

**CIRCLE CRAFT COOPERATIVE**  
Minutes of Annual General Meeting  
Wednesday | April 24, 2019

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Board present: Liz de Beer, Emil Fung, Greg Kawczynski, Lorna Moffat, Kaarina Talvila, Nancy Walker, Jo Ludwig  
Office staff present: David Camisa, Rossanne Clamp, Andrea Sanders  
Members present: Sophia Kim, Linda Doherty, Gillian McMillan, Laura van der Linde, Elaine Brewer-White, Susie Benes, Svea Vatch, Suzanne Nairne, Andrea Roberts, Diane Tordjman, Alexandra Kalinic, Roberto Fioravanti, Vanja Brankovic, Joanne Andrighetti, Rudi Diesvelt, Vesna Jankovic, Lincoln Heller, Ashley Ponter, Jan MacLeod, Lina Cutnam, Lajla Nuhic, Jessica de Haas, Mary Downe, Diane Jordens, Pen Hsuan-Hsing, Penny Birnam

The meeting was called to order at 7:03pm.

1. Introduction

Kaarina welcomed everyone to the meeting, introduced the board members, and explained the purpose of the AGM: to receive financial statements, appoint an auditor, receive board reports, and elect directors for the coming year. She explained that the meeting would be following AGM procedure and outlined the speaking guidelines for doing so.

She noted that adherence to proper procedure is indicative of changes Circle Craft is undergoing, having been in a transition period the past year. She shared that two themes would likely emerge at the meeting: a tightening of ship and a sense of new beginnings. Circle Craft is moving into a new era—a time of possibility and optimism for all.

2. Approval of Agenda

Kaarina explained that the agenda would vary slightly from what was distributed due to the resignation of Board Chair, Vanja Gavric, on April 8<sup>th</sup> and the formation of the audit committee on April 10<sup>th</sup>. Kaarina will give the board report, and the audit committee will provide an update.

**MOTION** to approve agenda

Moved by Rudi Diesvelt | Seconded by Lincoln Heller | Carried

3. Adoption of Minutes from 2018 Circle Craft AGM

Vesna Yankovich and Aleksandra Kalinic request that the proposal Kaye Miller read aloud before moving the creation of a finance committee be added under “12. New Business.” Andrea and Rossanne confirmed that it could be added as an appendix. They clarified that the full statement was not included in last year’s minutes because a copy was not provided when it was read. Printed copies were distributed at this meeting (the 2019 AGM).

**MOTION** to adopt the minutes of the 2018 AGM held on April 25<sup>th</sup>, 2018

Moved by Vesna | Seconded by Rudi | Motion carried

Kaarina provided updates on two outstanding items of business from last year's AGM. Firstly, the idea for a board honorarium was discussed at the October board meeting and was rejected by a unanimous vote. Circle Craft covers travel costs for board members to attend meetings, but there was no support for supplying a per-meeting honorarium. Secondly, the formation of a finance committee will be addressed with the next two agenda items.

#### 4. Presentation of Financial Statements

Kinder Sidhu of Kinder Sidhu & Associates (KSA) presented the consolidated financial statements. He began by outlining the independent auditor's report and briefly explaining each section. He noted that the opinion given was a clean opinion—the highest opinion possible.

He also explained that the consolidated statements are a snapshot of Circle Craft on December 31<sup>st</sup>. He quickly ran through the figures and provided the following notes:

- **Financial Position:** Prepaid expenses are the deposit on the show hall. This figure was lower last year because it was not prepaid, which was an anomaly. Member dues also differed this year because the cheque was cashed in January. Otherwise, revenue and expenses have no major differences compared to last year, and there is more revenue than there are expenses.
- **Operations:** Revenue, direct costs, expenses, and other figures are all quite close to last year. Same for the excess of revenues over expenses.
- **Cash Flows:** The bank account balance decreased because funds were invested.
- **Notes:** Note 2 on page 9 accounts for unpaid booth fees that Circle Craft might not receive payment for. Note 3 on page 10 provides depreciation figures accumulated over all the years of the co-op's history. Note 5 on page 10 notes Circle Craft's financial commitment to renting the Convention Centre for the 2019 show. Note 6 on page 11 is a general note that must be included in all audits, but that is not pertinent to Circle Craft.
- **Store Revenues and Expenses:** Some of the bigger expenses are rent and salaries, but overall figures are similar to last year.
- **Show Revenues and Expenses:** Revenue and expenses are almost identical to the previous year, with the largest expenses being advertising, hall rental, and management fees.
- **Member Services:** This shows the dues collected and the amount spent on member services; there is a slightly lower net loss compared to last year.
- **Administrative Overhead:** Circle Craft's administrative overhead expenses are allocated to the store and to member services: 62% and 33% of the total respectively.

**MOTION** to accept the audited statements as presented

Moved by Roberto Fioravanti | Seconded by Elaine Brewer-White | Unanimously approved

#### 5. Report of Audit Committee and Appointment of Auditors

**Formation of audit committee:** Emil introduced himself as husband of jeweller Chi Cheng Lee and spoke to the role of the audit committee: It is a committee mandated by law for any association—in this case by the Cooperative Association Act. The committee makes sure that the board and auditors are knowledgeable in their work with finances. Emil explained that he has experience in banks and on boards of public organizations, specifically sitting on audit committees, and that he was brought onto Circle Craft's board for these experiences.

He explained that the previously formed finance committee is not legally mandated, and that forming the audit committee filled a long-standing legal deficit. The audit committee looks at financial statements with the auditors to make sure that all issues are considered and that financial oversight is present. Now that Circle Craft has been brought back into compliance with provincial law, the committee is looking forward to expanding on the mandate for financial oversight.

**Financial statements:** Emil then addressed the financial statements, summarizing some key figures. Circle Craft makes about \$180,000 in gross revenue and has \$120,000 in expenses, leaving the co-op roughly \$60,000 annually. The board has to consider this figure against the costs of any potential operating initiatives and risk (e.g. hiring a financial professional would cost at least \$120,000 annually). The annual \$60,000 has accumulated into the over \$300,000 cash assets.

That accumulation is a testament to Paul Yard's work as former Show Manager; the reserve was built on the success of the markets, while the store has run a deficit. But the store is also where members can exhibit their work, so Emil suggested that members look at it as the market subsidizing the store. The two operations are intertwined: without the market the store cannot exist, and without the store the members don't have a place to sell and display work. And that is where Circle Craft's purpose lies: promoting the excellence of members' work and craft more broadly.

Emil spoke to the work that Circle Craft will be doing to support member work with available cash, but that all must consider—in terms of risk—how much there is to work with. Show revenue is quite stable, while expenses are increasing (e.g. wage increases for Convention Centre staff), so alternatively, members must consider their willingness to pay additional fees.

He explained that transparency is important, but that the committee has to look at whether the business is being operated in the ordinary course of business. It is departures from the ordinary course of business that the committee must report to the membership. In the committee's view, everything in the last year was conducted in the ordinary course of business.

**Finance committee:** When Emil joined the board and reviewed the correspondence from Kaye, he understood the proposal to be congruent with the purpose of an audit committee. And the audit committee has now fulfilled that purpose in not finding anything extraordinary.

Jan MacLeod noted that many organizations have both an audit and finance committee. Emil agreed, but reiterated that one is mandated and the other is not. This distinction is important because there are strict rules about how the membership can seek influence the governance of the co-op.

He continued by explaining that at the April 10<sup>th</sup> board meeting, the board dissolved the finance committee. He understands that it was formed by majority vote at last year's AGM to give members financial oversight. But governance lies solely with the board because it is responsible and liable for good governance. Members elect board members to undertake that responsibility at the AGM. In order to maintain that separation, ad-hoc member committees can be formed to provide advice or opinions, but they cannot influence governance.

In January the board communicated an appropriate working framework to the proposed finance committee members, emphasizing that the board would be open to receiving advice on the objective of creating transparency and clarity. The response to that communication was that they would not accept

the position of an advisory committee to the board, and they demanded a reporting mandate. Again, to maintain the separation of governance, members of an association (or shareholders of a corporation) cannot demand to report (which indicates a responsibility for governance) to the board; only the board can create committees pertaining to governance.

Because there were no board members on the proposed finance committee, the board could only relate to it as an advisory body. When this position was rejected, the committee was disbanded. For it to have continued otherwise would have been in contravention of Part 17 of the Rules of the Association, which states that any committee reporting to the board must be composed of elected directors.

**Questions:** Vanja raised a question that was asked at the 2018 AGM about a “miscellaneous” line in the financial statements. Andrea and Kinder explained that most of the ~\$36,000 figure this year is for the market’s ticketing company that handles online ticketing, staffing, and cash handling. Last year the question was asked to the auditors and not the staff; Kinder had addressed it by explaining that audited financial statements are not that detailed—amounts have to be grouped for efficiency.

Rudi asked if Circle Craft had really been operating this long in contravention of legislation. Emil clarified that it is not a large material violation—KSA has been Circle Craft’s auditor for 20 years, and they would have caught major issues.

Joanne Andrighetti asked if committees must always be composed of board members. Emil explained that in corporations, some governance committees (e.g. CEO compensation) have additional “independent directors” who are separate from the organization’s management. But in an association, no directors are involved in management; so in Circle Craft’s case, there eight independent directors available to serve on board committees. Someone who is not a director cannot be on a committee serving the board (i.e. a governance committee) because if the board were sued, where would that person stand? Non-director members can sit on and create advisory committees only.

**Appointment of Auditors:** Emil ended by noting that one of the purposes of the audit committee is to consider whether the auditors have done a good job in reviewing the financials. The committee has reviewed the auditor’s work, believes their work is sound, and recommends that they be retained.

**MOTION** to re-appoint KSA as Circle Craft’s auditors for the next financial year  
Moved by Emil | Seconded by Lincoln | Motion carried

## 6. Report from Kaarina Talvila on behalf of the Board

Kaarina began by mentioning that board members are fellow craftspeople who have the cooperative’s best interests at heart. She then read the report.

*This past year was marked by transition and flux – we saw change that has affected almost every aspect of the organisation. Certainly the event with the most far-reaching effects was the departure of Paul Yard – our GM and a founding father of Circle Craft.*

*Logistically, we were well-prepared for the transition, with Andrea and Rossanne stepping seamlessly into their roles as joint GM, having worked alongside Paul for the past few years. They’ve been working diligently at updating office procedures—digitizing records and moving more functions online—as well as improving the physical space, visually identifying the beginning of a new era. Less paper in the office, nicer furniture and more meeting space. We’re extremely fortunate to have two such capable, hard-working and knowledgeable people carry on where Paul*

*left off. Our prized Christmas Market is in very capable hands.*

*If the logistical transition was quick and easy, it will take us a bit longer to work out the conceptual ramifications of Paul's departure, and, more importantly, the possibilities that this transition presents. Circle Craft has always been a folksy kind of place, borne out of the heady days of the 1970s craft revival, and marked by Paul's management style, his personality, and his personal connections. We've been a great big family. And now, even without our dad, we're still a family. But we need to redefine Circle Craft to meet the realities of the current marketplace and the world of the 21<sup>st</sup> century.*

*Besides Paul's departure, there were comings and goings throughout the organisation. Significant personnel changes occurred on the Board, with a turn-over of half the positions in the course of the year. More important though were the significant changes in the store. After several years of turmoil at the store management level, followed by the interim shared-management role that David and Emily provided for a few years, we finally hired what we thought was an experienced, professional Store Manager, only to have our high expectations come crashing down on us within mere weeks. We had made a mistake, which we moved quickly to correct. The good news is that we learned from our mistake and did a much better job the second time around when we hired Cathy Church. Cathy started at the beginning of January and has brought an exceptional level of professionalism, experience, knowledge, and sensitivity to the position. She's been able to look at every aspect of the store with fresh eyes and has been making numerous changes—sometimes small but always significant—to everything from store layout, display, gallery attendance, social media presence, role of store staff, and Granville Island profile. We are extremely fortunate to have Cathy managing our precious store.*

*Cathy has been able to eliminate two roles that had been largely filled by contractors but are now performed by our own talented staff. We are no longer using the services of a contract Visual Merchandiser, making better use, instead, of our highly qualified store staff. As well, David and Cathy have taken control of our social media profile, a role that had also been previously contracted out. When David replaced Andrea as Admin Assistant, he got to work on increasing our social media presence, which has now been ramped up to another level with Cathy's input. She and David have been working together to present a strong, unified, engaging presence. Our previous, rather lacklustre performance had been questioned at last year's AGM—hopefully the positive change has been noted.*

*Along with our much-improved presence on social media, we've also had a total revamp of our website, thanks to Rossanne, and the long-awaited online store, managed by Emily, is finally up and running. And it's beautiful. I think this presents a significant milestone in Circle Craft's evolution.*

*We have remarkably talented people working for us, both in the office and in the store, and they're not there because of the big bucks we pay. They're with Circle Craft because of our ethos. Circle Craft represents the very best in BC craft which makes us able to attract employees who believe in our co-op model and want to be part of our striving for excellence. We're limited in the salaries we can offer, but in order to attract and retain the high level of professionalism we seek, we are able to reward our employees by recognising their skills and providing them challenging opportunities to use those skills. This year we've added another form of recognition: providing health benefits for all our full-time salaried employees. If we want to be socially responsible employers who provide good working conditions, employee recognition, and a decent salary, health benefits are also part of that picture.*

*As we move into the new Circle Craft era, there's certainly no desire to follow a hard-core corporate model, but realistically we do need to tighten up our business practices, which is something the current Board has been working on. Board positions are two-year staggered terms so that at any one time half of the Board members are neophytes and half are experienced veterans, with the idea that the neophytes learn from the vets. But in fact what's been happening is that errors and misconceptions have been innocently passed down through successive Boards as accepted practice. During the past couple of months, we've been conducting an overhaul of our practices to ensure that we are in compliance with both co-op bylaws and those of the Association Act. To a large extent, the process has been led by our new Board member Emil Fung, who comes to us with genuine real-world corporate experience. He has been absolutely critical in getting us all on track, and we are now, for the first time ever, in complete compliance with all bylaws.*

*Along with a tightening of procedures, we've also introduced this year a genuine Business Plan—a detailed document which spells out goals and objectives for the coming year across all areas of our organisation, with clear and measurable goals. This may be standard practice in the business world but has not been part of the Circle Craft world. We have Vanja Gavric, our previous Chair, to thank for instituting this.*

*We had two exciting flirtations this past year with unexpected opportunities that came our way, or almost came our way. One was the transformation of the Emily Carr space on Granville Island, a space that is being rebranded as the Arts and Innovation Hub. Granville Island had issued a Call for Ideas in the fall, which would be a precursor to an Expression of Interest. We seriously considered participating in the process with the thought of securing additional space, perhaps for workshops, lectures, or additional exhibition and sales space. Exciting ideas but realistically not affordable for us. We made the decision not to pursue additional space in the HUB, but we are staying in the loop in case we're one day kicked out of our Net Loft space and need to move. There has been talk of the Net Loft being converted to more Granville Island Market space but the Granville Island revitalization plans are very much in flux. The latest plans indicate that there will be no changes to Net Loft usage, in which case we're safe, but we're still staying in the loop to cover our bases. I'll point out that Cathy is doing a terrific job of forming connections on the Island and keeping her ear to the ground, so if the situation were to change, we'd know.*

*I'll just mention here the latest news on our lease agreement with CMHC, which is basically no news. At the AGM last year, we announced that we had a verbal agreement with CMHC for a five-year lease with as yet unspecified terms. Incredibly, we're in the exact same position a year later. Still no signed lease but this is not cause for alarm. In fact, it seems to be the norm with CMHC. They move very slowly, and, as I said, the situation on Granville Island is in flux. But as far as we can tell, our location is safe for now.*

*Our other little flirtation with unexpected opportunity was London Craft Week (LCW). This was not only an unexpected, but also an unimagined opportunity that came our way, thanks to Co-op member Katherine Soucie. It came out of a conversation Katherine had with one of the LCW organizers. As we all now know, we had gotten into the game a bit too late, and our preferred venue, Canada House, was already booked. However, that heady experience showed us two things. The quick and expansive response from members to a last-minute call at a very busy time of year was extraordinary, as was the tremendous effort put forth by Andrea and Rossanne to prepare our bid in a matter of just a couple of days. It was heartening to see such a unified effort across the Co-op as we all did our bit to pursue this dream opportunity. The other thing it did for us was to open doors that we hadn't even acknowledged were there. I think for the first time, we started to see ourselves as players on a much bigger stage, and to get a glimpse of the sort of impact we have if we work together. None of us as individuals would be able to participate in something like LCW, but together as a Co-op, we can. We got a peak at bigger things, and it changed the way we see our potential. LCW 2019 may be off the table, but we will be very much in the game for LCW 2020.*

*It's fortuitous that LCW came along at this transition time, as we were already thinking about our future and looking anew at our mandate. At the Board retreat next month, we plan to take a look at where we want to go from here. We are in the delightful position of being financially stable. We don't have oodles of money to spend, but we do have some, so what do we want to do with it? Do we want to aggressively pursue international exhibitions? Maybe participate in international trade shows? Do we want to spend more on advertising and marketing, or return the profits more directly to members by adjusting the commission rate? Or maybe we just want to sit tight because we all know that bad things can happen. These are the sorts of options that we will be examining at the retreat, and when the time comes, we will be looking for member input.*

*As well, we'll be reviewing our mission statement, which is "To promote the development, recognition and success of members and their work." Aren't we more than that, though? We run the most highly respected Christmas Craft market in the country. The work that we sell on GI sports a hallmark of excellence. Circle Craft represents quality. We've already been looking at our obligations as employers. Do we have other obligations—to craft and the future of craft? These are questions we'll be examining at the retreat.*

*The fact that we'll be able to devote the retreat to planning for the future, rather than dealing with internal issues*

*as has so often happened in the past, is an indication of the solid position in which we find ourselves. We are in a very enviable place. We're financially stable, we have excellent people on staff and on the Board, we have harmony and cooperation throughout the office, the store, and the Board, and we are on the cusp of a new era. Together we can do great things, but remember that we need a unified effort, and that should be our goal for the coming year and beyond. Strength through unity.*

## 7. Market Report

Rossanne presented the report that she and Andrea prepared. She outlined that booth sales were up this year, and that they have had consistent pricing since 2016. The market changed to a vertical plan, had more marketing, and had more attendance during 2-for-1 ticketing times. Exhibitors on the whole were successful, and a record number have re-signed for the 2019 show.

Of the customers that completed the feedback survey, 17.3% were first-time attendees, 40% purchased their tickets online, and more heard about the market online or via social media than in previous years. The largest demographic is aged 40-65, but they are working to increase exposure to the expanding portion that is aged 25-40.

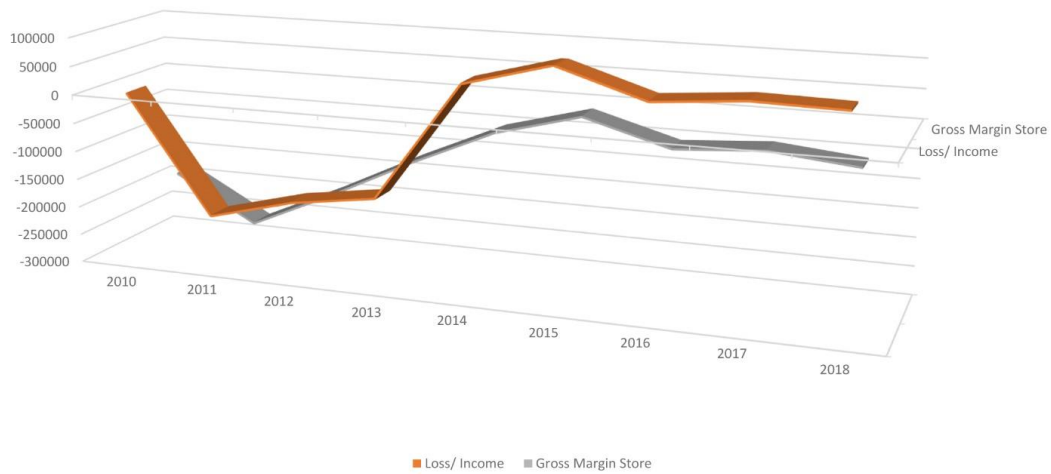
The 2019 show will be the first without Paul's oversight. Andrea and Rossanne will keep things consistent while introducing a few new items. There are some expense increases due to the aforementioned minimum wage increase, but they will be looking at ways to keep profits stable without passing on the expenses to artists. The market will continue with a vertical floor plan with some changes implemented to improve signage and exposure (e.g. better aisle markers).

Rossanne ended by mentioning that administratively, files are being digitized to improve ease of management, and that they are looking forward to successful 2019.

*As per the report from our auditors, our financial health remains in good standing. Store revenues were up slightly over 2017 (+1.23%), and show revenues were remarkably consistent - within 0.08% of 2017 numbers. Operating expenses were slightly up for both the store and the market (+5% and +0.5% respectively), for a total decrease in revenue of 4.7% over 2017.*

*The following graph shows how the Gross Margin of store operations (revenues over expenses) and the Net Income for the Co-op as a whole have fared since 2010.*

Loss/Income VS Gross Margin at the Store



**Christmas Market:**

As mentioned, the Market numbers for 2018 were very consistent with 2017 – up 0.08%. Looking at the numbers a little closer, you can see that booth sales were up in 2018. We have had consistent pricing since 2016, but the change to a vertical floorplan allowed for a few more booth spaces to open up. Gate receipts were down 10% over 2017, which is due to a number of factors: an increase in use of show pass returns (which we have always offered), an increase in attendance during 2-for-1 ticketing times, and a small decrease in overall attendance due to 4 days of sun during the show. This had a measurable effect, as the only rainy day of the show had nearly double the attendees of any other day.

Once again exhibitors on the whole found the show to have strong sales and they have resigned in record numbers. We had over 200 returning exhibitors contracted at the start of April, along with a healthy crop of new applicants. We are now nearing full, and expect to be running a waiting list following our next jury session in the first week of May.

**Statistics:**

Once again, we inputted 2000 email addresses from our shopping spree ballots and sent out a consumer questionnaire. Some highlights:

- 17.3 % were new customers
- 48.8% purchased their ticket online
- 29.4% heard about the market via our email
- 9.7% heard about the market via social media
- 44.1% use transit to get to the show
- 29.2% aged 25 – 40

**Moving Forward:**

2019 being our first year without oversight from Paul, we are mindful to work hard on keeping things as consistent as possible for our exhibitors, while introducing some necessary changes. We would like to keep operations going as smooth as we can during this time of transition.



*We do have some upcoming cost increases, particularly with the Vancouver Convention Centre, due to the planned minimum wage increases over the next few years. We are working diligently to address this now by looking closely at existing expenses and ways to keep profits consistent for the cooperative without passing on all of these costs to exhibitors.*

*Our major goals for 2019 are to expand our target demographic, expending more energy on social media and reallocating some of our print media budget to digital marketing. Traditionally our largest demographic has been between ages 40-65. However, with our efforts expanding over the past few years to increase exposure in additional age brackets, we have seen a slow increase in the 25-40 bracket, which we would like to continue to increase. Administratively, we have been working to digitize files to ease operations and create cohesive records of co-op documents.*

*This year, we will be keeping the vertical floorplan, which was introduced in 2018 after many requests from exhibitors. As expected, there was a lot of feedback with such a large change, both positive and negative, but we have taken all comments on board and will be implementing some changes (ie. Increased signage, better aisle markers) which will serve us better in 2019 and in the years ahead as this orientation allows us the most flexibility to accommodate future needs. We have re-signed the majority of our contractors, so we will be working with an extremely experience crew, and are looking forward to a successful 2019 show!*

#### **8. Store Manager Report**

*Good Evening. My name is Cathy Church, and I'm the manager for Circle Craft's retail operations. I've already met a number of you, and I'm looking forward to getting to know more of you tonight. I came to Circle Craft in January of this year, and I'm honoured and delighted to be in such a magical place, working with our phenomenal team, and your world-class work. I'd like to share a little about myself, and the path that I took to be here with you tonight.*

*So a little about me: I'm a curator, and I apply those skills as a cultural retail specialist. I trained as a curator at UBC's collections management program through the Museum of Anthropology, was granted a fellowship on graduation and completed my training at the Museum of Vancouver. Since then I've also been at the Maritime Museum, Vancouver Public Library, and Greater Victoria Public Library.*

*I was fortunate to be able to start my own small gallery, and I ran that business for twelve years, where I was privileged to work with an end total of over one hundred artists, among them many of Circle Craft's members. Now that I'm here I hope to apply the wide range of skills acquired over thirty years to help make Circle Craft retail an even better place for artists, staff and customers.*

*But if there's one thing I've learned over the past four months at Circle Craft, it's that what you really want to know is "But what do you make?" I've received that question a lot. At first I was puzzled, thinking, "What does that have to do with my abilities as a cultural retailer?" However after thought I realized it's critical for me to appreciate a little of what you go through every day as artists in order to be able to both empathize and offer context to our customers.*

*To answer, I grew up in a home where craft was a way of life. My mother was a textile artist who learned from her mother, and my grandmother from her mother before her. I don't know how many generations have made their own textile goods, but it's simply the way things were done. I spin, weave, knit, quilt, and do all sorts of needlework. So I know the years of practice, the patient, quiet hours that go into learning your skills—I have the arthritis to prove it. And I'm humbled to be able to help present your work to the world.*

*But enough about me. I'd like to talk now about retail. Usually I think you'd expect to hear a report on the past year from me, but I wasn't here before January so I really can't speak to the past year. Instead let's talk about what's happening now at Circle Craft, what we've done so far this year, and how we can make it even better.*

*The first thing I did in January was pause to listen and observe. What I found was that we have so much going for us: a great tradition, talented, productive members, strong administration, world class reputation, golden location. I also saw a talented, experienced, and dedicated gallery staff whose individual strengths had been stifled over the previous few months. My first job was to ensure that the trust was rebuilt, that people felt valued and respected, and that each of their strengths were nurtured to the benefit of all. It's taken some time, but I feel we now have a closely knit and happy team ready to tackle our challenges ahead.*

*Our team has already begun some changes. We are applying standard cultural retail principles to the layout of the gallery space. The floorplan is now much more open, allowing better traffic flow for customers and sightlines for staff as they watch over your work. This change allowed us to create distinct window displays across the front, facing the market. This improves our street-front exposure, and we've definitely noticed more people coming in the front door. Our talented staff now handle display in-house, saving the co-op a significant sum each year, and allowing us to be more nimble in our merchandising. We've moved your work around a bit, partly because change helps regular customers to notice different things each time they visit the gallery, but also to present each person's pieces in the most effective manner for their medium, aesthetic, and price range. For example, we've ensured that higher priced, fine craft or sculptural, conceptual items are given more negative space around them, placed on plinths, or even behind glass. This sends the message "This item is higher priced—and it's worth it." In contrast we've created "open the wallet" zones, which are abundant groupings of lower priced, seasonally appropriate items close to entry points, where they broadcast the message "come on in, you can afford to shop here!"*

*We've created selected, seasonal displays, with groupings of work by multiple artists, that together make a stronger statement, craft a memorable narrative and delight the viewer. For example, over the past few weeks we created a "Spring Table" vignette, with whimsical place settings, pastel hued goblets, candlesticks and vases. Tabletop trees adorned with eggs completed the scene—think "Mad Hatter's Tea Party." It drew abundant attention and interaction. We can't wait to create a warm, autumnal version of a "Woodland Harvest Table," drawing on the work of our wood, pottery and metal artists.*

*Behind the scenes, we've implemented changes to the staff areas that make them more comfortable, functional, and focused places to work, and we hope that these also reinforce the message to our amazing staff that they and their skills are valued. We've ensured that the staff have a comfortable chair to rest on their breaks. We have repurposed furnishings, computers, and equipment to create additional work stations at no additional cost to the co-op. This allows trained staffers to support the inventory workload and frees Emily to dedicate more time to building our online shop. We have created a dedicated photography zone in our workroom so that new works may be photographed as they arrive, to be promptly promoted online. The refined workflow process that is a result of all these subtle changes is that when your new work arrives at the gallery, we can generally inventory it, photograph it, post it in the online shop, share the image to cross-post and promote across social media, and have your work in a freshly merchandised display on the floor—all in one day.*

*Of course, the gallery's greatest strength is your outstanding works of art that are within it. We're working hard to seek out the very best applicants to be new members to join your midst. We are the sum of our parts and this Spring's new members are wonderful additions to the group, and I'm pleased to report lots of positive reviews and sales already.*

*We're hosting events at the gallery. You will already have received a couple of invitations to celebrations at the space, but if you haven't made it to one of our openings, you've missed some fun nights. Not to worry—we plan many more! It's so important to come together as a family of artisans to exchange ideas, support, and inspiration—and what better time to pour champagne than to celebrate a new body of work by someone in our community? Our openings say that it's worth celebrating the works in the gallery and the people that make them.*

*We're also hosting in-gallery craft demonstrations. We've hosted one each month so far this year, and I've been in conversation with a number of you—but we'd be delighted for more of you to volunteer your time and come show a little of your practice in the gallery space for a few hours. It helps customers to really understand that the works in the gallery are truly made by hand, by real people.*

*Retail doesn't stop at the gallery doors anymore, so we're working to reach beyond. I've referenced our online efforts already, but I can't overstate its importance. We add new items every day to our growing online shop and work hard to promote its presence via Shopify, Instagram, and Facebook. We're working towards seamless, native shopping across all social media, and are collaborating with influencers and others in our community to increase our reach. We want to ensure that your works are known and in demand here and abroad. We're working to create an online version of our real-life gallery where your works can sell 24 hours a day to customers from around the world.*

*Closer to home, we are reaching out to our neighbours on Granville Island: becoming involved in the Granville Island Business and Community Association, working with fellow businesses to establish mutually beneficial sponsorships, and joining and collaborating with the BC Craft Federation. You'll now find us listed on their site as a member, which also allows us to create a listing on the National Craft Federation site, giving us additional exposure right across the province and Canada. We will fully explore the opportunities that gives us, participating in Craft Year 2020 with a full slate of eleven exhibitions and regular craft demonstrations in the gallery.*

*I firmly believe that we rise and fall as a community and will personally do everything in my power to support each one of your practices—both at Circle Craft and beyond. I've been a small business person, and I know the leap of faith and immense amount of work that it takes to support yourself and your family with art. I know viscerally that every sale matters. My team and I are here for you. Reach out to us for help in managing your social media, improving your photography and documentation, promoting workshops, classes, shows, or whatever other projects you may dream. Share with us your ideas for how to improve; I want hear from you.*

*In the end, the goal is to create a happy, beautiful, and productive environment. I want Circle Craft's retail space to be a place where members, customers, and staff all feel inspired and supported with every interaction. Thank you for coming out and giving your time this evening. I look forward to chatting with each of you afterwards.*

## 9. Committee Reports

**Gallery from Jo Ludwig:** *The 2018 Gallery season saw our shop host 9 great shows, including work from seven co-op members and thirteen non-members. Total revenue from gallery shows amounted to just shy of \$17,500, with over \$9,000 paid out to artists.*

*2019 has seen some changes in the way that we manage our gallery shows, and the outcome has seemed successful. We have done a great push promoting the shows by reaching out to media, posting in our social media accounts, and sending a monthly newsletter to our email subscribers. In addition, we have moved our openings within regular store hours and made them more of an event, serving drinks and snacks, all of which has contributed to a large increase in attendance. We encourage members to attend when possible and share the gallery information with their contacts—a busy event means a busy store, which is good for all of us. Our next gallery show, "Urban Jungle," featuring the work of Charmian Nimmo, opens on Thursday, May 2 and we would love to see you all there.*

*We have begun planning our 2020 calendar and already have two confirmed shows. An email to membership was sent out last month asking members who are interested in having their own show next year to reach out to the office staff. I'm happy to report that quite a few members have expressed interest and that all applications will be reviewed at the beginning of May. If you are interested, please have an application sent to David before the end of April.*

**Membership from Kaarina Talvila:** *When I stepped into the position of Membership Chair last year, it was a nebulous post. There was virtually no description of it in the Board binder, and it had been all but vacant for some time.*

*I decided to define the role as being primarily about communication, which is something that, as a member, I had felt was lacking. Over the past year, I've been sending out emails to the membership about once a month with brief updates on Co-op happenings that directly affect members, starting exactly a year ago with highlights of the AGM for the benefit of members who were not able to attend. Over the course of the year, there have been notices about personnel changes in the store, in the office, and on the Board; reminders about posting on social media and responsibilities at the store; as well as information on new initiatives like the GI Hub and LCW.*

*There is another side to the role of Membership Chair and that is to represent members' interests. If a member has a grievance that they can't seem to resolve on their own, or some other issue, they can approach the Membership Chair to intervene on their behalf.*

*I have added this newly-defined dual Membership role to the Board binder so that it will now be a permanent fixture.*

*Another initiative that I've been working on with Rossanne is to enhance the members' portal on the website. We have a little ways to go still, but eventually that will be the place where you can go to find all the important Co-op documents—the members' handbook, scholarship applications, store inventory sheets, minutes to Board meetings, and financial statement—as well as information on and contact info for the Board and the various committees. I would expect that the draft minutes to this AGM will be posted on the portal within seven to ten days. You can get to the members' portal from the Membership tab; the password is circlecraftmembers.*

*I'll finish off with a few comments on the responsibilities and obligations of membership. As members of a co-op, we all have a responsibility to put something back into the organization. There really aren't that many opportunities to do work for the Co-op, but we should each keep ourselves informed and involved in basic Co-op business—read the emails, be familiar with the contents of the Members' Handbook, and come to the AGM and vote.*

*The other thing that we should all do is to accept responsibility for our role in selling our work in the store. The store staff works very hard to sell each and every piece in the store, but we need to do our bit too. We need to bring in our best work on a regular basis so that there is always stock available. If Jackie calls to ask for more work, then bring it in. Ideally, we should be refreshing our work every few months to keep the store well stocked with fresh work so that shoppers will want to keep coming back. Remember, too, about not withdrawing work in the lead-up to Christmas. That's when the store needs to have maximum stock available.*

*Also—we need to keep challenging ourselves and continue to grow as artists. If we want to be the best craftspeople in BC we have to work to keep ourselves there. Make use of the scholarships that Circle Craft offers us, keep learning, experimenting, evolving – let's not become complacent. Let's make sure we're earning that hallmark of excellence that Circle Craft represents.*

**Scholarship from Gordon Hutchens** (read by Kaarina): *We are pleased to announce the Circle Craft member Susie Benes has been awarded a scholarship to attend a ceramics course at the Metchosin International Summer School of the Arts (MISSA). Susie will have a chance to expand her skills and deepened her practice, studying Narrative Clay Sculpture with well-known ceramic artist Joe Batt. MISSA has excellent facilities and equipment and offers a variety of courses in different craft fields. Her scholarship was for \$1,543.00 covering tuition, accommodation, and materials. Congratulations Susie.*

*Each year Circle Craft makes \$5,000.00 available for member scholarships, giving our members the opportunity to stretch out and increase their knowledge and skill base. The next deadline for applications is October 1. Complete information on the application process can be found on our website.*

**Selections from Nancy Walker:** *After 2 hours of careful and thoughtful deliberation amongst a great group of artist jurors (potters & jewellers mostly) the following artists have passed on to becoming potential members. I think*

*they will make a great addition to our Co-op. Membership was at 165 in 2012 but with recent retirees etc. we were down to 124. The addition of these artists bring our membership up to 131.*

*7 artists Accepted for a one-year trial membership:*

- 1. ArtPen Studio 70/75*
- 2. Sealuxe 74/75*
- 3. Sandra Dolph 70/75*
- 4. Bronwyn Arundel 68/75*
- 5. Matthew Freed 69/75*
- 6. Pyrrha 72/75 \* with clarification on member expectations (commission rates, etc)*
- 7. Steelwood Design 58/75 \* limited products (furniture, lamps, cutting boards)*

*Not Accepted: Jane McDougall 38/75*

*As the shop is running an annual \$120,000 deficit, Crafts in general is moving out of favour, and our demographics is changing. It has become necessary for us to adapt to this reality to survive in this changing climate.*

*Pyrrha: When carefully considered, their application met all of our current guidelines. There was no "bending the rules" to allow them in simply to make more sales. Of course, we want better sales, but not at the cost of our integrity. Other members employ casting to create their works – in metal, glass and ceramics. Other members employ juniors to execute their designs. The fact is, the only good reason to bar them entry was that they are successful. Wildly so. In my opinion we should not prevent successful craft artists from joining our midst – we should be working to ensure that all of our members are successful, in whatever way they wish. They began at Emily Carr on Granville Island with their original idea. Through their media work, they have become extremely successful. While Pyrrha remains a local treasure in its native Vancouver, the talismans have captured international attention, and they continue to do a lot of local outreach. Their pieces have meaning and they state that "Because we live in such a throwaway society, we feel it's necessary to create things that can be treasured.", "return of old world craftsmanship and tradition" - the same sentiment of Circle Craft.*

*Because they began on Granville Island, they have allegiance to Granville Island. They Approached us. They do not need us. They wanted to be part of our co-op community, and we believe they will bring a new demographic into the shop.*

*Sealuxe: For Sealuxe a board decision \*did\* have to be made to allow consumables... but it ratified the actual status quo. We already carried a consumable good – Clapham's wood and leather treatments. The fact is that having a small array of desirable consumable goods helps to bring new people in the door, and then helps to bring local, repeat customers back on a regular, predictable basis. It's good business, for the co-op and our members. It's also worth noting that we did not compose a distinct set of guidelines for admission of a consumable, any more than we have distinct criteria for other mediums. Tanya uses the finest ingredients from the BC coast: Seaweed, bergamot, fennel etc. All her products are handmade, and we expect the same, high level of quality of that craft as every other member. We're picky, as we should be.*

*This is a realistic way we can adapt to the changing times as new members bring in a new demographic into the shop.*

*She mentioned that there were previously 165 members, but that with retirees membership was at 124 before this round of selections. The seven new members, admitted for a trial year, bring membership up to 131. Those new members are: ArtPen Studios (wood), SeaLuxe (soaps), Sandra Dolph (ceramics), Bronwyn Arundel (pottery), Matthew Freed (pottery), Pyrrha (jewelry), and StillWood Designs (metal). The committee is considering the challenges of changing demographics and shrinking appreciation for*

fine craft.

Suzanne Nairne noted that there's a trend for people to be designers and not makers, but that technology can contribute to the arts—the small group that appreciates craft strongly appreciates it. Nancy agreed, adding that there's a hunger for handmade goods in a world with so many mass-produced products. She shared feeling incredibly positive because fine craft will always be coveted; it's a way of life.

Suzanne asked if the store could make a distinction between items that are completely handmade by the artist and those that are not. Cathy clarified that all items in the store are handmade, but that there are degrees between being completely designed and made by the artist or being handmade by people who are not the designer—the difference is one of a kind or many of a kind. She explained that store staff have a lot of product and process knowledge in order to provide that context to customers who are shopping the why, the how, and the who—they care about the whole narrative. She added that the more time members spend with staff providing that information, the more staff can pass on to customers.

#### 10. Election of Directors

Kaarina provided information on the current board composition:

- Four directors who completed the first year of a two-year term: Gordon, Jo, Lorna, and Kaarina
- Four new directors that filled mid-year vacancies: Liz, Emil, Greg, and Nancy
- Liz, Emil, and Greg filled vacancies that are concluding now, so are up for re-election.

She also explained that Emil is not a Circle Craft member, but that the bylaws allow non-members to hold a maximum of 1/5 of board seats. Prior to Emil's arrival, there was another non-member, Vanja Gavric (former board chair), on the board. But as a board with eight seats, there can only be one non-member. In order to accommodate the addition of Emil, Vanja graciously resigned her seat

She then explained around the end of February, the board should have issued a call for nominations. The board would address this missed call by now issuing an open call for nominations under the following procedure: five minutes for thought and reflection followed by nominations from the floor; each member may make only one nomination per available seat; members may nominate themselves; nominations do not require a seconder; nominees who consent to stand will have two minutes to address the floor, followed by two minutes for comments from the floor; a secret ballot will then be held with Sarah King as scrutineer.

**MOTION** to hold a vote to elect three new board members to two-term positions according to the outlined procedure for an open call for nominations

Moved by Rudi | Seconded by Elaine | Motion carried

Some members asked clarifying questions about the procedure, missed advanced call for nominations (including participation of those who live remotely), and the option to hold a special meeting. Emil explained that as the key point of an AGM is to elect the board, this is the fairest way to address irregularities in procedure—especially as all members were still invited to attend.

Others asked about board member workload, frequency of board meetings, and whether members could attend board meetings. Kaarina explained that the board typically has nine afternoon meetings in

a year, that board members are not paid, and that there are usually only occasional emails. Andrea and Rossanne clarified that observers are welcome at board meetings but cannot vote on items.

Kaarina then accepted nominations from the floor:

- Nancy nominated Greg
- Lorna nominated Liz
- Jo nominated Emil
- Rudi nominated himself

Suzanne asked about the number of seats, and Andrea explained that this year's number (eight) was set at the previous AGM. Various members asked about how and whether to add an additional seat. Lincoln clarified that it would just require a motion prior to voting.

**MOTION** to change the number of board seats from eight to nine  
Moved by Suzanne | Seconded by Laura van der Linde | Motion carried

The four nominees (Greg, Liz, Emil, and Rudi) were then appointed to the board by acclamation.

Emil noted that as Kaarina explained earlier, Circle Craft's bylaws require half of the board members to be on staggered terms. When that is not possible, as will be the case with an uneven number of directors, an attempt must be made at the next election to realign with the requirement. At the next AGM, a newly elected member may need to be randomly assigned to serve a one-year term.

## 11. New Business

The board brought two items forward for member feedback.

**Consumables:** Nancy explained that in order to enable SeaLuxe, one of the new trial members, to join, a board decision was made to permit consumable goods in the store. SeaLuxe received the highest score from the selections jury, and they sold out at the winter market and when they had samples in the store. However, this decision wasn't needed; it just ratified the status quo because Circle Craft already has consumable goods such as leather treatments. And having a small array of desirable consumable goods benefits Circle Craft and its members by bringing in repeat customers and opening wallets. She added that there is no distinct set of criteria for any particular product category, including consumables. *All* items must meet Circle Craft's high standards.

Svea Vatch and other members asked about Pyrrha's acceptance, referring to their size and the artists' involvement with the finished product. Cathy explained that Pyrrha was likewise reviewed under the same criteria as other applicants; Circle Craft's guidelines specify that items must be handmade in BC—not that they have to be handmade completely by the artist. There are other members who are top sellers in the store with similar processes. She and Nancy spoke to Pyrrha's connections with Granville Island and their desire to give back to the community. Roberto asked if he could attend the next meeting to speak about jewelry-making.

On consumables, Elaine suggested that it is a slippery slope asked the committee to be aware that there is a need for fine craft.

Jo asked about the review process following the new members' trial year. Nancy explained that in

determining whether they move onto full membership the committee looks at sales, attentiveness to refreshing stock, and relationship with the store. Selections committee members and staff spoke to their initial reaction that businesses like Pyrrha did not belong in Circle Craft and their process of realizing that they actually do fit the guidelines and benefit the association.

Vesna suggested that the selections committee of six members have better representation of the diversity of crafts, and that Kaarina send an invitation for applications.

**Special Pricing:** Cathy explained that artists expressed frustration with not being able to advertise markdowns or sales, so she is thinking of introducing medium-specific, opt-in “special pricing” events for a few days at a time in the slow months of the year. Lincoln expressed support for the approach, as he has found that having blowouts a few times a year makes a lot of money. Joanne mentioned that she would not want to see members submitting lower quality remnants for these events.

Two other items were raised and briefly discussed by members:

- **Minutes:** Minutes for a couple of 2018 months are missing from the members’ portal. Kaarina mentioned that she and Rossanne have been working to add items to the portal, and that they will add any missing minutes.
- **AGM billeting:** Rudi raised that billeting could help with AGM attendance for out-of-town members. Roberto noted that during the market he hosted another craftsperson, and it can help with relationships.

## 12. Adjournment

**MOTION** to adjourn

Moved by Rudi | Seconded by Jan | Motion carried

The meeting was adjourned at 9:58pm.