

Seconded by Harry Koster.

Carried.

James Davis reviewed the procedure for elections: two separate elections are required, first for five two-year terms, then for two one-year terms. Each has its own ballot, which members were given when they checked in. Ballots must be marked for exactly the required number of candidates; otherwise they cannot be counted.

Sarah Pretty, Nominations Chair, nominated the following five people for two-year terms:

- Arel Agnew
- Corey Berman
- Hilary Gibson Wood
- Angela Lee
- Benjamin Watts.

Each of these people reaffirmed their willingness to stand. Nominations from the floor were called for. There being none, nominations were closed. Each nominee spoke briefly, reiterating or adding to what they had previously written.

Moved by Marc Coulatin that the five candidates for two-year terms be acclaimed.

Seconded by Jerry Lee Miller.

Carried.

Marc Coulatin expressed thanks to all the candidates for running.

Nominations and second ballot, for one year terms

James Davis called for the nomination of candidates for the two one-year terms.

Sarah Pretty nominated the following two people for one-year terms:

- Howard Kaplan

Danielle Thibodeau.

Justine Silver nominated Rick Conroy.

There being no further nominations, nominations were closed. All three nominees agreed to stand for election. Each nominee spoke briefly.

A vote being required, non-members were asked to leave the room; the doors were closed; ballots were marked and collected.

The meeting was reminded of last year's discussion of a possible by-law change to increase the length of Board members' terms of office or the number of consecutive years a member can serve on the Board; no vote had been taken, as there had not been adequate notice of the change last year, nor was the item placed onto this year's agenda.

Moved by Judy Skinner that the incoming Board bring to next year's AGM a motion to amend the by-laws to extend terms or term limits to allow longer service on the Board. Seconded by Donald Altman.

Carried.

Report from the Negotiating Committee: A brief status report about progress in negotiating a contract with Local 1281

While votes were being counted, Harry Koster informed members about the negotiations, to the extent that could be done while keeping some matters confidential. He said that Karma's Negotiating Committee had consisted of himself and Margaret Knittl (Board Chair prior to Harry's term), with the assistance of consultant Ken Godevenos, whom he introduced to the meeting. Questions and comments were taken from the floor. Matters discussed included the fate of our member labour system under any new contract, issues being discussed in the contract, poor communications from the Board about the certification and negotiations process, time limits on negotiations, the future membership of the Negotiating Committee, and the relationship between the Committee and the Board.

Announcement of winners of election to one-year terms

James Davis announced that Howard Kaplan and Danielle Thibodeau had been elected to the two one-year terms. He reminded the meeting that the ballots would be destroyed.

Further discussion regarding the financial situation

Corey Berman was given the floor, well after the scheduled time for his presentation. He mentioned triple bottom line accounting, where the three elements are social, environmental, and financial; currently however we need immediate financial solutions, large scale and small. He suggested that members shop more at Karma, tell people about Karma, and contribute skills and energy to bettering Karma.

Discussion included a request for another meeting to continue Corey's presentation and gauge member reaction, a suggestion that members develop new skills to aid Karma, and a request for help in finding inexpensive meeting places.

Adjournment

As we were required to leave the building, the meeting was adjourned at 10:03, immediately after a draw for a gift basket.