



**Rutland Area Food Co-op Board Meeting  
July 27, 2017**

**Present:**

Board: Dave Tibbs, Chris Littler, Matt Poli, Seth Carvill, Julian Fenn, Tyler Richardson, Irene Gold, Hannah Abrams, Laura Daubenspeck, Rhonda Bates, Mckenna Hayes, Molly Nitka,

Missing: N/A

Staff: Zach Stevens, Jamee Sherwin

Guests: N/A

Meeting brought to order: 6:31 PM Hannah motions to start meeting. Molly Seconds.

**Approval of Minutes:** Minor adjustments. Hannah moves to approve. Chris seconds. Minutes are approved.

**Committee Reports:**

- **Finance Report – Chris L**

- ◇ Sales were down \$1,800 (1%) for June, but profits were \$2,250 compared to - \$1,000 last year.
- ◇ Expenses were up due to the purchase of a new printer as well as expenses for the annual meeting.
- ◇ Tax expenses are down due to when taxes fell, will equal out.
- ◇ Employee expenses are down because the Co-op is no longer doing the farm-share. However, there will be a new program coming soon
- ◇ \$15 in interest from our bank accounts (we can buy a quality 4 pack of beer!)
- ◇ Sales for Q1 are up \$4,000 and (\$544,521) and profits are up \$24,700 (\$18,600!)
- ◇ Payroll is down about \$10,000 due to the store not being fully staffed.
- ◇ We also looked at where we stand against Zach's budget for 2017. For the most part, the numbers are in line. There are a few items where we are going to come in significantly over budget, but none of them are areas where we are concerned (there will always be a need for unanticipated purchases, repair, etc.)
- ◇ The rough draft of our financial review came back from the accountant on Monday, they show of a profit of \$44,784 for the Fiscal Year.

- **Looking to the Future**

- ◇ July sales are up about \$4,300 compared to the same time last year.
- ◇ Inventory is up, so the month should be profitable.
- ◇ Inventory was done on 7/1, so that is a \$700 expense.
- ◇ Payroll is still down due to the short staff.
- ◇ There will be extra expenses from the employee search, but should be fully staffed soon.
- ◇ Bill will be coming from the CPA.
- ◇ Still waiting to see what sort of taxes we will need to pay on our profits.

- ◇ Will be buying a new time card system soon. The current system is too labor intensive.
- ◇ Want to start on a capital campaign sooner than later. Upcoming expansion will cost money. We need to be ahead of the costs.

- **Lease Committee Update – Dave T and Zach**

- ◇ Talked with Mark regarding the lease. Stressed that we will need a copy of the lease by the beginning of August to review and prepare for a vote at the August meeting. Mark agreed.
- ◇ May need to clarify if paperwork will be sent to Zach or a board member.
- ◇ Should have everything reviewed by next meeting and be able to hold a vote in August to accept the lease.
- ◇ Expect the rent to increase as rent is based on square footage and will be adding in upstairs (which we currently use) and warehouse space (again, we currently use).

- **Strategic Planning Committee – Hannah**

- ◇ Striving for in 2017!
  - Greater visibility in the community
  - We are financially sound for emergency situations should they occur
  - Board fully engaged and each member participates in committees and other avenues
  - Capital campaign for floors is successful and floors are installed
  - Each staff member has at least one training opportunity to attend per year that helps them to operate optimally in their roles
- ◇ Below is highlights for 2017-2018 Strategic Plan for Quarter 2



**2<sup>nd</sup> Quarter, 2017**

**Company Wide Rocks & Accountability**

**Q2 Financial Goals**

Gross Sales: \$532,000  
 Net income: \$5,000 (or greater)  
 GMP: 33-36%

**Q2 KPIs (Key Performance Indicator)**

1. Sales Growth (The target is 3% or greater)
2. Average Transaction Total is \$28.00 (or greater)
3. Membership Growth: 90 new members

	<b>WHAT</b>	<b>WHO</b>	<b>WHEN</b>	<b>STATUS</b>	<b>DATE COMPLETE</b>
1.	We have a signed Lease	Zach & Board	8/31/17		

2.	Company-wide Handbook is 100% complete and ready for delivery and implementation	Zach	8/31/2017		
3.	Hire and Train new Marketing Manager	Zach	7/31/2017		
4.	Hire & Train new Freezer Manager	Zach/Julie	7/21/2017	Complete	7/21/2017
5.	The Capital Campaign for our retail expansion is fully planned and outlined	Zach & Board	9/30/2017		
##	Extras: 1. Patronage timeline is planned and we have begun educating the membership	TBD	9/30/17		

### PG Reports

*Reminder: The Sunday before the Board Meeting, please email PG Reports to the whole Board and Zach as well as place it in the Drop Box.*

- **C6 – Officers – Seth**

**We will elect officers in order to help us accomplish our job.**

- 1. No officer has any authority to supervise or direct the GM.**
- 2. Officers may delegate their authority but remain accountable for its use.**
- 3. The ~~president~~ **facilitator** ensures the Board acts consistently with Board policies.**
  - a. The ~~president~~ **facilitator** is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.**
  - b. The ~~president~~ **facilitator** will chair and set the agenda for Board meetings.**
  - c. The ~~president~~ **facilitator** plans for leadership (officer) perpetuation,**
  - d. The ~~president~~ **facilitator** may represent the Board to outside parties.**
    - i. The facilitator will ensure compliance with By-Laws article 6.3.a.**
- 4. The ~~vice-president~~ **Second Facilitator** will perform the duties of the president in her/his absence.**
- 5. In addition, the Second Facilitator will ensure compliance with By-Laws article 6.3.b.**
- 6. The treasurer will lead the Board’s process for creating and monitoring the Board’s (not the Cooperative’s) budget**
- 7. In addition, the treasurer will ensure compliance with By-Laws article 6.3.d.**
- 8. The ~~secretary~~ **Clerk** will make sure the Board’s documents are accurate, up to date, and appropriately maintained.**
- 9. In addition, the ~~secretary~~ **Clerk** will ensure compliance with By-Laws article 6.3.c.**

*(It is not necessary to have all these officers. If your by laws require or the Board has otherwise decided to have these officers, this is an example of how you might define the roles. As with all Board policies, this one must abide by the by laws.)*

1. Is this policy clear? (Yes/No/Comments)

- Yes.
2. How have been we IN compliance?
    - Officers have filled the roles assigned for proper board function.
  3. How have we been OUT of compliance?
    - Policy states Clerk's roles includes "issuance of required notices". It is unclear to me what exactly this means. When Hannah was Clerk I think most of her notices were more related tot the function of various committees.
  4. Overall, have we been in compliance?
    - Yes.
  5. Is this the policy we want? (Yes/No)
    - Yes.

Recommended changes:

Recommend we review our desired role of the Clerk and make it clearer.

What notices are the Clerk's responsibilities.

Also recommend we complete and approve the changes that are halfway completed in the dropbox version of this policy : <https://www.dropbox.com/home/Board%20Business/reference/Co-Op%20Directors%20Handbook?preview=RAFC+Policy+Register+Jan+2011.pdf> (page 20)

Does the Board have a budget? – Yes. However, the Board Expenses are a line in the Store budget.

Action:

To make any changes, we would need to vote on it in the annual meeting. Binders have more correct language for bylaws. Need to come to a consensus as to which version (dropbox, website, or binders) is the accurate version. Will need to do some research to see if there exist an actual master copy. Agree that the copy on the website, and is member facing, is likely the correct version to be using.

Will need to research as to what notices the Clerk is responsible for and in what timeframe. Need to review all PG policies for items that will need to be edited/corrected.

- **Patronage Report – Zach**

- Zach provided *Steps for Implementing Patronage Dividends*
- Board needs to review and record responses to Steps
- This is a board activity, Zach cannot be a resource.
  - Laura proposes creating a committee to review Patronage move, Hannah Seconds
    - Matt
    - Rhonda
    - Mckenna
    - Dave
    - Julian
    - Tyler
    - Laura (committee Lead)
- Laura (Committee Lead) Our membership responds strongly to floor information and signage.
- Zach reminded the Board that we may want to hold a special meeting in the winter to educate interested members.

- Dave proposed creating an educational video, or finding one, to post on the website, facebook, and Instagram page.
- Middlebury and Springfield recently switched over to a patronage system. Middlebury is willing to provide us as much information as possible.

**GM Report**

- **Last Month**

- June, as Chris mentioned, was an OK month. Sales were slightly under and profits slightly up.
- Met with all department managers and provided them with their new annual monthly budgets and sales goals.

- **Qtr 1 Update**

- Sales were up for Quarter 1, but only \$3,899.19, or 0.7%.
- Spending is slightly down due to inventory adjustments.
- Profits for the quarter are just under 18k, up from -\$24,000 last year.
- This makes it our 3<sup>rd</sup> profitable quarter in a row!

- **This Month**

- Sales are up \$6,000 or around 4% as of yesterday and with inventory levels again rising we will see a profit for July. I did have to use a small amount of OT to cover shifts.
- Tyler kindly wrote up and submitted our grant application for the expansion; we are waiting to hear if we were approved.
- We have hired a new cooler freezer manager his name is Tim Brennan, member and regular customer he has started already this week.
- We have marketing manager interviews set-up starting next week and expect to have someone in place by mid-August.
- Submitted quarterly numbers to CFNE per our loan agreement and uploaded to Co-metrics.
- We had another group HR event on July 19<sup>th</sup> in Springfield; it's nice to be part of this team. Topics included: risks and considerations to working member programs, when employees cap out, minimum wage and wage compression, covering positions during leaves, safety trainings, stay interviews and the merit of evaluations, timeclock options (Paydata's EvoClock was recommended).

- **Future**

- We will take part in the art and park event on August 12<sup>th</sup> and 13<sup>th</sup>. Hoping to gain a few new members while we're there! We'll be able to accept Cash for member dues while there. Will also be providing some light fresh produce, like apples and bananas.
  - Will have handout about the Co-op to pass out to people.
  - Need people (non-staff) to work the booth. Hours are 9am to 5:30pm. Board can do 3-hour spots. Would like 2 people in the booth at all times.

	<b>August 12<sup>th</sup></b>	<b>August 13<sup>th</sup></b>
<b>9am – 12pm</b>	Rhonda &	Dave & Molly
<b>12pm – 2pm</b>		
<b>2pm – 5:30pm</b>	Hannah &	

- More specific instruction will be provided prior to.
- We are one of the sponsors for the Grange Hall and the Vermont State Fair this year.
- Attention I am taking Wed Aug 9<sup>th</sup> thru Saturday Aug 12<sup>th</sup> off to recharge.
- We will have a bill from the CPA sometime in August.
- Hannah, Julie, and Zach are meeting in the beginning of August to team-up on a new handbook.

### **New Business**

- Capital Campaign
  - Looking for volunteers for the phone and outreach. All board members will be participating in some capacity.
- ◇ Julian!!! (committee lead)Molly
  - Member #68 asked to join this campaign. The Architect offered to create picture boards to display what the Co-op could look like with enough donated capital.
  - Reminder, new committees will need to create a charter at first meeting.
  - The board should start to spread the word that this campaign is coming, sort of a soft opening.
  - A small party would also be a great way to kick off the campaign – perhaps a wine tasting.
  - Reminder the Co-op is a 501-C4, donations are not taxable deductible. We are a not-for-profit, not a non-profit
  - Seth has resigned from the Board and is moving to Colorado! A very exciting new opportunity for him and his family. He recommends Steve Peters as an interim Board member, has not reached out to Steve.
  - Hannah observed the Middlebury Co-op Board meeting
    - Recently completed a capital campaign. They successfully raised \$1 million in 3 months.
      - ◇ No one member can participate in the campaign greater than \$10,000.
    - They are doubling their square footage and doing their expansion in phases.
  - Board annual team building:
    - Date and time TBD – September 21<sup>st</sup> at Co-op. Start at 6:30pm.
    - Doing a team apple pie bakeoff (possibly donate to staff for morning coffee and pie)
    - Teams to be determined next meeting

### **Review of Meeting & Agenda Setting**

- A look at what was accomplished
- Who has responsibilities for next month
- A request for any new Agenda items

### **Next Month**

- Lease Committee Meeting: TBD
- Finance Committee: August 17<sup>th</sup> at 6pm
- Board Meeting: August 24<sup>th</sup> at 6:30pm
- Strategic Planning Meeting: September 18<sup>th</sup> at 12:30-2:30pm

- B1 - Zach
- C7 –Committee Principles – Chris L
  - Introduce Tyler to PG reports

**Executive Session:** Yes – Personnel

**Meeting closed:** 8:15 pm Laura move to Executive Session. Dave Seconds.