



**Rutland Area Food Co-op Board Meeting
September 28, 2017**

Present:

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

Missing: Julian Fenn

Staff: Zach Stevens, Jamee Sherwin

Guests: Ben Leber, Kris Harmelink

Meeting brought to order: 6:33 Hannah motions to begin, Laura Seconds.

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

New Board Member Welcome: Kate and Steve

Committee Reports:

● **Finance Report – Chris L**

- ◇ Sales were up nearly \$5,000 (2.8%) in August.
- ◇ We did finish with a small loss of \$650, which is down from profit of \$3,200 last year.
- ◇ There was an extra week of Payroll in August, and Cost of Goods were up \$2,600. Those were main reasons for the loss.
- ◇ Lost & Waste were also up due to cooler breakdowns.
- ◇ The Co-op also needed to purchase a new laptop for the grocery manager and new desktop computer for accounting. The good news is the monitor for the old desktop will be moved to register 2 to replace a monitor that has broken down.
- ◇ We already have plate glass coverage on our insurance, so we will not need to add this.

● **Looking to the Future**

- ◇ Year to date sales were up 1.7% and we are showing a profit of \$48,000!
- ◇ \$33,000 in the savings account.
- ◇ CPA Bill came in for \$5,250 which is \$100 less than last year. We did not need to pull money out of the savings account to pay it. A true testament to Zach's superior management.
- ◇ Large meat and bread freezer went down, but we only lost \$300 in product. Zach was able to fix it himself. It was caused due to the cooler being overfilled and blocking airflow.
- ◇ September sales were up \$1,500 as of 9/20/17.
- ◇ Inventory on the 30th, so that will be an added expense.

- ◇ We have a new Marketing Manager, so we will see an increase in advertising expenses.
- ◇ We are considering expanding our Line of Credit with the Co-op Fund of New England. However, this would require a market study, which could cost \$15,000. REDC did a market study recently, and were willing to share data with us. We're hopeful that it will suffice for the information that the Co-op Fund of New England is looking for.
 - ◆ What is our current debt on the LOC from?
 - Past renovations and bills from when we were unable to pull funds from savings.
- ◇ There will be expenses from the board retreat.
- ◇ We will also see expenses from the warehouse cleanout.

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

- ◇ Lease was sent to AJ. He reported that he believes the relationship we have developed with Mark is extremely advantageous and believes we should move forward with the lease.
- ◇ Based on last minutes, if AJ approved the lease, Hannah would sign it and we would forward it. After signing and sending to Mark's office, his secretary reported that there were some issues. Mark responded to Zach's email inquiry to clarify that the cleaning lady will no longer be cleaning the upstairs bathroom and we would be responsible for 100% of the water as we are the only tenant currently. We are all set with the final signed lease.
- ◇ \$4250 is the final monthly figure.
- ◇ Now meeting once quarterly.

∞ **Patronage Committee Update - Laura**

- Hannah and Laura attended Springfield's Co-op Board meeting. They received a copy of the pamphlet Springfield used to educate their members about the patronage process.
 - Laura emailed Springfield Co-op and asked if we could design out informative pamphlet much like theirs.
 - Looking at a 6-month timeline. Will need to get organized very soon.
 - Question to the Board- Should we do the Patronage and Capital Campaign at the same time?
 - ◇ We think that both items feed off each other. As such, we should look to do combined events so to better reach all our members.
 - ◇ Should look into coordinating with the Capital Campaign regarding lawyer details.
 - Should we look into educating our membership on how very close we came to closing the doors and why moving to a patronage system will be an added protection to the Co-op and its members?
 - Laura will email everyone regarding next meeting date and time.
- **Capital Campaign Preparation – Hannah, Zach, Laura, and Molly**
- Charter was reviewed and approved by committee in last meeting. Steve moves to approve the charter, Molly seconds. Charter is approved.

- Roles were highly defined and the importance of keeping a strict hierarchy and division of roles stressed.
- Looking for Board Member to take-over chair of this committee as Julian, due to personal success, cannot afford the time required to fulfill chair duties. Committee meets monthly.

◆ **Strategic Planning – Hannah**

- ◇ Year starts April 1st. We are moving into our 3rd quarter.
- ◇ With regards to the Employee Handbook, Zach reached out to Keweenaw Co-op, who recently redid their handbook, and they are more than happy to share their handbook and experiences.



3rd Quarter, 2017

Company Wide Rocks & Accountability

Q3 Financial Goals

Gross Sales: \$582,000
 Net income: \$10,000 (or greater)
 GMP: 33-36%

Q2 KPIs (Key Performance Indicator)

1. Sales Growth (The target is 3% or greater)
2. Basket Total: \$35 (or greater)
3. Membership Growth: 100 new members

	WHAT	WHO	WHEN	STATUS	DATE COMPLETE
1.	NCG Application	Zach	12/15/2017		
2.	Handbook Delivery & Implementation 2018	Zach	12/1/2017		
3.	Capital Campaign	TBD	12/1/2017		
4.	Patronage	Board & Patronage Committee	11/15/2017		
5.	Warehouse is 100% clear of debris & ready for expansion	Zach & Board	12/1/2017		
##	Extras: 1. Board and Management attend at least 1 networking event on behalf of the Co-op	Board & Management	12/31/2017		

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.

- **B3 - Asset Protection – Zach**

GM PG Report B3—Asset Protection

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 receives 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 members or any members of the community may have.

Conclusion: In-Compliance

Laura moves to accept B3 as in Compliance, Dave Seconds. B3 is accepted as in compliance.

- **C8 – Governance Investment – Molly N/Matt P.**

We will invest in the Board's governance capacity.

1. We will make sure that Board skills, methods and supports 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 an audit of the Co-op's financial statements and a study of internal controls at least every three years, beginning fiscal year end March 31, 2011.
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1. Is this policy clear: (Yes/ No/Comments)
Yes.
2. How have we been IN compliance?
 - A. We provide all reference information necessary for new board members, and explain reference Information accordingly. We provide orientation materials in a timely manner. We utilize email, dropbox, and other communication methods to remain in ongoing contact with one another to provide support and answer questions. We are committed to recruiting board members who possess the necessary skill set for the Co-op board.
 - i. See section A above.
 - ii. Michael Healy from CDS consulting assists with this process.
 - iii. Owners are encouraged to come to meetings and share their views. We participate in community events to increase the Coop's presence in the community and allow for members to share their views.
 - iv. We are using professional support by employing a board recorder for our meetings.
 - B. We are not aware that the Board has a budget at this time.
 - C. We are in compliance. We have a CPA review our financial statements on an annual basis.
3. How have we been OUT of compliance?
 - A. Some discrepancies between Dropbox and training binder have been discovered. We are working to identify discrepancies and edit accordingly. Dropbox needs to be cleaned out/organized, which is a work in process.
 - B. We could do more to find out what owners' viewpoints and values are and make sure board members are fully in touch. This will become even more critical with movement to patronage system and capital campaign. A newsletter (we do an emailed newsletter fairly regularly) and/ or 'open house' are two ideas.
 - C. We do not have a dedicated budget for the Board. There is a line item for the Board within the finances that is associated for the Board. A defined budget needs to be completed which includes administrative support, resources, travel, possible legal fees, ect...
4. Overall, have we been in compliance?
Yes
5. Is this the policy we want? (Yes/No)
Yes
6. Recommended changes:
The Finance Committee will be creating a budget for the Board moving into the next year.

Submitted by:
Molly N./Matt P.

GM Report

- **Last Month**

- August as Chris mentioned was a good month for sales, up 2.8% however we posted a loss of **-\$656.85**, because of the extra week of payroll. We will see the payroll account balance out this month.

- **This Month**

- Sales as of yesterday are up around \$2,500 or 1.6% We are hoping to be able to maintain some type of increase, so please shop tomorrow or Saturday if you can.
- New heating and cooler unit has been installed and is operational.
- Had the tech come and check on the freezer issues.
- We had a contractor in 9/27/2017 to give us some preliminary numbers/quotes on expansion plans. More information to come.
- We took part in the City of Rutland employee wellness program, we had about ten guests who were not co-op members, Cost of event to us \$72.15.
- The board retreat was a great success. Costs \$150.00
 - Board had a lot of fun, good conversation, strong bonding.
 - Staff loved eating the pies! Every staff member liked a different pie!
 - Exploring the idea of doing an event with Board and Staff.
- Again, thank you Tyler for your help in securing the \$20,000 grant!!! The Grant was through the State of Vermont for development. We are responsible for matching it, which is why we are being extra careful to secure out savings account.

- **Future**

- October is Co-op month! We will have buttons and a few different items and promotion labeled in-store.
- Hannah and Zach will be doing a radio show on Thursday 10/12 to talk about Co-op month and the Co-op.
- We will be closing early Saturday 10/28 in honor of the parade.
- The back alley project is well underway and they have started to lay the pavers.
- Sharon and Zach will be attending a NFCA finance event in Hanover on the 27th regarding finances and Quick-tips.
- Staff and Zach are excited for the warehouse clean-out event. Dumpster from Casella being delivered 9/29/2017. Big thanks to James, previous board member, who helped coordinate the Casella dumpster WITH not-for-profit pricing!
 - Those attending cleanout, please wear protective clothing, hats, gloves, durable shoes.
 - Attending: Zach, Dave, Molly, Irene, Ben, Hannah, Matt P.

New Business

- **Dropbox PG Version Control**

- Matt P will look at past Member meetings to see if there were policy language items voted on. Dave believes the D2 change was voted on in the Member meeting of 2011.
- Changes made in Policy register were made prior to when we adopted it (with the exception of D2, which was voted on in the Member Meeting of 2011), as such, the

version in each Board Binder is the most current and accurate policy. Dropbox will need to be updated to reflect the Board Binder versions.

- Anyone who finds any variation between Dropbox and the Board Binder, please note it and bring it to the Board's attention for recording.
- Warehouse Cleanup Day for the Board: Sunday, October 1st from 12pm to 4pm
- Approval of Board Secretary duties
- Orientation date for new board members
 - See Hannah after meeting
- Update from Springfield, VT Board Meeting Field Trip
 - Springfield Co-op is sharing materials with us regarding their revamp and expansion. Please visit them if you are in that area.
 - Interestingly, they do not assign their policy register review to individual Board members. They read it at each meeting and all vote on a scale of 1-5, however we feel that our method promotes ownership and allows us to catch many more items which need further discussion and clarification.
 - Hannah invites anyone interested to join her as she continues to visit other Co-ops within about an hour's radius of Rutland.
- Chamber Annual Meeting: Thursday, October 19th from 5-7pm at the Paramount. Opportunity to network on behalf of the Co-op (\$20). REDC is having an annual meeting November 2nd.
- Co-op radio interview to promote Co-op radio interview to promote Co-op Month. WSYB with Kenn Hayes Thursday, October 12th from 9-10pm.
- Committee Box (now located next to the Board Box)
 - Committees are welcome to place materials in the box they wish to share with others.
- Cooperative Café runs Saturday November 4th from 8am to 4pm. \$60 per person. The Co-op will pay for Board Members looking to go.

Review of Meeting & Agenda Setting

- A look at what was accomplished
- Who has responsibilities for next month
 - Clerk look into creating an Action-Step task list to live in Dropbox which will be reviewed and updated regularly. Review Clerk's report at the upkeep of every BOD meeting.
 - Finance Committee to create Board Budget for next year
 - Look into creating an Outreach Committee, when the time is appropriate (both Patronage and Capital Campaign Committees will be doing significant outreach, education, and events until they have completed their objectives). Until then, look into creating a sub-committee composed of some members from each Patronage and Capital Campaign that focus on the Outreach aspect for each.
 - Anyone who finds any variation between Dropbox and the Board Binder, please bring it to the Matt P's attention for recording.
 - Create an 'Archives' fold to place all existing Dropbox policies in, for reference. Scan a current copy of the policy from the Board Binder into Dropbox to use moving forward.
 - Julian to add C3 – update language to reflect "facilitator"
- A request for any new Agenda items
 - Set Meeting Dates for November and December

Next Month

- Lease Committee Meeting: TBD
- Finance Committee Meeting: Thursday October 19th at 6pm
- Board Meeting: Thursday October 26th, 6:30 pm
- Warehouse Cleaning: October 1st at 12-4
- Capital Campaign Committee: Monday October 16th at 6 pm
- Patronage Committee Meeting: TBD

- B6 - Staff - Zach
- C–Unity and Control – Julian and Laura

Executive Session: No

Meeting closed: 8:42 Hannah motions to adjourn. Dave seconds.

