

**Rutland Area Food Co-op Board Meeting
January 28, 2016**

Present

Board: Hannah Abrams, Rhonda Bates, Chris Littler, Dave Tibbs, AJ Ruben, Kathy Allen, Stephen Waite, Irene Gold, Matt Karczmarzyk, Jim Albright

Absent: Laura Daubenspeck, Diana Hayes

Staff: Zach Stevens, Julie Zaloudek, Kris Harmelink, Barbara Richardson (recorder)

Members: Ralph Secreti and another new member

Meeting Brought to order: 6:35 p.m.

Approval of Minutes: Hanna moves to accept; Seconded by Matt

Finance Report (In Dropbox)

Update: Heritage has e-mailed an apology with attachments of all the corrected transactions. Sr. VP at Heritage gave Matt a heads up (he works there). We forgive them, they are making great efforts to make changes.

December was PROFITABLE! Unlike many businesses affected by the weather-related hit to the local economy, the Co-op beat the odds.

Dave moves to accept the report: Kathy seconds.

Education Committee update – this committee is suspended until the store is cleaned up and more presentable. (Zach will cover more in his GM report.)

Board PG Reports (In Dropbox)

C – Global Governance Commitment presented by Chris

Out of compliance on requiring reports from GM; now corrected

Moved to accept: Dave; Seconded by Irene

D - Global Board-Management Connection Report

Matt recommends change: Add language to make Assistant Manager the “second in command” should the GM be unreachable or unresponsive.

What does it take to amend the document: AJ and Kathy disagree – this move would create a gray area. If the GM is out of compliance then there are consequences for the GM.

Dave moves to accept: Chris seconds.

GM Reports (filed in Dropbox)

B – Global Constraints

Policy Decision Tree –

AJ cautions that, although this policy lends itself well to anecdotal data for evidence of compliance, in general we need actual data to indicate compliance of other policies.

Hannah moves to accept; Kathy seconds

B8 – Board Logistical Support

Policy Decision Tree followed; Irene moves to accept; Chris seconds

B1 – Global Financial Condition

It's due again next month, but Zach updated the B1 as requested by board at December meeting.

Sales:

December sales are up, expenses down. And we're on track for a profitable January. Expect to be at 3% by end of FY.

CFNE loan – drawdown, increased payments, saving \$ for interest payment; refinance in 2018. Can use these funds to pay CPA bill and replace damaged front window.

On track to make \$2 million in sales in 2015

Policy Decision Tree followed; Dave moves to accept; Matt seconds

Next month Zach will borrow Hannah's projector so we can more clearly see the graphed B1 report data.

GM Store Report (Filed in Dropbox)

1. Breakdown of meat freezer – caught quickly, tiny loss
2. Holiday – loss of two delivery days, but it means we didn't spend money!
3. Beat sales and shrank expenses; COG way down, as was payroll. Effective buying practices.
4. 5 weeks in December, but we still saved \$ for the month.
5. Nametags! Celebrated and distributed nametags. Great feedback from customers AND staff.
6. Zach's first staff meeting was held last week! Monthly schedule for meetings henceforth. Explained sales cycles to staff, they were receptive to the need to cut hours.
7. Window replacement Monday, at great price.
8. Without heat for 3 days during the month.
9. New Kombucha keggerator from Aqua Vitea
10. Build Your Pantry promotion, *Good & Cheap* connection
11. Caber's story on "How I Stopped Eating Garbage" – viewed more than 17K times!
12. Put B1 report in the Staff communication notebook, and staff appreciates the open book management
13. Spiffing up the store: cleaning, refinishing, reupholstering
14. February & beyond: Informing and educating buyers in business basics
15. Staffing cuts – staff understand and appreciate the explanation, and want to contribute to the well-being of the Co-op. If we continue on the trend, \$29,900 savings to payroll (50 hours/week) for the FY.

16. Wine & Chocolate tasting on Saturday, 2/13, featuring Riojana FairTrade wine offered only at co-ops and chocolate bars, both fair trade and organic. We'll be educating about Fair Trade that weekend.
17. Spring Ahead! Compost & Seeds will be in stock.
18. Overall customer experience improvement, will keep an eye on trends
19. POS system is a limitation to our growth – time to open the discussion; Zach will make a presentation at a future meeting. It's been in place since 2014.
20. Mark Foley has been coming in to show the warehouse to various people, including the mayor. Could have something to do with the renovation of the alley. AJ says we don't have an agreement to limit the rental of the rest of the warehouse. What does our lease say? Co-op has right of first refusal, as he understands it. Seven year lease; our current lease is dated 2010. Are there plans for businesses to develop restaurants/mini-mall in the works? Everyone should keep ears open...

Zach met Mark very briefly. Dave recommends scheduling a meeting with Mark and to develop a relationship.

Kathy asks why February is the Co-op's weakest sales month? Chris says it's not just the Co-op, but retail across the board.

Strategic Plan Review

Hannah & Stephen met to discuss approach to review. It's been a few years since the committee disbanded. The Strategic Plan was introduced to members at 2013 annual meeting.

Spreadsheet of the breakdown of action steps (who, what, when, why, but lacking the HOW).

Hannah presents the One-page Strategic Plan model. SWOTT analysis and multi-year planning horizons: break down by 1-, 3-, 5-, 10-year horizons, and these horizons build on one another. Making a VERY CLEAR goal, we can constantly adjust course to reach it.

Process: Zach will review and check off what has been accomplished and what yet needs to be done. Zach and Hannah will meet after that to discuss what's not done. Board will discuss this and have something to present at the Annual Meeting.

Annual Meeting Committee

Stephen (chairperson), Laura & Irene met

Look at Hannah's notes from NFCA re: City Market's approach; possible dates: Wednesday, May 18 is the preferred date because there's a board meeting the following Thursday (5/26).

Any other area events that might conflict?

Decide on main event – this will be billed as a real celebration: music, contra dance, serving alcohol?

This decision will determine the venue.

We do need bios for current board members who will run again for a seat.

Look at current board terms that are opening up; who's going to run again? Dave urges those who are eligible for additional term to run again.

New Business

Membership Review

Barbara shares that a review of what the value of annual membership equity payments is far outweighed by the discounts we give members at the register. We should shift as soon as possible from a member discount to a patronage refund system so we can retain equity that can make the business financially secure and allow for growth – this is a best practice that smart co-ops are adopting. There's a lot to do to get there. Thoughts from Board?

AJ comments that the 2% discount doesn't cut into our profits that much. He suggests that having members is NOT costing us money, because we're supposed to make profit on what they buy. Barbara asks if the 2% discount is considered profit sharing to the members, because if it is, we're distributing profit we don't have.

Hannah asks if we know customers' purchasing e.g., are 30% of customers responsible for 80% of sales? She is happy to help figure this out.

Matt asks if there's a member referral program? Let's look into it.

Store

The store is moving to another level – Hannah & Dave notice it. It's obvious that we're taking more care with things: the portion and packaging has changed in bulk repack; Dave likes the rearrangement of the produce dept. It's enhancing the shopping experience. Kathy had a meeting with a friend who hadn't been in the Co-op for a while, and she was impressed! Talk to your friends, and bring them in!

One of the members suggests we share minutes should as an article in the newsletter.

NFCA meeting coming up! Zach and two others (one staff and a board member – Dave would like to go!)

Dave wishes to give staff professional development (Zach says we will when we have the money) but Julie is taking a two-day Excel class March!

International Co-op Conference is in Massachusetts this year! Stay tuned for details.

February Meeting Assignments

C1 – Governing Irene w/help from Hannah

B1, B9 - Succession Plan; and Strategic Planning Review with Hannah

Next Month Agenda items:

Annual Meeting and other committee reports

Membership updates

Meeting adjourned at 8:27 p.m. Next meeting, 2/25.

Executive Session needed to discuss a personnel issue.