Minutes: Karma Co-operative 2021 Annual General Meeting

Monday, October 18, 2021

The meeting was held on-line on the Zoom™ platform

Secretary: Jim O'Reilly

The meeting was called to order at 7:02 pm by Andrea Dawber, Chair, with roughly 41 attendees on-line including 37 confirmed members.

1 Preamble

Andrea Dawber explained that the meeting was going to be recorded, for the use of some members to view later. Andrea also explained the use of the Chat window during the meeting for comments and amendments to motions. She asked members who were moving or seconding motions to type in their full name.
Andrea thanked Board members who had served on the Board during the last twelve months, committee chairs and committee members, member labourers, staff (especially Alex and Talia) and those who are specifically helping with running this meeting. Alli Floroff attended on behalf of the staff.

2. Agenda

Motion: To approve the agenda (with amendment of wording in the Financial Statements motion: *approve* to *receive*)
(Caitlin Smith / Marina Queirolo) 33 in favour, 0 opposed, 2 abstentions Carried.

3. Minutes of the 2020 AGM

Motion: To approve the minutes of the 2020 AGM with the amendment of proper spelling of Kriens~LaRose, and the change of *approve* to *receive* in the Financial Statements motion. (Betsy Carter / Sue Honsberger) Carried

4. Auditor's Report

Meghan Coyne from Kriens~LaRose presented the May 31, 2021 Financial Statements, and briefly pointed out some highlights. Most figures given are rounded off to the nearest thousand

- overall, Kreins~Larose issued an unqualified audit, meaning that it was a clean audit and fairly presented
- current assets increased by $58,000.
- There are two new liabilities: the Karma Futures Fund ($13,000) and the CEBA loan ($40,000).
- Karma's total net asset balance was $223,000
- Sales decreased as did the Cost of Goods Sold compared to 2020, giving a Gross Profit of $396,000 (a $31,000 reduction from the previous year)
- Store wages increased, which was the main factor in the increase in Total Expenses to $427,000
- Overall, given the government assistance of $21,000, Karma had a net revenue of $4,000
- Cash flow: Karma ended the year (May 31st) with a good cash balance - $78,000 more than the previous year.
- the notes were explained: policies to record government assistance (Notes 1, 9 and 13), inventory information and disclosures (Note 2), bank loans and repayment terms (Note 6), the Karma's Futures Fund (Note 7), terms of membership loans including forfeiture(Note 10), statement of liquidity (Note 14) and the impact of the Coronavirus (Note 16)

Motion: To receive the Auditor's report (2021 Financial Statements).
(Charlie Lior / Elizabeth Nyburg) 35 in favour, 0 opposed, 2 abstentions Carried

Motion: To appoint Kriens~LaRose as the auditor for the 2021-2022 financial year.
(Charlie Lior / Art Jacobs) 30 in favour, 0 opposed, 5 abstentions Carried

<u>5. Board Report</u>

Andrea described the achievements of the Board in the past year, including the training that the Board did at the beginning of its term, the defining of Committee Terms of Reference, the updating of the member handbook, the oversight and updating of the Covid protocols, and the progress on the project to repair the north wall. Ongoing projects include the accessibility project on the door and ramp, the improvements to Karma IT systems, communications, succession protocols for the Board and for staff, better store operations and more outreach (including a lapsed member drive and a door-to-door campaign in Seaton Village).

Motion: To receive the Board Report
(Benjamin Miller / Paul Decampo) 33 in favour, 0 opposed, 1 abstention Carried.

6. General Manager’s Report

Alex Molina was not present, so his report was presented by Andrea Dawber who thanked staff for keeping the store open without any down time over the pandemic.

- Alex thanks the members for their support this year
- The effect of the Covid pandemic on the store staff has been an increase in stress, burnout and confrontations with shoppers (non-compliance with Covid protocols)
- The suspension of member labour and member recruitment, and a general decrease of member engagement has had an impact on depressing the sales.
- The last few months have shown revenue improvements at the same time as vaccination rates have increased, so there is reason for optimism.
- A floor supervisor position has been created and is working well.
- The new wet-case is installed, and lighting, painting and decluttering have all resulted in a better store appearance.

Andrea added that the sales in the first quarter of this financial year are the lowest in 3 years, which is concerning (although October, 2021 is better). There is a need to keep members engaged in order to keep members shopping. Information about lapsed members anecdotally indicates that increased attrition is due to members moving out of town during Covid, however as lapsed members are contacted more often, more cite other factors related to Covid as a reason.
Progress has not been made on an on-line store. Members may still e-mail shopping lists to the store and have their groceries packed for pickup or delivery (for a fee). More capital repairs are planned this year, more zero waste offerings are coming and member labour will be re-built this year.

Motion: To receive the General Manager’s Report
(Benjamin Miller / Betsy Carter) 33 in favour, 0 opposed, 1 abstention Carried

7. Board Elections: 2-Year Terms

Motion: To appoint Caitlin Smith to Elections Chairperson
(Benjamin Miller / Arel Agnew) 33 in favour, 0 opposed, 2 abstentions Carried

Marina Queirolo, Sondra vanderVaart and Paul De Campo stood for 2-year terms.
There were no nominations from the floor.

There being fewer candidates than positions to fill, Caitlin Smith, as Elections Chairperson, declared that **Marina, Sondra and Paul were elected by acclamation**.

8. Committee Reports

There were no discussions arising from the Anti-Oppression, Building, Chronicle, Community Development, or Finance Committee Reports and the floor was open for questions. Donald Altman asked for additional members of the Finance Committee. The Anti-Oppression Committee is also looking for new members.

9. Board Elections 1-Year Term

Andrea Dawber stood for a 1-year term. There were no nominations from the floor. There being fewer candidates than positions to fill, Caitlin Smith, as Elections Chairperson, declared that **Andrea was elected by acclamation**.

10. Statements from the New Board Members

Sondra said that her priorities were the financial stability of the co-op and increasing the number of members. Marina said that she wanted to bring Karma together with other food retailers in the city. Paul said that he would like to attract and retain members, and connect Karma to the local sustainable food network.

11. Question and Answer Session

On the subject of Karma applying for charitable status, Andrea said that there is still a lot of work to do on developing some charitable aims for the co-op (which generally allow for addressing poverty, education and other purposes for the benefit of the community). Charitable status could offer Karma some advantages (accepting donations from the public or other charities, and giving tax receipts), but there will have to be consultation with the membership about this.

12. Committee Reports (continued)

Members were invited to ask questions pertaining to the Food Issues, Orientation, Marketing and Communications, Donations and Management Committees. Regarding the Product Matrix discussed at last year's AGM, Mandy Hindle reported that it has been used for research to evaluate products, and by Talia to track reasons for introducing new products or discontinuing old products. An end-of-year product audit wasn't done, but the new Food Issues Committee liaison will connect with Alex on that.

13. Bylaw Changes

(A). Gender-Neutral Bylaw Amendments

Howard Kaplan said that the link provided in the AGM Package didn't work, so members have not been given proper notice about this item, and it should not be discussed.
Mandy Hindle explained the changes, and through Screen Sharing, showed where the Bylaws had been changed.

Motion: The members present waive any right to Notice that they have received acknowledging that the substantive changes to the Bylaws regarding gender-neutral pronouns in the Bylaws did reflect the Notice that was given, such that adequate notice may well have been fulfilled.
(Benjamin Miller / Caitlin Smith) 18 in favour, 6 opposed, 5 abstentions Carried

Motion: To adopt the amended gender-neutral Bylaws as approved by the Board, March 10, 2021.
(Paul De Campo / Sue Honsberger) 22 in favour, 1 opposed, 3 abstentions Carried

Noted that the Bylaw amendment should be effective October 18, 2021.

(B). Vacation of Board Position

Motion: To amend the Bylaws to add subsection (f) to Article IV, Section 6:
f) if, by resolution, the Board of Directors requests that the director resigns on the grounds that they have violated any bylaw, policy, regulation or Code of Conduct of Karma, the director will be deemed to have resigned immediately. In determining whether the director has violated any bylaw, policy, regulation or Code of Conduct, the Board shall provide the director written notice setting out the grounds for concern at least 10 days before the Board meeting at which the resolution shall be considered. The director, or their representative, shall have an opportunity to make a submission at the meeting at which the resolution is considered.
(Andrea Dawber / Betsy Carter)

Andrea explained the proposed changes, which would be an addition of subsection (f) to Article IV, Section 6. Benjamin Miller added that this would be a deemed resignation, similar to a board member not appearing for three consecutive meetings, and it is allowed under Ontario corporate law.
Discussion highlighted concern that this could be used to remove a worthy but unpopular board member and that members (not just the board) should have a say in this.
Seeing that there were going to be substantial amendments to this motion, Andrea withdrew it.

14. Adjournment

Motion: To adjourn the meeting. (Caitlin Smith / Paul Decampo) Carried