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

**April 26, 2018**

**Present:**

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

Missing: Kate Thomas, Irene Gold,

Staff: Zach Stevens, Jamee Sherwin

Guests: Rich Carlson, Chris Ettori, Erin Anderson

Notes:

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

**Introductions:** Prospective board members Rich, Chris, and Erin.

**Minutes:**

Hannah motions to approve February and March minutes. Molly Seconds.

**FINANCE COMMITTEE – Chris L.**

**Last Month**

* Sales were down $9,459 or 5%
* Profits were down $10,000
* Cost of goods was up due to an inventory adjustment
* Overall expenses for the month were roughly equal to previous months, the loss in profit is mostly due to the decreased sales and increased Cost of Goods
* Was an added cost of $193 for parts for the soup station and checks were ordered.
* Budget for Fiscal Year 2018-19 is almost completed, which includes department budgets
* Sales for April are down as well, approximately $7,000
* Plant starts should arrive soon
* Recruitment costs will be up because we are looking for a new kitchen manager
* Finance Committee meetings will be moving to Wednesday going forward

**Quarter Review**

* Sales were down by $11,000 for Fiscal Q4
* Profits for the Quarter were $5,000 compared to $22,000 last year
* Much of the losses were intentional, as Zach was lowering profits to avoid taxes.
* Sales were down due to poor weather in Q4.  Snow storms often fell on big sales days and disrupted deliveries.

**Year End**

* Sales for the year are down $7,000 or .3%
* Profits for the year are currently at $65,266.95, up $20,000 from last year
* Zach expects the number to come in at $50,000 once we do all our adjustments, and if we move the membership numbers this year.
* Utilities for the year are up because we pay our own heat this year.  It is an added cost, but the store has been better to work/shop in with the new system.  GMP also had a rate increase
* Professional fees are up steeply with the all the money spent on consultants for the expansion
* Sharon has finished the packet for the CPA.
* Working on scheduling a meeting with the CPA to discuss moving the membership money and when we should expect to see our numbers back this year.

**PATRONAGE COMMITTEE – Steve Peters**

* Laura and Irene were in the store with information about the patronage system. Were able to have some very good conversations with members.
* Most the feedback they received was highly positive. Only a few were hesitant.
* Ran a Facebook survey regarding patronage.
* Next meeting is May 7th, however the overall opinion is that there is no real cause for concern to vote this coming June meeting.
* Looking at reaching out members who RSVP for the annual meeting to ensure they are educated.

**NOMINATION COMMITTEE – Hannah**

* We are still open to additional prospective board members. Please invite anyone interested to future board meetings. There are some educational material that is available to them.

**ANNUAL MEETING** **– Steve Peters**

* Annual Meeting is June 6th.
* Justin has connected an Eventpage to our Facebook where members can RSVP.
* Have obtained plastic tumblers with straws and our logo on it as meeting give always, we can also sell some in the store.
* Tent is secured.
* Molly helped get a donation form Ace for some paper goods.
* Steve has been reaching out to caterers and has heard back from a couple.
* MC secured.
* Music has been secured.
* Please share the page on Facebook.
* Currently have 25 confirmed RSVP, looking for 150.
* Steve is going to ask Justin if we can also share the link on Instagram.
* Steve is going to doublecheck to see if the link is hosted on our website as well.
* Zach assured there will be paper Invites/RSVP forms for our members that are not active internet users.

**STRATEGIC PLANNING** **– Zach and Hannah**

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| **4th Quarter, Fiscal year 2017-2018 Results****Company Wide Rocks & Accountability** |
|  | **Q3 Financial Goals**Gross Sales: $535,000/ $523,000Net income: $10,000/ $5,800GMP: 33-36%/ 38% | **Q2 KPIs (Key Performance Indicator)*** + - 1. Sales Growth: 2% / -2.1%
			2. Basket Total: $30 (or greater) / $28.35
			3. Membership Growth: 100 new members / 62
 |
|  | **WHAT** | **WHO** | **WHEN** | **STATUS** | **DATE COMPLETE** |
| 1. | We have successfully found our new Assistant & Marketing Managers and they are well suited to all the Co-op needs. They are functioning happily in the roles  | Zach | 3/15/2018 | YES for Marketing Manager / No for Assistant Manager | 2/26/18n/a |
| 2. | The Co-op devotes time, resources, and labor hours into the revamping of historical & present membership fee records & policies to ensure the sustainability of the Co-op.  | Zach and Board | 04/01/2018 | 1/3rd completed | n/a |
| 3. | Our Proforma with Bill Gessner of CDS consulting is complete and our new professional store design plans are well underway.  | Zach and Board | 03/10/2018 | YES | 3/9/18 |
| 4.  | The successful rollout of patronage education has membership excited. | Board & Patronage Committee | 03/31/2018 | YES | 3/31/18 |
| 5. | The annual meeting committee has planned and prepped for an exciting event that is reinvigorating out membership and grows attendance & participation.  | Annual Meeting Committee | 3/31/2018 | In Progress | n/a |
| ## | Extras:The new Co-op employee handbook is completed and ready for review by an attorney. | Zach |  | In Progress | n/a |

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| **1st Quarter, Fiscal year 2018-2019****Company Wide Rocks & Accountability** |
|  | **Q1 Financial Goals**Gross Sales: $550,000Net income: $10,000 GMP: 33-36% | **Q1 KPIs (Key Performance Indicator)*** + - 1. Sales Growth: 2%
			2. Basket Total: $29 (or greater)
			3. Membership Growth: 91 new members
 |
|  | **WHAT** | **WHO** | **WHEN** | **STATUS** | **DATE COMPLETE** |
| 1. | We have successfully found our new Assistant Manager and he/she is well suited to all that the Coop needs & does and are functioning happily in their role. | Zach | 6/1/18 |  |  |
| 2. | The annual meeting committee has planned and prepped for and exciting event that is reinvigorating our membership and grows attendance & participation. | Steve and committee | 6/6/18 |  |  |
| 3. | Membership: CPA has reviewed/assisted with this and the policy is written & in place. Records from now on will be entered all into one place. | Zach, Chris, Laura | 6/15/18 |  |  |
| 4.  | Forward movement continues for the renovation/expansion; including member loan, proforma and design work. | Hannah and Zach | 6/30/18 |  |  |
| 5. | We are prepped for our successful member loan campaign; including forming a committee, it’s chair and a charter | TBD | 6/30/18 |  |  |
| ## | Extras:Phone call is placed to NCG for membership moratorium update | Zach | WBN |  |  |
| ## | Extras:The new Coop employee handbook is completed & ready for review by an attorney | Zach | WBN |  |  |

**MEMBERSHIP UPDATE – Laura**

* Laura and team continue to sift through past documents and records, piecing together the membership history of the Co-op.
* At this point, they need to take what exists and create a new structure, after which have a lawyer review it.
* CPA assured Zach that setting up the membership policies will not be dramatic as we anticipate it being.
* New policies will be readily available for members, including being posted on our website.

**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.*

**B5 – Treatment of Consumers – Zach**

The General Manager will not be unresponsive to customer needs.

The GM will not:

1.) Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints, and suggestions.

2.) Allow an unsafe shopping experience for our customers.

3.) Operate without product selection guidelines that are consistent with and supportive of the Mission (Ends).

Data:

1.) We have a customer suggestion form and box at the front of the store available to all customer-members or non-members. We encourage feed-back and suggestions and look for every opportunity to bring in new and exciting items.  The staff is aware they can reach out to me or provide my Co-op contact information to anyone, at any time, for any reason. We appreciate both positive and negative feedback as we continue our efforts to grow and adapt to customers/member’s needs. The website lists my and management/department managers contact information for suggestions, compliments/complaints or potential vendors.

2.) We have safety measures in place including clearly labeled and lit emergency exits, up-to-date fire extinguishers, wet floor signs, and basic first aid. We utilize proper food handling and food safety guidelines. We strive to make the Co-op a safe and inviting shopping experience for everyone.

3.) We continue to utilize the product selection guidelines (Please see appendix) in-compliance with our mission. All new-hires and staff are made aware of these guidelines and follow them when sourcing products.

Conclusion: In-Compliance

* On average, we currently get about 2 customer questions/comments a month.

*Laura motioned to move in compliance. Steve moves. Dave seconded. Approved.*

 **C3 – Agenda Planning – Tyler**

**We will follow an annual agenda that focuses our attention upward and outward.**

1. Our annual governance cycle will run from January to December.
2. We will create, and modify as necessary, an annual calendar that includes the items mentioned in this policy, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies.
3. Throughout the year, we will attend to consent agenda items as expeditiously as possible.
4. We will limit the amount of meeting time taken up by monitoring reports, discouraging discussion unless the reports indicate policy violations, or the policy criteria themselves need review.

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

Mostly.  In “We will follow an annual agenda that focuses our attention upward and outward,” I find the term “upward and outward” to be kind of nebulous.  I know this is model policy governance language, and I’ve chosen to interpret the spirit of it to mean “focused on growth of the organization with a particular attention to the members,” but I’m honestly not sure of that’s the intended interpretation.  I don’t feel it affects the clarity of the overall policy or the specific policy items, so I’m not bothered enough by it to suggest making a change.

1. **How have we been IN of compliance?**

An annual calendar is posted in the boardroom with the events, schedules, and timelines as outlined in policy item number 2 of this policy.  This is an effective way of communicating responsibilities and expectations of the board and the organization, and it allows us to look at the big picture when making decisions.  The board has done an excellent job of maintaining and improving this system.

1. **How have we been OUT of compliance?**

We do not appear to have a practice of using consent agendas, at least not as I understand them to be defined (“a board meeting practice that groups routine business and reports into one agenda item that can be approved in one action”).  To address the efficiencies as outlined in policy item number 4, all policy reviews and committee reports are submitted to the board for their review prior to the meeting yet we spend a lot of time reading them line by line during the course of the meeting and then discussing them.  As a board, it is our responsibility to review these reports prior to the meeting – which I believe we do – so it feels redundant and inefficient to read them fully during the meeting.

1. **Overall, have we been in compliance?**

Yes.  Although I’ve outlined efficiency concerns in review item number three above, I believe these inefficiencies stem from the board members’ desire to understand fully the operations and governance of the organization, and to approach their responsibilities with care and caution.  Therefore, any concerns of compliance as outlined in review item number three do not raise concerns of board recklessness, malfeasance, or deviations from responsibilities.

1. **Is this the policy we want?**

Yes

Recommended changes: There are no recommended changes at this time.

* Consent agenda – “we the board approve the following…” as in grouping the policies and reports into one item to be approved.
* Are open to using consent agenda in the future, however we currently are not using it.
* Consensus is that we do not need to read PG Reports word for word every time, as that does take up additional time. Should be encouraging members to speak up when they have questions regarding reports.

**GM Report**

* **Last Month**
	+ As Chris mentioned March was a horrible month for sales. A lot was due to weather. Inventory was a success a huge thank you to Mckenna and Laura for coming in to assist.
* **This Month**
	+ Hannah and Zach sent a letter out to members introducing ourselves and advising of status of co-op and some of our future plans. Received a few emails with very positive feedback.
	+ We have started to test hot to-go lunch items on Tuesdays, Thursdays, and Fridays.
	+ Zach traveled to Springfield yesterday for the quarterly HR meeting.
	+ Steve S is leaving us to move to PA in the next 5-7 weeks. We will be searching for a full-time kitchen manager. Job posting will be on the website, Facebook, and posted in store next week.
	+ Assistant Manager candidate Melissa Rixon came in this morning for a panel interview with two senior staff members and myself. We felt she is the right fit for the position. Zach made her an offered, and she accepted the position and will join us part-time starting May 16th and will begin her full-time the last week of May.
	+ Defrosted freezer last week, it seems to be lasting a little longer now 6 weeks instead of 4.
	+ Sales for April are down $10,000 or 7%. A portion was how Easter fell this year and the awful weather.
* **Future**
	+ The finance team and Zach worked on wage adjustments and approved a 4.5% increase for the staff. I have met with most of them and they are very excited. Starts first week of May.
	+ We will be closed Monday May 28th for Memorial Day!
	+ Zach will be out of the office from Wednesday May 9th- Sunday May 13th.
	+ We should have plant starts by the weekend, weather permitting.
	+ Hannah, Justin, and Zach are working on a member survey both for feedback on the expansion and feedback on current needs will see that out in mid-May. We will have paper copies to be filled out instore for people that don’t have access to the internet or PC’s, also some talk about putting it on an iPad that is located at the register.
	+ We plan on adding some new shelving units by the take-out cooler.

**Board Facilitator Monthly Update – Hannah**

* Continue to work on reading the red notebook which details expansion. Must be read by the next board meeting. Hannah will send out a reminder email.
* Let the record show that by email vote, the board approved by majority David Swanson, of Dorsey & Whitney LLP out of Minnesota.
* Starting after the Annual Meeting, points will be awarded to those visit other food co-ops or attend co-op board meetings (one of each category at each co-op). Winners will receive a shopping spree at RAFC. The point is to cultivate connection, open communication, and collaboration with neighboring co-ops.
	+ List of Vermont Co-ops http://nfca.coop/vt/
* Co-op Café is coming on Saturday October 13th in Keene NH. Please look at attending.
* A board paint night will be approaching, keep an eye out for your invite!

**New Business**

* Should we investigate adopting Robert’s Rules? Is there currently anything within our bi-laws referencing that?
* Matt believes that once the Patronage Committee has completed its duties, we should look into transforming it into a Board Outreach Committee.
* Potentially have a board picture to send out in the next newsletter and re-introduce the board.
* We should retrieve paperwork necessary for board members who are re-running. Should we also establish a deadline as to when paperwork should be submitted.

**Next Month**

* Patronage Committee: Monday, May 7th at 6 pm
* Annual Meeting Committee: Monday, May 7th at 4:30 pm
* Finance Committee Meeting: Wednesday, May 16th at 6 pm
* Board Meeting: Thursday May 24th at 6:30 pm
* B1 – Financial Conditions - Zach
* B2 –Planning and Budgeting – Zach
* C4 – Meetings - Molly

**Executive Session:** Motion to enter executive session. Tyler seconds. 8:15pm

* Reason for executive session: Personnel

**Meeting closed:**

**Appendix**

**Rutland Area Food Co-op**

**Product Selection Guidelines**

Buyers shall follow these considerations for purchasing product for the Co-op.

For any product category offered by the Co-op, preferences shall be given to products and vendors that best satisfy the following;

The product is grown or produced locally.

The product is wholesome, natural, and minimally processed.

The product is grown and processed organically or sustainably.

The product is minimally or sustainably packaged.

The product is affordable

The producer:

Demonstrates a commitment to these considerations.

Demonstrates a commitment to social and environmental responsibility.

Must be a Co-operative business or demonstrates a commitment to Co-op values.

Buyers are expected to apply judgement to determine the best-suited products, using these considerations as guidelines rather than strict rules. For example, a product grown or produced in Rutland would certainly be local, but if it is produced using pesticides, GMO’s, excessive packaging, or unfair labor practices, we would not give it as high a preference.

Buyers should keep in mind the Purpose (mission) of the Co-op in making product decisions.

Provide affordable access to natural, whole, and minimally processed and packaged food items and other products that form the basis for healthy and ecological lifestyles.

Provide a market for local, regional, and other cooperative producers of food and other household and personal products.

Provide a community building and educational center where owners and other patrons can work, shop, and learn together and empower each other.

Provide a support for the cooperation with other individuals and organizations whose purposes are similar to those of the Co-op.