**Rutland Area Food Co-op Board Meeting**

**February 16, 2017**

**Present:**

Board: Chris Littler, Matt Karczmarczyk, Rhonda Bates, Laura Daubenspeck, Hannah Abrams, Matt Poli, Diana Hayes, Dave Tibbs, Irene Gold

Missing: Regina Alexander, Seth Carvill,

Staff: Zach Stevens, Julie Zaloudek, Jamee Sherwin

Meeting brought to order: 6:36 PM

**Approval of Minutes:** minor adjustments. Minutes accepted.

**Committee Reports:**

* **Finance Report – Chris L**
  + We have started working on a budget! Very exciting news!
  + Minutes were slightly late as meeting was moved due to snow,
  + Sales were up 3.5%!
  + Profits up $9,000, 671%!
  + We’re at $32,000 profit right now!
    1. We expect his number to change when data is returned form the accountants
  + Higher janitorial expenses due to plowing parking lots, sidewalks, loading dock. It’s a worthy expense to keep our members and employees safe.
  + Sales are down $8000, likely due to the repeat storms.
  + There were a few cooler issues, but employees are quick to react and save products.
  + January will show a bill for the Staff Dinner, we’re glad we could reward them for their dedication.
  + Ordered more checks, larger quantity but lower bulk price.
  + A non-member has reached out looking to join the Finance Committee
    1. Potentially a second (Jim O.)
* **Lease Committee Update – Dave T**
  + Sent a letter to Mark Foley, inquiring about the plans for our building.
  + Mark replied almost instantly.
    1. Rent will be increasing.
       1. Occupied space will be added to rent.
    2. Advises Co-op to claim space surrounding Co-op before new tenants lay claim.
    3. Indicated that new co-op specific heating system could be installed as early as next fall.
       1. Based on the state of the building, many Board members are not comfortable with this endeavor.
  + The letter has no specific timelines or definitive projects.
  + The Board and GM feel there are very specific questions that need to be address before we can make any major decisions.
  + Would not be a bad idea to reach out to a realtor to see what exists in the area that we are unaware of. Laura will take ownership of this.
  + It was noted that most Co-ops own and do not rent. Owning allows for equity in the business.
  + Need to look at what we need in the future; how we would like to grow and change and what will best serve our upcoming needs.
    1. We believe we need 3300-3500 square feet for retail space.
    2. There are specific requirements we will need to storage and loading docks.
    3. Additionally, there is nothing in the bylaws that state we need to be in the downtown area.
  + When new lease is created, we will guarantee that specific projects and dates are detailed that will benefit the Co-op.
    1. Also, want to ensure that reasonable response time to Co-op issues is detailed in lease.

**PG Reports**

* C1 – Governing Style – Chris L
  + We will govern in a way that emphasizes empowerment and clear accountability. In order to do this, we will:

1. Focus our vision outward and toward the future
2. Observe the 10 Policy Governance principles
3. Maintain group discipline, authority and responsibility
4. Clearly distinguish Board and General Manager roles
5. Encourage diverse viewpoints
6. Obey all relevant laws and bylaws
   * Is this Policy Clear?
     + Yes. Much like the Policy Governance itself, this provides a broad definition of how we should govern and what we need to apply each situation.
   * How have we been IN compliance?
     + In the last year, the Board has helped guide the GM in creating a plan for the Co-op. We have also done a better job of monitoring the GM using the 10 Governance principles (primarily through reports). Meetings have been disciplined and under control. The Board has not been asserting themselves into the GM’s role. The Board has a diverse group of voices, many of whom have used their skills to help advance the Co-op’s prosperity. Lastly, there have no violations of bylaws that we are aware of.
   * How have we been OUT of compliance?
     + Any infractions have been minor. The Board can get off topic at meetings and there are instances where we ask too much of our GM, intruding on his ability to carry out his role as GM.
   * Overall, have we been in compliance?
     + Yes.
   * Is this a policy we want?
     + Yes.
   * Recommended Changes:
     + There are no recommended changes at this time.

* B1 – Financial Condition and Activities
  + With respect to the actual ongoing financial conditions and activities of the RAFC, the GM shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in End policies.
    - **Interpretation:** the policy states the criteria that we base our financial practice and assessment on which is outlined below. We use the following to measure our financial performance and look at trends to make informed decisions. If we fall out of compliance in any area, it is the GM’s responsibility to report on what may be a factor and our working plan towards complains.
    - **Data:** the data collected is presented in the appendix of the Minutes Report.
    - **Conclusion**: We are still slightly out of compliance in sales growth, however we are now in compliance in all the other categories! While we are still under the 3% increase requirement we are moving closer to the goal at a heightened pace. We are actively focused on these issues and expect to see the positive changes continue.
    - **Decision Tree:** Move to accept with acknowledgement of non-compliance – Laura D. Hannah seconds.
* B9 – GM Succession Plan – Zach
  + To protect the Board and the Co-op from sudden loss of GM services, the GM shall not have less than one other manager sufficiently familiar with Board and GM issues and processes to enabled him/her to take over the reasonable proficiency as an interim successor.
    - **Data**: Zach has worked hard to educate the management team on the status and flow of the business. Julie is fully trained and can act as GM in a time of emergency or as needed. She is aware of the PG reports and the GM board relationship. Julie also attends both committee and board meetings. Chris L and Julie have access to bank accounts and can issue checks or make payments as needed.
    - **Conclusion:** In compliance.
    - **Decision Tree:** Move to accept as in compliance – Laura D. Diana seconds.

**GM Report**

* **January Update** 
  + As Chris already mentioned sales were up 3.5% and even after inventory adjustments, we ended the month with a profit.
  + Inventory went great! 4 people, done in two hours. They were impressed by the warehouse.
  + Produce also inventoried.
  + The staff dinner was awesome, all 21 employees came!
* **February Update**
  + As of yesterday, sales are down about $5000.00 for the month. The weekly storms have affected our customer movement and have caused us to close early a couple of times.
    - When we close unexpectedly, we try notify our community with signs and Facebook postings.
  + We are still waiting to find out about the sanitizer coil, Julie has reached back out.
  + We had a few days without heat, we have reached out.
  + We are still waiting to hear the status of a replacement for the used heater that was put in the warehouse that already stopped working.
  + We had to let the new Herbs/Teas manager go yesterday, it simply was not working out. We will re-post this position in the next few days and hope to also find a part-associate from the pool of candidates.
  + NCG requested a lot of follow-up information. Zach has prepared and submitted the information requested. A few of the items may cause future problems with joining.
    - They have a lot of questions regarding our business model that we have also questioned and know needs updating.
  + With all the store changes, weather, pushed up meetings, and NCG prep work, we are behind on all the goals we have set at the strategic planning committee for Q4.
* **Looking ahead to March and the end of our fiscal year.** 
  + Our fiscal year ends on March 31st, hopefully we will end with a profit!
  + We have started a budget and will complete work on this before the start of the new fiscal year.
  + Sharon has already started organizing the items we need to turn into the C.P.A.
  + If we show a profit at the end of year regardless of C.P.A. review, I will do a wage increase for all the staff simultaneously. I have mentioned this before, and have made the financial team aware. They agree there is great value in increasing all staff at the same time.
  + NFCA event coming up in March 18th.

**New Business**

* **NCG – National Co-op Grocers** 
  + NCG coming Thursday Feb 23rd.
    - Board is invited to attend at 5-7pm. Please come dressed to impress, turn off cell-phones, arrive early, bring a pen and paper.
  + Hannah will provide projector.
  + Dave will arrive between 10am and 11am to participate in most of the day’s event.
  + Dave and Hannah will be required until 9:30pm.
  + Chris and Laura will be required from 2-7pm.
  + What is our investment and what will be our take-away?
    - Dues are calculated on the sales of the 1st of July through the end of the June the next year.
      * We calculate our dues will be around $2100.00 a year.
    - Joining NCG will allow us to lower 60% of our inventory to a better price due to purchasing deals.
* **Update on Annual Meeting committee**
  + Is there a volunteer to lead the Annual Meeting Committee?
    - Hannah will lead
  + Committee members?
    - Diana, Rhonda, Laura (not sure)
    - Still looking for more members
    - All Board members will be asked to take on some kind of role.
  + Looking forward to many fun events including basket raffle and possible 50/50 raffle.
  + With current credit card provider/processor, we cannot run credit transactions outside the store POS.
  + Annual Meeting – first meeting date will be announced at a later time.
* **We should review the Michael Healy outline**
  + Laura emailed Michael this week. As of yet, no response yet.
  + Will look forward to an update at the next Board Meeting.

**Review of Meeting & Agenda Setting**

* A look at what was accomplished
* Who has responsibilities for next month
  + Hannah – Reach out to Seth to update him on NCG schedule
  + Dave – Reach out to Regina to update her on NCG schedule
* A request for any new Agenda items
  + Annual Meeting

**Next Month**

* Lease Committee Meeting: March 9th at 6pm
* Finance Committee: March 16th at 6pm
* Board Meeting: March 23rd at 6:30pm
* Strategic Planning Meeting: March 27th at 12:30-2:30pm
* B4 – Membership – Zach
* C2 – Board’s Job - Rhonda

**Executive Session:** 8:24pm Move to adjourn and start Executive Session Dave- Hannah seconds.