



Rutland Area Food Co-op Board Meeting September 27, 2018

Present:

Board: Hannah Abrams, Steve Peters, Matt Poli, Dave Tibbs, Chris Etori, Erin Anderson, Kate Thomas, Irene Gold, Chris Littler

Missing: Tyler Richardson, Molly Nitka,

Staff: Zach Stevens, Jamee Sherwin

Guests:

Notes:

Meeting brought to order: 6:30 p.m. Hannah calls names to verify members are present.

Minutes:

Hannah motions to approve August minutes. Chris E. Moves to approve Minutes. Irene Seconds. Approved unanimously.

General Updates and Information – Hannah

- Hannah and Irene when to the NFCA Peer Gathering in Whiteriver Junction. It was hosted by the Upper Valley Co-op, which is right across the street from the Hanover Co-op. Irene had a strong sense of comradery and inclusivity.
 - Member Engagement Strategies was a main topic. A few items that were strongly highlighted are a Member outreach committee with a paid employee on the committee, a newsletter containing articles from BOD, Senior Day, Member Discounts, Annual Celebration with Keynote, Annual Picnic (separate from Annual Meeting), Bathroom Information (huge real estate area for flyers).
 - It was also suggested that people interested in becoming board members should attend meetings, read up on policies, and read policy of governance prior to running to join the board.
- Hannah stressed that there are a lot of tools on the NFCA website including member engagement strategies, information packets, and marketing tools.
- Remind people there is the Co-op Café approaching.
- We had a very successful Board Bonding Bake-off!
- Very successful painting night! Only one section left!
 - Chris E. asked that we send out a reminder for the next painting night, although we're shooting for a Sunday to provide a different option for people unable to help during the week.
- January in Keene, NH is the C-Build board training. Please let Hannah know if you are interested in attending and the board will put some money aside.
- Annual Meeting will be the Wednesday June 5th, 2019 from 5:30 to 7:30pm

FINANCE COMMITTEE –Chris L. & Matt P.

Changes to July

- Depreciation went down, which raised profits by about \$200

August Review

- Sales were up \$3,759.58 (2.1%)
- COGs were up slightly, \$833.60 (0.7%)
- Profits were up \$3,391.49 (6.1%)
- Expenses were up quite a bit \$12,118.90 (21.3%)
 - Professional Fees were \$6,666.25 versus \$0 in 2017 (Early CPA bill, Jeff Glassberg)
 - Utilities were \$3,904.36 versus \$2,281.52 in 2017 (Previous months' gas bills)
 - Payroll was \$48,401.83 versus \$44,855.28 in 2017 (Fully staffed, two accountants)
 - Rent was \$4,207.50 versus \$3,596.69 in 2017 (17%)
- Net income, as a result, was \$9,745.24 - unfavorable by \$8,725.95 or -856.1%

Year to Date

- Sales were down \$16,668.24 (-1.8%)
- COGs were down \$7,492.28 (-1.3%)
- Profits were down \$7,038.52 (-2.4%)
- Expenses were up \$28,318.68 (11.2%)
 - Utilities were \$14,080.82 versus \$12,221.72 in 2017
 - Rent was \$21,037.50 versus \$17,983.45 in 2017
 - Professional Fees were \$9,069.25 versus \$0 in 2017
 - Payroll was \$195,508.15 versus \$185,734.95 in 2017 (5.3% - note that average rate increases were approximately 4.5%, effective approximately April 2018)
 - Tax was \$4,976.45 versus \$248.45 in 2017
- Net Income, as a result, was \$12,455.41 - unfavorable by \$35,130.98, or -73.8%

Looking Forward

- We have a quarterly tax payment due
- Kitchen staff training needed, ~\$1k
- Nicole Klimek (Design and Equipment Specialist) is coming soon, so we will incur related expenses

MEMBERSHIP RECORDS COMMITTEE – Kate

- New membership software is being tested! Once that's complete, member record information can be entered.
- October 2nd at 5pm, the Membership Records Committee will be entering data.
- Reminder to review the Policy Kate proposed back in August.

LEASE COMMITTEE – Dave & Chris L

- Dave and Chris were unable to meet this month. Next Meeting will be October 11th from 12pm to 1pm, open to anyone looking to join the lease committee.
- Chris will ensure the current Lease is available in the Dropbox

PG REPORTS

C7 –Board Committee– Erin

Policy Name & Number: C8 Governance Investment
Policy Type: Board Process
Last Revisited: 10-18-10

Director: Erin Anderson
Submitted On:9-27-18

We will invest in the Board's governance capacity.

1. We will make sure that Board skills, methods and support are sufficient to allow us to govern with excellence.
2. We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
 - a. We will use training and retraining liberally to orient new directors and candidates for board membership, as well as to maintain and increase existing directors' skills and understanding.
 - b. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - c. We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
 - d. We will use professional and administrative support.
3. We will develop the Board's annual budget in a timely way so as to not interfere with the development of the Cooperative's annual budget. In no case will we complete this work later than February.
4. In accordance with By-Laws article 9.3, we will engage a certified public accountant to perform a review of the Co-op's financial statements every year.

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

2. How have we been IN compliance?

The Board is making a clear effort to provide new and experienced directors with opportunities for educational and skill-building opportunities to serve the Board and Co-op to the best of the group's ability. There are steps being taken to provide improved outreach with owners. We do invest in the Board's governance capacity.

3. How have we been OUT of compliance?

It appears that the Board is in compliance and completes budgets and reviews in a timely way.

4. Overall, have we been in compliance?
Yes.

5. Is this the policy we want?

Yes, the policy is a little broad, but it is a good guideline for continued improvement regarding education and outreach.

Recommended changes:

No changes to the policy, but the Board can continue to engage with owners through outreach as well as continue to learn through educational opportunities provided.

Submitted by:

Erin Anderson

B3 – Asset Protection –Zach

The General Manager shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The GM will not:

1. Allow equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed.

Data: All insurance policies are current and complete.

2. Allow unnecessary exposure to liability of lack of insurance protection from claims of liability.

Data: Our coverage protects us and we currently have no claims.

3. Allow inadequate security of premises and property.

Data: Premises and property are secure and have the proper locks. We have a monitored alarm system with motion activation and a silent alarm button. Staff whom receive store keys and alarm codes are required to read and sign off on proper key handling guidelines.

4. Allow data, intellectual property, or files to be unprotected from loss, theft, or significant damage. a. (Allow improper usage of members' and customers' personal information)

Data: All property, data, and personal information is stored securely and not at risk. Member information will never be shared with outside parties.

5. Allow uncontrolled purchasing or purchasing subject to conflicts of interest.

Data: All purchasing is recorded in QuickBooks and hard copies are kept for the seven-year requirement. All purchasing is done following the proper buyer's guidelines. Any conflicts of interest are disclosed.

6. Allow lack of due diligence in contracts.

Data: All contracts are secure and up-to-date.

7. Allow damage to Cooperative's public image.

Data: The GM will not conduct himself or allow the Co-op to do anything that would damage our public image. We have an open-door policy and are happy to discuss any concerns that our owners or any members of the community may have at any time.

Conclusion: In-Compliance

Accepted with acknowledgment as in compliance.

GM Report

September Update

- Shriners parade weekend was a bust. Streets closed, signs up the night before which scared off customers, and Shriners didn't visit the store.
- Paint night event was again a success. We are almost there! Thank you to Steve and Hannah for coming in to help.
- We have hired a kitchen manager. Her name is Brooke Murphy, please stop by and introduce yourselves when you have a moment.
- Mark emailed the rent information this morning. There is no new increase. We will continue to pay the \$4,207.50/Monthly.
- Annie Harlow from Vermont Farm to Plate has been in three times and has given the buyers and management team some idea's going forward to better increase sales and operations. She will continue to work with the buyers for the next 4-5 weeks.
- Sales for September as of yesterday are even with last year.
- Melissa and I attended the quarterly HR meeting today, as always it nice to get together with our local co-ops and discuss current challenges.

October

- Robert, the head of Marks construction team, advised that they will need us to close early one night in October, so they can dig up the sidewalk and connect Roots to the main water valve, I asked that they try to plan this for a Thursday night.
- Inventory coming up on 10/1, we will not need BOD assistance.
- We will be closing early on Saturday 10/27 for the Halloween parade.
- Justin, Melissa, and I will be attending the Co-op Café in Keene on 10/13/18.
- Nicole Klimek, design specialist, will be joining us November 4th- 7th.
- We are starting to plan and gear up for the holidays.

Special Orders

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Unfinished Business

- Lawyer update with Kate
 - Kate spoke with two people, one from Middlebury and one from Springfield.
 - Heather Wright is very interested and is also a former co-op member.
 - She is aware that co-ops need good and inexpensive legal advice, co-ops are a specialty of hers, she does not need a retainer and trusts that we will pay our bills. She can do flat rates for things like lease drafts. Her reduced rate is 250.00 an hour. She is willing to meet in person. She also has special interest in Vermont laws, and labor laws.
 - Kate believes that with the terms outlined, her interest, and passion for co-ops, that we should move forward with creating a relationship with Heather Wright.
 - Heather is willing to send an engagement letter for us to review.

Hannah motions that we move to accept Heather Wright as the Co-op's lawyer pending review of the engagement letter. Dave Moves. Chris L. Seconds. Unanimously approved.

- BOD Staff Event
 - As October, November, and December are such busy months for the co-op, staff, and BOD members, Zach suggests that we table this item until December to discuss.
 - Hannah asks for a clear and defined purpose for such an event. Chris L. shared his experience the last time the BOD and Staff had a joint event and how it was one of the few chances he has had where he was able to see all the staff, to interact in a non-coop focused fashion.

New Business

- Erin has been tasked with updating the roster and will be sending it to everyone to review.

Announcements

- Saturday September 29th - Downtown New Business Open House 10am- to 1pm. Stop by the new park to get a map. 12 new business have opened in the last year.

Review of Board Calendar

- September
 - Holiday Board Meetings
 - October 25th at 6:30 pm
 - November 29th at 6:30 pm
 - December 20th at 6:30 pm
 - Hannah proposes that missed November and December meetings would not count as an absence.

Tabled Items

- BOD & Staff Event – December

Next Month

- Membership Committee Meeting: Tuesday, October 2nd, 6-8pm
- Finance Committee Meeting: Wednesday, October 17th at 6 pm
- Board Meeting: Thursday October 25th at 6:30 pm
- Strategic Planning Committee: Monday, October 8th from 1pm to 3pm
- Lease Committee: Thursday October 11th from 12pm to 1pm.
 - D1 – Unity of Control – Chris E. & Chris L.
 - B6 – Staff – Zach

Meeting closed: Irene Moves to end meeting. Kate Seconds. Unanimously approved. 8:00 pm