

## **Minutes: Karma Co-operative 2020 Annual General Meeting**

Monday, October 19, 2020

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 Kristy van Beek, Chair, with roughly 56 members on-line.

### 1. Preamble

Kristy van Beek outlined some of the procedures to be used during the meeting for voting and speaking, as well as moving, seconding or amending motions. Board members who had served on the board for the last twelve months were introduced, as well as Talia McGuire (GM), Kitty Choi (tech volunteer) and Howard Kaplan (tech volunteer – voting). Kristy thanked committee chairs, committee members and members who had done member labour in the last year.

### 2. Agenda

**Motion:** To approve the agenda (modified, compared to agenda in the Notice, in order to accommodate nominations from the floor for the elections) (Benjamin Miller / Andrea Dawber) Carried.

### 3. Minutes of the 2018 AGM

**Motion:** To approve the minutes of the 2018 AGM with the inclusion of some corrections for typographic mistakes and governance details, as described by Kristy van Beek. (Tim Grant / Reese Steinberg) Carried

### 4. Minutes of the 2019 AGM

**Motion:** To approve the minutes of the 2019 AGM with the inclusion of some corrections for typographic mistakes and governance details as described by Kristy van Beek. (Andrea Dawber / Betsy Carter)

Discussion: Jim O'Reilly (author of the minutes) accepted two amendments suggested by Deborah Cherry.

Carried

### 5. Auditor's Report

Meghan Coyne from Kreins~Larose presented the May 31, 2020 Financial Statements, and briefly pointed out some highlights.

- overall, Kreins~Larose issued an unqualified audit, meaning that it was a clean audit and fairly presented
- current assets were roughly equal to the previous year, with the exception of the cash balance which substantially increased.
- although the accounts payable increased due to more purchases in the spring, the government remittances were less, due to COVID-related changes in source deductions on wages.
- Karma's bank term loan and building loan decreased due to regular repayment on the loans
- Karma's total net asset balance was \$213,323
- retail operations: sales reached \$1.175M (compared to \$1.029M in previous year) and expenses also increased mainly due to store wages (\$285K compared to \$255K in the previous year) and office expenses (\$23.5K vs \$17.9K)
- Karma's surplus for the year was \$44K.
- there were minor changes in membership operation
- Cash flow: Karma ended the year (May 31<sup>st</sup>) with a good cash balance - \$44K more than the previous year.
- the notes were explained: estimates of the effects of COVID 19 (Note 1), property and equipment (Note 4), deferred revenue (Note 5), bank loans (Note 6), building loans (Note 7), membership loans and their forfeiture (Note 8), income from non-member, flat-rated sales and flat fees (Notes 9 and 10) and financial instruments (Note 12)

There was a clarification in the discussion that under an accounting change made last year, member loans are shown as forfeited in our Financial Statements for accounting purposes only. They are not forfeited according to the bylaws of the co-op.

**Motion:** To approve the 2020 Financial Statements. (Caitlin Smith / Connor Ladly-Freeden) Carried

Note: further discussion after the voting clarified that the membership only needs to *receive* the Financial Statements.

**Motion:** To appoint Kreins~Larose as the auditor for the 2020-2021 financial year. (Andrea Dawber / Reece Steinberg) Carried

## 6. Board Report

Kristy van Beek said that all 10 positions on the board have been filled for the last 12 months, and that the board had been able to initiate and complete a number of items: a 2-day board orientation, the establishment of the Anti-Oppression Committee, the establishment of the Marketing Committee, the Member Survey, the Health & Safety Policy, and the Building Condition Assessment. As well, the term loan was successfully renewed, and the budgeting process involved careful planning and goal-setting. But the main item for the board's attention has been to help the store stay open and remain safe for our staff and our members throughout the COVID pandemic.

In answer to the questions, Kristy said that further work would be done on analysing the results of the survey, that the H&S report could be accessed via a link in the Chronicle, and that the specific capital projects based on the Building Condition Assessment would be forthcoming. As well, Andrea Dawber said that a lot of H & S training was completed last year, and more will be done next year.

**Motion:** To receive the Board Report (Sue Honsberger / Paul Decampo) Carried.

#### 7. General Manager's Report

Talia thanked Kristy and Kitty for their leadership in creating a new AGM format.

Concerning the effects of COVID on operations, Talia highlighted:

- an increase in sales of 15% annual, and 39% March-to-May compared to last year
- an increase in store expenses
- a complete set of new procedures for the store to maintain a safe shopping and working experience
- suspension of new memberships
- creation of curbside shopping and a delivery service
- limited member labour.

The graphical data illustrated

- bulk sales up 30% year-over-year
- store expenses for cleaning, extra staffing and higher than normal turnover
- declining sales to guest shoppers
- roughly 100 fewer members are shopping, but those who are are spending more on average.
- lower member recruitment so far this year and a decrease in the number of new shoppers (trial shoppers plus new members)

On the marketing and engagement side, our next challenge is to figure out how to connect with the community during COVID. As well, Karma's 50<sup>th</sup> anniversary is coming up in May, 2022, and we should start planning for that.

Thanks to Lynn and Tony Sapping and Sophi Robertson for the Toronto Life *Zero-Waste* story.

In the last year, physical plant changes include the integration of our POS system with the debit terminals, and the implementation of electronic payment for suppliers, both ahead of COVID.

A huge thanks to the staff, who have worked tirelessly to adapt the store to all the changes.

What's next for 2021? Karma will have an online store by December, a new (responsive) website (thanks to Neil Joyes) a virtual orientation process, a plan based on the Building Condition Assessment, more zero-waste options, better community engagement, improved accessibility and an emphasis on Health & Safety.

In answer to discussion questions, Talia said that we are contacting people who left their e-mails with us expressing interest in joining the co-op.

**Motion:** To receive the General Manager's Report (Mohammed Bizzari / Brad Wong) Carried

In answer to a further question about whether the staff compensation had increased, Talia said that the Board awarded bonuses for hours worked from mid-March to the end of April. As well, donations from members were made and distributed to staff pro-rated by hours. If any members still want to donate to the fund for staff, they can just tell the cashier to add it to the bill when they are checking out, or they can contact Talia to arrange a donation privately.

#### 8. Elections for 2-Year Terms

**Motion:** To appoint Andrea Dawber as the Elections Chairperson. (Benjamin Miller, Connor Ladly-Freeden) Carried

Andrea explained that she, Lev Jaeger, Mandy Hindle and Tristan Laing will be continuing on the board, completing the second year of their 2-year terms.

There were 5 people who, previously, agreed to stand for the 5 new 2-year term positions on the board: Libby Mills, Caitlin Smith, Gillian Kranias, Judy Skinner, and Charlie Lior. Andrea asked for nominees from the floor, and there were none.

As Elections Chair, Andrea **declared the nominees to be therefore elected by acclamation.**

#### 9. Committee Reports Anti-Oppression Committee

Tristan Laing explained the origins of the committee, stating that the struggle against white supremacy is greater this year than any other year, and that to go beyond the response of just “training the board”, the Anti-Oppression statement would give the co-op the opportunity to state that these are our real values. An audit of our organization would be the next step.

**Motion:** To adopt the Anti-Oppression Statement: (Tristan Laing / Lev Jaeger)

**Be it resolved that** Karma Co-op fully supports the Black Lives Matter movement and its calls for visibility and justice. Food justice and social justice are deeply intertwined, and we believe that the 7th Co-operative principle, “Concern for Community”, requires co-operators to work against all forms of oppression that impact their local communities. The work of dismantling white supremacy, patriarchy, cis and heteronormativity, settler colonialism, capitalism, ableism, and other forms of oppression, ought therefore to be considered part of the everyday work of operating and governing our co-operative store.

Discussion: In answer to Donald Altman’s question about the unknown implications of this policy on our reliance on suppliers who farm on land claimed by Indigenous peoples, Tristan Laing said that the purpose of the resolution is to give a mandate to the Anti-Oppression Committee to run an anti-oppression audit of Karma, and then ultimately the board will have a duty to run Karma viably.

In response to Howard Kaplan’s concern that the motion is too specific to issues that are occurring in 2020, and not general enough, (for example, there is no mention of anti-Indigenous racism), Lev Jaeger said that the motion will make the members think about these issues and perhaps, for example, look for farmers and suppliers who are more diverse.

Comments, requests and amendments in the Chat were read by Kristy van Beek.

The vote was held: Carried.  
(35 ballots, 19 in favour, 6 opposed, 4 abstentions, 6 rejected)

Tristan Laing said that although the process of voting on this motion omitted the inclusion of some amendments, he felt the committee would proceed with willingness to include the amendments on the addition of anti-Indigenous racism and classism.

#### 10. Elections for 1-Year Term

Andrea Dawber said that there was one 1-year term available, due to the resignation of a board member who would have been completing a 2-year term.

Kristy van Beek had previously put her name forward, and there were no nominations from the floor. Andrea **declared Kristy van Beek elected by acclamation.**

11. Committee Reports (continued)

(A) Food Issues Committee

Mandy Hindle explained how the member survey from the spring provided feedback that the Food Issues Committee used to update the previous Product Policy. Staff feedback on how our purchasing process works was also used. Mandy directed members to the bulleted changes described in the AGM Package. Mandy thanked members for their survey contributions and said that the results were still being used.

- The Economic Considerations section has been updated to include consideration of suppliers that are aligned with food justice and food insecurity, and to emphasize consideration for members' desire for variety while balancing economic viability for the store
- The Environmental Considerations section has been updated to emphasize Karma's commitment to products that are low-waste, package-free and have a low environmental footprint
- A statement has been added to reflect our approach to carrying foraged food products
- The Ethical Considerations section has been updated to include equity in product availability and support for LGBTQ2SA+, BIPOC, Indigenous or women's rights as factors in how we choose products
- The Selection and Marketing of Products section has been expanded to provide more details on how these activities are carried out, including the addition of how carrying conventional produce is considered
- Statements have been added to reflect how the Product Policy is part of how Karma adheres to the Rochdale Principles for Co-operatives
- Definitions have been added for clarity
- Additional revisions were made for language clarity and tone

**Motion:** To approve the new Product Policy (Lev Jaeger / Charlie Lior) Carried.  
(40 ballots, 29 in favour, 0 opposed, 1 abstention, 10 rejected)

In answer to the discussion question about how we will measure the objectives of the policy, Mandy said that there is a Product Matrix being developed that will be used to analyse a sampling of new products every year, and there is a previous detailed Product Matrix that can be used to evaluate particularly contentious products.

Kristy thanked Mandy for all her work on this policy.

(B) Donations Program

Caitlin Smith said that a policy was developed (by herself, Andrea Dawber and George Goodwin) for this new aspect of Karma's operations in which donations would be put towards capital projects. It was outlined in the Chronicle in August. As part of a fundraising initiative, charitable status for some of Karma's operations will be investigated. Karma can not give charitable receipts at the moment. As part of the Donations Policy, there will be no material benefit to the donor. Also as part of the policy, Karma would accept donations of cash, property, stocks, bonds or bequests from legacy donors.

The Fundraising group will also be applying for a Trillium Fund grant for non-profits and creating a *Donations* page to be put on our website.

Discussion on this item included Donald Altman's comment that we should operate the store so that prices ensure that revenue covers all operations including a capital reserve. Claire Davis said that using donations for capital costs and lowering prices would help reduce food insecurity. Art Jacobs asked if Karma would set up a separate "foundation", and Andrea Dawber said that such a foundation could have objectives promoting education and justice.

(C) Privacy Policy

Andrea Dawber said that the new Privacy Policy updated the old one that only covered electronic communications and the website. The new policy covers donations, members, donors and prospective donors. All members and donors can see what data Karma has pertaining to them, and can request to have it changed. In answer to a question, Andrea said that the Government of Ontario has over the last years brought out new privacy regulations for Not-for-profits, under which we would be in compliance.

12. Adjournment

Kristy van Beek thanked Kitty Choi and Howard Kaplan for running the voting process at the meeting.

**Motion:** To adjourn the meeting (Caitlin Smith / Benjamin Miller) Carried.