



**Rutland Area Food Co-op Board Meeting  
June 22, 2017**

**Present:**

Board: Chris Littler, Rhonda Bates, Laura Daubenspeck, Hannah Abrams, Matt Poli, Dave Tibbs, Irene Gold, Tyler Richardson, McKenna Hayes, Julian Fenn, Seth Carvill

Missing: Molly Nitka

Staff: Zach Stevens, Jamee Sherwin

Guests:

Meeting brought to order: 6:42 PM

**Intros**

- Greet newly elected Board Members! Tyler Richardson, McKenna Hayes, Julian Fenn, and Molly Nitka (absent)
- Hannah led orientation for new members prior to meeting.
- Board introductions and committees they serve.

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

**Committee Reports:**

- **Finance Report – Chris L**
  - **April Review**
    - ◇ Sales up 2.8%
    - ◇ Profit up from last year
    - ◇ Payroll was down this month as we are not fully staffed.
    - ◇ Janitorial expenses are up as Rutland's rodent problem has started to affect the co-op.
    - ◇ New nametags for all employees and Board members.
  - **Looking to the Future**
    - ◇ At least a \$4000.00 bill is expected from the CPA in the next couple of weeks.
    - ◇ They state that they do not see any changes from the projected profits.
      - We may actually need to pay taxes on our profits.
    - ◇ The freezer fan has been replaced as a chunk of ice damaged the fan and was not fixable.
    - ◇ Purchased a new printer, very needed, and a 2 year service plan. This printer does a lot more than the old printer and had refillable ink cartridges. Means less trips to Staples.
    - ◇ Some late expenses are still coming in from the Annual Meeting.
    - ◇ Sales are down this June, about \$2000.00
    - ◇ Will be closed on July 4<sup>th</sup>, a Tuesday and slow day.

◇ We now have expenses/budgets broken down by department. This will aid in better forecasting for keeping proper inventory.

- **Lease Committee Update – Dave T and Zach**

- Zach and Julie met with the architect. The architect asked Zach and Julie to draw what they ideally would like the Co-op to look like. The architect has very similar ideas and will be following up with Zach and Julie in the next few weeks.
- Our past lease was 7 years. Our new lease will be 5 years, with a condition that the one following that will also be 5 years.
- Mark will pay a portion of the renovations, and the Co-op will pay a portion. The exact percentages have not been discussed yet.
- Questions arose as to what the retail space heat source will be moving forward. A dedicated boiler was discussed, as well as bringing in Green Mountain Power to find an alternative (heat pump).
  - ◇ Currently, Mark buys the fuel for us.
  - ◇ We are hopeful that the new heating system will be more energy efficient.
  - ◇ A heat pump would run off our electric. We should keep in mind negotiating on the electric bill as we would be taking on a significant new expense.

- **Annual Meeting Committee – Hannah and Zach**

- Record attendance.
- Auction items and raffle items were well received.
- We made \$700.00; not as much as we hoped or expected.
- We were a bit overbudget.
- Tote Bags were a Hit!!
- Irene will write up the minutes from the Annual Meeting
- The vendors were a hit and would like to invite them back next year.
- Ideas for next year:
  - ◇ Trash should be more visible
    - Better labeling of trash and compost
  - ◇ Roped off kid's play area
  - ◇ More vendor and raffle space
  - ◇ Music a little quieter
  - ◇ Potluck food went too quickly
  - ◇ Unknown what food would be replenished
    - Co-op may only ask for Deserts to be contributed by members next year
  - ◇ Members unclear that they needed to RSVP
  - ◇ Meeting part of the Annual Meeting was not very well defined. Possibly have a set agenda for next year.
  - ◇ Can we get absentee voting next year?

## 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.*

- **C5 – Directors’ Code of Conduct – Matthew Poli**
- **We each commit ourselves to ethical, businesslike and lawful conduct.**
  1. Every director is responsible at all times for acting in good faith, in a manner which she/he reasonably believes to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
  2. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative’s owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any director acting as an individual consumer or member.
- **Board of Directors Code of Ethics and Conduct:**

As a member of the Board of Directors of the Rutland Area Food Co-op, I agree to:

  1. Attend all regular and special Board meetings;
  2. Be prompt, attentive, and prepared for all Board and committee meetings;
  3. Devote the time needed to fulfill the responsibilities of the position;
  4. Contribute to and encourage open, respectful and thorough discussion by the Board;
  5. Be honest, helpful, diligent and respectful in my dealings with the Co-op, with other Directors, and with the Co-op’s Management, Staff, and Members;
  6. Disclose any personal, economic, domestic, or organizational conflict of interest that I may have and refrain from discussing or voting on any issues related to that conflict;
  7. Refrain from becoming financially involved or associated with any business or agency that has interests that are, or could be perceived to be, in conflict with the interests of the Co-op;
  8. Refrain from asking for special privileges as a Board member and from interfering with Management’s authority. Will not engage in operational activity of the Co-op without the expressed permission of the General Manager or the official approval of the Board of Directors;
  9. Treat the business of the Co-op and its members, and all related information and decisions, with appropriate discretion and confidentiality;
  10. Work for continued and increased effectiveness in the Co-op’s ability to serve its Member/Owners;
  11. Abide by decisions made by the majority of the Board, even if it is not my own personal opinion. Present the agreed-upon view of the Board of Directors rather than my own, if different, when I speak for the Co-op to employees, members, shoppers or the general public. I understand that in case of disagreement between me and the Board decision that I shall have the right to present further evidence and argument to the Board for further consideration in a manner consistent with the Board’s by-laws. Whereupon, the Board shall have the duty to reconsider its actions according to the by-laws.
  12. Work to ensure that the Co-op is controlled in a democratic fashion by its members and that all elections are open and fair, and encourage the participation of all members. Strive at all times to keep members informed of the Co-op’s status and plans and of the Board’s work, as appropriate;
  13. Continually seek to learn more about the Co-op and its operation and about my responsibilities as a Board member.

- **As a Co-op Director, I agree to abide by this Code of Conduct. I agree that if, in the opinion of the majority of Co-op Directors, I have violated the letter or spirit of this agreement, I shall resign my position on the Board immediately and shall not seek to cause continued disruption to the Co-op and the Co-op Board for that action.**
  1. Is this policy clear? (Yes/No/Comments)
    - Yes.
  2. How have been we IN compliance?
    - Most Directors come to every meeting on time, prepared and ready. In the last year, I have not witnessed any problems arising from conflicts of interest or unethical behavior by Directors, or any Directors seeking special treatment, or not abiding by Board decisions. The Board ensures that the Co-op is run democratically and the election held recently was open and fair. Directors with significant attendance problems resigned without incident.
  3. How have we been OUT of compliance?
    - Some Directors have occasionally been out of compliance with the code of conduct in the last year. Two Directors have had to resign after failing to regularly attend meetings, which I interpret as being out of compliance with items 1 through 3 of the Code of Conduct. Not all directors actively contributed to discussion by the Board as outlined in item 4. I don't believe that all Directors were compliant with "the letter" of item 13, in the sense that I don't think we all are continually seeking to learn more about the Co-op and our responsibilities as Board members.
  4. Overall, have we been in compliance?
    - Yes.
  5. Is this the policy we want? (Yes/No)
    - Yes.

Recommended changes: None.

- **A- Ends - Zach**
  - **Because of the Rutland Area Food Co-op, our community will have:**
    - **Affordable access to natural, whole, and minimally processed and packaged food items and other products that form the basis for healthy and ecological lifestyles.**
    - **A market for local, regional, and other cooperative producers of food and other household and personal products**
    - **A community building and educational center where owners and other patrons can work, shop, and learn together and empower each other.**
    - **Support for and cooperation with other individuals and organization whose purposes are similar to those of the Co-op.**

Please see the data under each section below;

- **Affordable access to natural, whole, and minimally processed and packaged food items and other products that form the basis for healthy and ecological lifestyles.**
  - We select a wide variety of monthly specials. These specials are clearly signed throughout the store, in the monthly sales flyer, in the monthly e-newsletter, and on our website.

- All active members get a 2% discount on all purchases except gift cards, clothing, and consignment.
  - Supplement discount day on Mondays, members receive 10% off supplements.
  - Senior discount day on Wednesdays, 10% off all purchases available to all patrons that are at least 62 years' old.
  - Staff receives a 20% discount. Not valid on alcohol, gift cards, clothing, or consignment.
  - Board members and volunteers receive a 10% discount. Not valid on alcohol, gift cards, clothing, or consignment.
  - The special order programs offer additional savings on bulk purchases and is available to all customers and staff.
  - We have focused on trying to carry the growing line of Field Day products and other products whose prices are more competitive and comparable to the income level of our community.
  - We make every attempt to get the best possible pricing on the items we carry. We share those discounts directly with our consumers.
  - We offer a diverse and expansive selection of carefully selected products for better living.
  - We are continuing our efforts to join NCG and take advantage of the group buying power
  - When considering new products, we always check to make sure the retail price would fit our consumer base.
- **A market for local, regional, and other cooperative producers of food and other household and personal products**
    - We offer a wide array of local products that stretch over 20 different departments
    - We focus on local producers first and foremost
    - When considering prospective suppliers, we follow proper Co-op buying guidelines
    - There are chances for consignment, gift, local art, and clothing
    - We are always happy to take and follow up with customer suggestions to expand our product selections
    - The Co-op looks for every opportunity to invite new suppliers or vendors to our store. Everyone is held to the same standard and given the same opportunities without discrimination
    - We invite our vendors to demonstrate their products and educate our community.
- **A community building and educational center where owners and other patrons can work, shop, and learn together and empower each other.**
    - Our building is open to all members of our community
    - We prioritize great customer service
    - We offer space for education, group meetings, and community projects
    - There is a volunteer system in place
    - We hosted a film event last year showing "Food for Change" and invited all community members to join us and learn.
    - We welcome and educate numerous school groups and cooking classes annually
    - With our continued growth and profitability, we hope to expand our educational offerings in the future.

- **Support for and cooperation with other individuals and organization whose purposes are similar to those of the Co-op.**
  - We support and/or participate in the following;
    - Vermont Retail Grocers Association
    - Cooperative Fund of New England
    - National Food Co-op Association
    - Cooperative Groceries Network
    - RAFFL
    - Downtown Rutland Partnership
    - The Rutland Herald
    - The Chaffee Art Museum
    - Vermont Farmers Market
    - The Community Cupboard
    - The Open Door Mission
    - Heritage Family Credit Union
    - All the Co-op's in the New England Region, and any that reach out to us nationally
    - S.E. Smith
    - Sun Common
    - CoMetrics
    - Rutland Welcomes
    - The Rutland Free Library
    - Rural Vermont
  
- It is this managers' conclusion that we are in-compliance.  
Signed: Zach Stevens, General Manager
- Overall Conclusion: In compliance.
  - Chris motions to approve. Irene seconds.

## **GM Report**

- **Last Month**
  - May overall was a good month.
  - Sales were up \$4,991.73 or 2.8%.
  - Profits were up although spending was slightly down.
- **This Month**
  - The cooler/freezer manager was let go recently, that position is once again available.
  - The Marketing position will also need to be filled as Steve Peters is moving onto to a new position.
    - Please share these openings with anyone you feel would be a good fit. The application is available on our website. They can also email Zach directly at [management@rutlandcoop.com](mailto:management@rutlandcoop.com).
    - Steve has left the staff fulltime, however he's going to assist with small marketing items until a new Marketing Manager is trained and running.
    - Steve has also offered to help vet candidates.

- New printer was ordered, includes set up. This cost us around \$1,000.00 and includes a 2 year service and protection plan.
  - We can now print larger signs and have reduced costs for replacement ink.
- Sales for June, as of yesterday June 21<sup>st</sup>, are down about 2k. We hope to make up some ground next week before the 4<sup>th</sup> of July weekend celebrations.
- **Future**
  - We will be closed for July 4<sup>th</sup>. Thankfully, it falls on a Tuesday, one of our slowest days.
  - Plant starters have come to an end and will be gone in the next few days.
  - We are still waiting to hear back from the CPA. They emailed a list of question that we have answered and are awaiting further inquiries. We expect to have things settled in about two weeks.
  - We now have fresh organic burger and hotdog buns, and we now have refrigerated hot dogs. These were much wanted items for our membership. So far, their performance has been excellent. We will continue to look for new fresh items to provide to our membership.
  - Inventory is coming up next Saturday July 1<sup>st</sup> at 7:30am. Board help will not be needed this quarter.
  - We will hold off on any painting or floor projects until more concrete renovation and expansion plans have been set.
  - Molly is going to be leaving the Co-op as her art is seeing tremendous success.
  - We have another HR event on July 19<sup>th</sup> in Springfield. Topics include new ideas for creative recruiting, and a conversation around “stay interviews”.
    - Participating Co-ops are NCG Co-ops.
- **Patronage Update**
  - Zach will send a patronage report to all Board Members to review prior to next meeting.

### **New Business**

- Would anyone like to run for a position on the Board?

*Should more then one person run for the same position, each individual running for that position will present a small speech that advocates why they would be successful in the position. Candidates will leave the room; remaining Board members will have a brief discussion followed by anonymous voting to be counted by an unbiased third part (Board Minute Taker). The individual with most votes will be awarded position.*

- Facilitator
  - ◇ Running: Hannah
    - Hannah won by 1 vote.
  - ◇ Running: Dave
- Treasure
  - ◇ Running: Chris
    - Unanimously accepted
- Second Facilitator
  - ◇ Running: Laura
    - Unanimously accepted

- Secretary
  - We will now need a new Board Secretary. Duties:
    - Being responsible for the Minutes (which is delegated to third party).
    - Creating, disbursing, recovering, and maintain board binders.
    - Working with Zach on a variety of projects.
    - Issuance of required notices.
  - Julian unanimously accepted
- Look over patronage packet Zach distributed to Board Members. To be discussed next meeting.
- Grant program through State called **Regional Economic Development Grant** that stimulates business growth.
  - Must have a dollar for dollar match and facilitate growth
  - Tyler to discuss further with Zach
  - Deadline is fast approaching

#### **Review of Meeting & Agenda Setting**

- A look at what was accomplished
- Who has responsibilities for next month
- A request for any new Agenda items

#### **Next Month**

- Lease Committee Meeting: July 12<sup>th</sup> at 6pm
- Finance Committee: July 20<sup>th</sup> at 6pm
- Board Meeting: July 27<sup>th</sup> at 6:30pm
- Strategic Planning Meeting: June 26<sup>th</sup> at 12:30-2:30pm
  - Patronage Packet - Zach
  - C6 –Officers– Seth

**Executive Session:** None

**Meeting closed:** 8:26 Pm Laura moves to adjourn. Dave Seconds.