



**Rutland Area Food Co-op Board Meeting
October 26, 2017**

Present:

Board: Dave Tibbs, Chris Littler, Hannah Abrams, Laura Daubenspeck, Molly Nitka, Steve Peters, Tyler Richardson, Kate Thomas, Matt Poli, Julian Fenn, Mckenna Hayes

Missing: Irene Gold

Staff: Zach Stevens, Jamee Sherwin, Julie Zaloudek

Guests:

Meeting brought to order: 6:33 p.m.

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

Committee Reports:

- **Finance Report – Chris L**

- ◇ Sales were up \$3,800 (2.3%) but we did have a loss of \$920 for the month. Two months in a row with a loss, but both very minor and overall up for the year.
- ◇ However, last September there was a loss of \$16,000.
- ◇ September is typically a slow sales month, so improvement over the last year is a good sign.
- ◇ Cost of goods is down, mostly due to inventory adjustments last year.
- ◇ Payroll is down this month because there were 5 weeks in September 2016
- ◇ Paid the accountant \$5,000 and \$800 for Sharron's PC.
- ◇ We have \$61,600 in our accounts (-\$7,000 at this time last year.)
- ◇ Board budget discussed and finalized.

- **Looking to the Future**

- ◇ The brand-new laptop had a coffee spill on it, but it is under protection. Zach is researching if the repair will force us to repurchase the protection plan.
- ◇ The freezer went down because the outside fan did not kick on. That is something that often happens this time of year with temperature changes. Turner repaired it and also did their annual cleaning while they were here.
- ◇ There is a NFC finance training this month for Zach and Sharon.
- ◇ Started taking turkey orders
- ◇ The cooler/freezer manager put in their notice, but will be staying on through mid-December. Casella charged us \$563 for the warehouse cleanup dumpster. There were LOTS of discounts in there. A big thank you Jim!!!
- ◇ We added a new line of gift products that includes scarves and earrings. It was a \$1,000 investment, and we already have \$300 in sales
- ◇ There are many product demos coming up

- ◇ The Co-op will close early for the parade. The parade has traditionally drawn crowds of bathroom users and shoplifters, but few customers. This allows the staff to get out before being blocked in by the parade route.
- ◇ Reached out to the Co-op fund of New England about an expansion to the line of credit.
- Q2
 - ◇ Sales for Q2 are \$467.61 off from 3% growth...So close.
 - ◇ Profits are at \$28,745, up \$36,000 from last year (we're in a negative for this Quarter last year.)
- Year to Date
 - ◇ Sales are up 1.8% and profits are at \$47,134 (up \$60,000 from last year.)
 - ◇ Member expenses are down due to discontinuing Wild Apricot (software we were not seeing expected return from).
- ∞ **Patronage Committee Update - Laura**
 - Laura requested a co-chair to help with organize and run the committee – Steve volunteered.
- **Capital Campaign Preparation – Hannah and Zach**
 - In preliminary steps still. Still looking for a chair for the committee.
 - Looking to move forward with the Pro-Forma.
 - ◇ Will cost around \$6,000
 - Need to work more with Mark to solidify phases for development and completion.
 - Want to ensure that the expansion will be a benefit to the Co-op, not a hindrance or a negative to our continually improving business.
 - We believe we need to get some seed money to cover the initial investment with consultants of roughly \$25,000. Looking to ask select members of the co-op to contribute (essentially a member-loan, however different as not open to the whole membership).
 - After discussing options with lawyers, the best method is to ask 5 members to donate/loan \$5,000 with personalized contracts with each individual member.
 - ◇ Seed money must be provided by members.
 - ◇ Seed money is different from the Capital campaign.
 - ◇ Would appreciate if Board members would lend, or promise an amount, alongside the (hopefully) 5 members who contribute \$5,000 each.
 - ◇ Please let Hannah or Zach know if you have specific members in mind who would be willing to lend the larger amounts for our seed money.

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.

- **B6 – Staff Treatment and Compensation– Zach**

The General Manager will not treat staff in a way that is unfair, unsafe, or unclear.

The GM will not:

1. **Operate without written policies that:**

- A. **Clarify rules for staff**

- B. **Provide for fair and thorough handling of grievances**

C. Are accessible to all employees

D. Inform Staff that employment is neither permanent nor guaranteed.

Data: We plan to roll-out a new handbook in January 2018. In our current handbook most of the policies are clear but some are outdated or missing, Example: (A Social Media Policy).

The grievance policies are listed in the handbook and the procedures are both fair and thorough.

All staff members are given a copy of the handbook when hired. A copy of the handbook is available in the staff office and additional copies are made available if requested. Staff have been made aware the policy book is outdated and is being worked on.

Our current and revised handbooks have a written disclaimer about employment and that the handbook nor the policies in any way form a contract or guarantee of employment.

2. Cause or allow personnel policies to be inconsistently applied.

Data: All personnel policies are consistently applied to each employee without discrimination or favoritism.

3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.

Data: Personnel records are kept in file cabinets in a locked office. The keys to that office are only available to the GM, AM, and Bookkeeper. All personnel related issues and decisions are documented and stored in secure places.

4. Establish compensation and benefits that are internally or externally inequitable.

Data: All compensation and benefits both internally and externally are equitable and available to all employees that fit the criteria. With the success of the business last year we provided an increase of 2.5% across the entire staff.

5. Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

Data: The GM has not, and will not change his own compensation or benefits. The GM's benefits are consistent with that offered to all other employees.

Additional Information -

The GM has an open-door policy and will meet with any staff member, at any time, for any reason. I make every attempt to share information and communicate changes in a timely manner. The GM will make sure to maintain a safe working environment, will be clear when addressing staff, and will always try to be fair-minded.

Conclusion -

We are out of compliance based on the outdated and missing policies.

Plan and timeline -

We are striving to have the handbook, necessary add-ons documents, job descriptions and wage bands formalized by the end of the year. Our goal is to finish the changes and have the new handbook reviewed by legal and ready for a complete roll-out in January 2018. Heather Wright Esq. specializes in cooperative law and is local to Vermont.

Laura moves to accept Zach's Report with acknowledgement of non-compliance. Dave seconds.

B6's Final decision marked on the wall poster and noted with the Board Clerk.

- **D1 – Unity of Control – Julian Fenn**

Only officially passed motions of the Board are binding on the GM.

1. Decisions or instructions of individual directors, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.
2. In the case of directors or committees requesting information or assistance without Board authorization, the GM can refuse any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.

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

Yes.

Comments: The division of authority between the Board and the GM is very clear, as is the right of the GM to refuse suggestions that have not been voted upon by the Board as a whole - ie. committees or individuals.

2. How have we been IN compliance?

Binding requests have only been presented to the GM through motions passed by the board. No individual or committee has made a binding request to the GM that would negatively impact day-to-day operations

3. How have we been OUT of compliance?

N/A

4. Overall, have we been in compliance?

Yes

5. Is this the policy we want? (Yes/No)

Yes. This policy delineates authority clearly, centralizing all GM related decisions with Board while protecting the GM from directives coming from any other source.

Recommended changes:

None

Submitted by:

Julian Fenn

GM Report

- **Last Month**

- September as Chris mentioned was a good month for sales, up \$3,794.15 or 2.3% We did have a small loss of just over \$1000.00, which although sad was \$15,000 better than last year.

- **This Month**

- Hannah and I were on the radio on the 12th to promote co-op month. We have had good feedback from a couple listeners.
- We had an article in the Rutland Herald this week promoting Co-op month.
- Sharon and I are traveling to Hanover tomorrow for a finance training with NFCA. This will be about 35 representatives from smaller local area co-ops.
- Sales as of yesterday are down around **\$6700 or 4.5%**. Our worst month so far. Weather, Freezer breakdowns and two large deliveries forgotten by UNFI account for most of this. We also had a reduction in inventory levels starting our month out with a loss of around \$10,000. This will also be a month where we get a large delivery the last day of the month 😞 Silver lining: no more inventory adjustments until Q4 and we have our best months coming up to try to negate the loss.
- The cooler/freezer manager has put in a pending resignation for mid-December we are again looking to fill this position.
- Just a reminder we will be closing early this Saturday 10/28 at 5pm in honor of the parade.
- **Future**
 - We will have a demo by Levinskys and a live 1-hour radio event on small business Saturday Nov. 25th (specific time TBD). Please come downtown, support local businesses, and visit the Co-op.
 - Will be re-using last year's radio ad.
 - We will again be closed Thanksgiving Day and Black Friday.
 - We have started taking orders for turkeys we are up to 5.
 - I am working on the financial packet for CFNE to increase our line of credit.
 - Plan to do a reset to part of the grocery department (Chips).
 - We are again taking part in the downtown holiday shopping guide.

New Business

- Matt informed the Board that the definition of Certified Organic Food is being changed to include hydroponic farmers, as such, local dirt organic farmers are upset. The Ruling is next month, at this point the only thing individuals can do is join the online petition. Is the Board, or Co-op, interested in addressing this or educating the membership about this?
 - Simplified definition of Organic and Hydroponic
 - Organic = feed the soil, which feeds the plant
 - Hydroponic = deliver chemicals directly to plant roots suspended in water.
 - Perhaps the Co-op is willing to write an article about this so to educate our membership.
 - Instate certifier, VOF, will continue to meet old Organic Certified criteria.
- Vermont Butcher shop is now open. The owners seem interested in the Co-op, however we cannot create partnerships with non-cooperatives.
- Capital Campaign workbook is available in the box, and on dropbox.
- CDS Consulting sent out an email about Pro-Formas. If any Board Members are not on their emails list, please join.

Review of Meeting & Agenda Setting

- Hannah or Julian will review the PG Reporting Templates and make any necessary updates.

Next Month

- Finance Committee Meeting: Thursday November 16th at 6pm
- Board Meeting: Thursday November 30th at 6:30 pm
- Capital Campaign Committee: Wednesday November 6th at 6pm
- Patronage Committee Meeting: TBD
- Lease Committee: Thursday November 9th at 6pm

- Finance Committee Meeting: Tuesday December 14th at 6pm
- Board Meeting: Thursday December 21st, 6:30pm
- Capital Campaign Committee: Monday December 16th at 6 pm
- Patronage Committee Meeting: TBD

- B1 – Financial Condition and Activities - Zach
- D2 - GM Accountability – Kate and Laura

Executive Session: Yes – Personnel Laura proposes to move into executive session – 8:12pm

Meeting closed: