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

**January 26, 2017**

**Present:**

Board: Chris Littler, Matt Karczmarczyk, Rhonda Bates, Laura Daubenspeck, Hannah Abrams, Matt Poli, Diana Hayes, Dave Tibbs

Missing: Regina Alexander, Phoebe Flemming, Seth Carvill, Irene Gold

Staff: Zach Stevens, Jamee Sherwin, Julie Zaloudek

Meeting brought to order: 6:36 PM

**Approval of Minutes:** Add RAFC log to header, and include page number on bottom of page.

**Committee Reports:**

* **Finance Report**
  + Sales were up for December.
    1. Profits for Q3 where up, 504.2%
    2. 4.7% increase sales
    3. Believe this is largely due to Zach. However, we are now comparing Zach 2016 to Zach 2017 moving forwards.
  + Committee is going to put together a budget now that we seem to have found consistency in profit and sales.
    1. Over the next couple of meetings will begin working on developing a budget to work with.
    2. Would be wise to start include emergency and rainy day funds in the budget.
    3. Hoping to have budget completed by April.
  + Finance committee member has stepped down. Will need to fill that member role. Please talk to potentially interested members.
* **Strategic Planning Committee**
  + Late in starting Q4 plan
  + 2017 goals
    1. Revenue $480,000
    2. Net Profit $10,000
    3. Net Income more than $0.00
    4. G.P. Between 33-36%
    5. Membership growth 90+
    6. Addition Goals

|  |  |  |  |
| --- | --- | --- | --- |
|  | WHAT | WHO | WHEN |
| 1. | Company-wide handbook is 100% complete and ready for delivery and implementation | Zach and Board | 03/31/2017 |
| 2. | The NCG application and meeting are executed flawlessly and lead us to a membership invitation | Zach and Exec Committee | 03/01/2017 |
| 3. | Painting of the retail floor is complete and the result is a beautiful and unified looking space | Zach | 03/01/2017 |
| 4. | The insulation and cleaning project for the warehouse is completed | Zach/Julie | 02/15/2017 |
| 5. | The board and management begin meticulous preparations for our record setting Annual Meeting & Board Orientation | BOD & Zach/Julie | 03/31/2017 |
| ## | Extras:   1. A blueprint for a successful PR campaign is started 2. As well as plans for a bathroom remodel | Hannah/Zach/Steve Peters    Zach and Julie | 03/15/2017  03/31/2017 |

* + Successes and Failures
    1. Completed / Successes
       1. New NCG application
       2. Frame in Warehouse
       3. Pet supplement section
       4. New Wine Rack
    2. Failures
       1. Completed Employee Handbook
* **Lease Committee Update**
  + Zach and Julie are putting the needs of the Coop to present.
  + Question came up, is the floor the Co-op’s responsibility?
    1. Per Dave’s research, it comes to the exact wording in the lease. Would like to have a specialist look over the lease to review.
    2. There is a copy of the lease in Drop-box for AJ to review.
  + Generally happy with current improvements.
  + Next meeting will focus on how to approach Mark regarding the future of this building, improvement plans and timelines.
  + Per Zach, just recently hit a point where we could use additional merchandise space. Unfortunately, there is no available space or option to make improvements to our current structure and layout.
    1. What is our revenue per square foot? How does that compare to the industry standard?
  + Need to look at projected growth and compare that to building restrictions and lease term.
    1. Perhaps have the Lease Committee join the Strategic Committee for these discussions

**PG Reports**

* B – Global Constraint – Zach
  + The General Manager shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

1. Voluntary and open membership

* + - * Cooperatives are voluntary organizations, open to all people able to use its service and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
      * Everyone is welcome at the Co-op! We do not discriminate for any reason!

2. Democratic Member Control

* + - * Cooperatives are democratic organizations controlled by their members-those who buy the goods or use the services of the cooperative – who actively participate in setting policies and making decisions.
      * We are a democratically controlled business. Our members drive our business decisions. We make sure to uphold the cooperative principles when deciding on making changes or plans for the future. Member feedback helps us make informed decisions. We have an annual vote where members elect bard officials.

3. Members’ Economic Participation

* + - * Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.
      * We make every attempt to share with our members the status of the business. When capital is received or available, the members will be consulted and updated on the uses and plans.

4. Autonomy and Independence

* + - * Cooperative are autonomous – self-help organization controlled by their members. If the Co-op enters into agreement with other organizations or raises capital from external sources, it is done so based on terms that endure democratic control by the members and maintains the cooperative’s autonomy.
      * If the Co-op enters into an agreement or contract with other organizations, or raises capital from external sources, it is done so based on terms that endure democratic control by the members and maintains the cooperative’s autonomy.

5. Education, Training, and Information

* + - * Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.
      * When available, we provide education opportunities for staff, for members, and for the community. We look forward to expanding these offerings in the future. We currently have an article on he website and Facebook which informs and educations on the foods that are most common for our new neighbors.

6. Cooperation among Community

* + - * Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
      * We work hard to maintain relationships and open lines of communication between us and other co-op’s both locally and nationally. We currently are part of NOFA, NFCA, Rural Vermont, CoMetrics, Heritage Family Credit Union, and RutlandGo. We also recently joined a human resource group that meets quarterly in Springfield and includes all our nearest neighbors. We are working toward becoming part of National Cooperative Grocers. WE participate in many group events throughout the year and supply data to national databases so all Co-ops can share in each other’s wealth of knowledge. We will continue to honor and foster these relationships.

7. Concern for the Community

* + - * While focusing on member needs, the cooperative works on the sustainable development of communities through policies and programs accepted by the members.
      * The Co-op makes every attempt to help support the community in which we live. We try to focus on what our members both need and want. A strong example of our Co-op’s support of our community is our mission to support and welcome the Syrian Refugee families into the area. The board, the staff, our volunteers, and our members have all educated themselves on the issues and have made sure to show support for the great cause. The Co-op has donated to each family so they know we care excited they are here and want them to be a part of our mission and our Co-op family.
  + Decision Tree
    - We are in complete compliance.
* C – Global Governance – Hannah
  + Acting on behalf of our owners, the Board ensures that our cooperative produces benefit and value, while avoiding unacceptable actions and situations.
    - Clear policy – yes. The board is quick to act when they notice anything
    - How have been compliant? Every board member participates in at least one committee. Have hired a highly skilled General Manager who has implemented great growth for the Co-Op. We have physically supported the manager and his team in cleaning and painting our retail space to make it more inviting to members and guests.
    - How have we been out of compliance? We have been in compliance.
    - No recommended changes
    - Chris moves to accept – Matt k seconds.
* D – Global Board Management – Matt P
  + Board’s communication regarding operations are solely through the General Manager.
    - Clear policy – yes.
    - How have we been compliant? We only communicate in regards to operations through the general manager.
    - How have we been out of compliance? We have not been out of compliance.
    - Laura moves to accept – Hannah seconds.

**GM Report**

* **December Update** 
  + As Chris already mentioned December was an average month. We beat sales and had a profit but not the 3% increase we wanted and slightly below what we profited last December.
  + With the success of Q3 we are at a positive **$24,967.90** Y.T.D. as of 12/31/16 compared to **-$27,155.46** this time last year.
    - This is a nice cushion however we will see this total drop with inventory adjustments and our slowest time of year.
    - The Co-op is still living paycheck to paycheck but we are operating more efficiently.
  + We had a clerical paperwork error that happened with wage garnishment requests and cost $250.00. It was a learning lesson.
  + Finished and submitted NCG application. More information to follow on the status of this.
  + The sanitizer heating coil burnt up, Kurt is looking for a replacement coil. If it cannot be fixed Matt P has done some research for us and we may try to rent one rather than purchase one again. This saves us in maintenance and hassle.
    - Will have a monthly fee, but we will not have to pay for any repairs or maintenance
* **January Update**
  + As of yesterday, sales are up about $2000.00 for the month.
    - The weekly storms have affected our customer movement and the rally’s this weekend although great for the community were bad for business.
  + Inventory is 1/27/2017 at 7 a.m. Slightly delayed as the woman who owns the company was in the hospital. We were ok with the wait so we can stay with this smaller local company.
  + Staff dinner is this coming Tuesday night the 31st at Roots. We will be closing early at 6. Cost was just under $1300.00 as Chris said but it is important for staff morale and to celebrate all their hard work.
  + We are saddened by the news that we may not be able to welcome more Syrian families to our community. We are unsure of what the next steps will be for the items being stored in the warehouse and the gift cards that have been donated or purchased. (We may need to refund close to $2500.00).
    - Will be offering store credit as an option for refunding, in addition to additional offers. Some donations were anonymous.
    - Burlington Free Press and USAToday were in to interview Co-Op, Zach reaffirmed our commitment to supporting refugee families.
    - If we must give the reserved items away, are considering donating them to Burlington refugees families. Will be investigating other options as well.
  + The large four door meat freezer started to get warm on Friday. The staff quickly caught the issue and called Kurt to come by. It needed to be defrosted as it had iced over the fans. We lost no product.
  + We have promoted Molly to be a Manager on Duty and are excited she has taken on more responsibility.
  + Julie’s husband came in and fixed the hole in the new warehouse walls and fixed the toilet again.
  + One of the warehouse heaters has already stopped working. It was an old used unit, Zach has reached out to Michelle to see about getting a replacement
  + No Heat yesterday and again this morning. Called Michelle both days. She called back this morning and advised it was out of water Robert has refilled it and it should be back on in around 20 minutes. It came back on. This is only the second or third time this season. Much better than last year!
  + Hannah has reviewed and updated all the missing board minutes before the deadline we had set. They are now updated on the website for all to see. Thank you Hannah!
* **Looking ahead to February and the end of our fiscal year.** 
  + We will begin doing giveaways on Facebook. Board members, staff members, volunteers and their direct family members are not eligible to win. We ask that you still share and like the posts to help circulate them. Once a month and focused on sale items. Goal is to promote items.
  + We have a strategic planning Q4 update and plan setting/KPI’s for the new year scheduled for Monday March 27th from 12:30-2:30. Please feel free to join.
  + Starting next month, we will have produce sale items for the first time.
  + We are researching the CSA/Farm-share benefit program to make possible changes for 2017 based on staff feedback.
  + We are excited to continue to clean and revamp the store now that the holidays are finally over.

**New Business**

* Contact from NCG and information. Let’s talk about moving the meeting next month or making some adjustments.
  + NCG has taken us to the second step, a site visit. They request to meet with Zach all day, would like to meet Chairman of the Board as well. Will need to move the next board meeting to accommodate NCG.
    - Would like to move Finance to Tuesday February 9th at 9pm
    - Would like to move the Board to Thursday February 16th at 6:30pm
  + Zach will send out more specific information regarding the NCG schedule.
* Annual Meeting Committee
  + Hannah will send out an email to see who has interest and who would like to lead.
    - Laura and Matt K interested
    - Ideally would like at least one more person
  + Look into a Save-the-date magnet
  + Should the Nominating Committee be a part of Annual Meeting Committee meeting? Something to think about.
* Michael Healy outline for hour of board training
  + Important items we would like covered
    - Layman’s explanation of policies
    - Clear division of board responsibilities and GM responsibilities
    - Board whole-ism – board communicating as one unit
    - How to prepare for meeting
    - What to expect to take away from a meeting
  + Board is happy with the above. Laura will send an email and CC executive members.
* Absent Board Member
  + Have reached out to Phoebe several times. Dave will call to check in with her and discuss her status with the board.

**Next Month**

* Lease Committee Meeting: February 2nd at 6pm
* Strategic Planning Meeting: March 27th at 6pm
* Finance Committee: February 9th at 6pm
* Board Meeting: February 16th at 6:30
* B1 - Zach
* B9 – GM Succession Plan - Zach
* C1 – Governing Style – Chris Littler

**Adjourn meeting:** Dave moves to close meeting and move to Executive Session – Hannah seconds. 8:10pm