



**Rutland Area Food Co-op Board Meeting
March 22, 2018**

Present:

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

Missing:

Staff: Zach Stevens

Guests:

Note: Kate called into the meeting at 6:44pm and left at 7:20pm

Meeting brought to order: 6:32 p.m.

Minutes:

- Tabled until April

Professional Proposal

- Kate put together a summarized comparison of the proposals regarding law firms to handle the member loan campaign. A vote is now necessary to determine which firm to go with.
- Discussion ensued weighing the two options.
- Decided to do a nonbinding vote to see where we stand at the moment.
 - 4 board members voted in favor of Dorsey & Whitney LLP
 - 6 board members voted in favor of Moulton Law Group
- Questions were raised and some board members were on the fence, seeing the value of either option. The questions were:
 - Is the process different for a co-op compared to other loan campaigns?
 - Can we get some recommendations for Moulton?
- Hannah and Kate will get answers to the two questions and Laura will facilitate an email vote on the issue. Board members will need to vote via email by next Friday.

FINANCE COMMITTEE – Chris L.

- February sales were up \$770.60 or .5%
- The month ended with a profit of \$5,604.46 up from -\$305.79 last year
- Sales were slowed down due poor weather
- Co-op received a patronage check for \$393.67 from Frontier
- Didn't get a gas bill because MKF Properties does not have an assistant. Don't want to send our payment in until we get a bill to make sure it does not get lost.
- Dues & Subscriptions are up because of Quickbooks license
- Office supplies are down for the year because we have saved on ink cartridges with the new printer, and we can do more in house
- Payroll is down year to date because of gaps in having a marketing director as well as the lack of an assistant manager

- There was a bank service charge to have some loose coins rolled. It was just over \$4
- Despite the lack of a gas bill, we are still up on heating tear to date due to the new heating system
- Professional fees are up because of a payments to Bill Gessner and for the ProForma
- Employee Expenses are up from Julie's goodbye party
- Budget for the upcoming fiscal year shows a profit, and accounts for the taxes we will owe on this profit.

Looking to the future

- Spending for annual meeting is expected to be up 40%
- Inventory is coming up which will be an increased cost and probably cause a swing in profits
- Letter from the CPA should be arriving soon

PATRONAGE COMMITTEE – Steve Peters

- Review comments/questions we've received about the PR so far
 - Will we keep the other discounts?
 - Yes. Senior and HABA. As well as member sales and regular monthly sales.
 - This seems to cater to people who spend more.
 - Patronage refund is dependent on how much a member spends, yes. However, this is not any different than the current two percent discount. If someone spends \$1, they get a 2 cent discount. \$100 = \$2 discount.
 - Why not just increase our prices by 2%?
 - That wouldn't work the same way. Don't want to increase prices as that makes us less competitive and penalizes all shoppers.
 - Do you need to have a full (lifetime) membership to receive a refund?
 - Some co-ops have people contribute their refund towards the cost of their full membership before giving out a refund check.
 - When does the 2% discount go away if approved?
 - The next fiscal year, which begins April 2019.
- Review Zach's example
 - Zach previously shared an example that helped demonstrate how the discount would be calculated. This was helpful in understanding how it would function.
- Brainstorm of other ways for educating and informing members
 - Handouts in store
 - Social media posts
 - Poster
 - Maybe a pledge of support - come to the meeting and support PR. A sticker? Something you sign and is posted?
 - Steve will meet with the new marketing manager after he starts to create a plan
- Next Date for outreach: Wednesday 2/28 with Matt Poli.

To Do:

- Look up more examples from other co-ops. - Steve
- Create a FAQ sheet for website/our resource. - Steve
- Have other board members sign up for outreach dates at the board meeting. - All

Next Meeting: Monday, March 5th, 6pm

NOMINATION COMMITTEE – Hannah

- Hannah has reached out to several individuals about joining the board.
- All of our present board members who have their terms up are interested in re-running. We would one additional position open.

ANNUAL MEETING – Steve Peters

- Zach plans to contact Steve W regarding use of the lawn.
- Irene plans to see about the tent with Celebration Rentals.
- Steve contacted George Nostrand to see how much his band four person band would be for the evening. They would be \$400, which includes a \$100 discount. In comparison, Aaron Audet, who we went with the past couple of years, was \$200.
- Budget Update:
 - Total Budget: \$3,800
 - Food Budget: \$1,250
- To Do-
 - Molly will stop by Harvest Moon and get catering prices and info.
 - The Co-op kitchen will handle big salads in house. Desserts will be potluck.
 - Molly is going to ask Ace Hardware for a donation of paper goods and plants/flowers for table centerpieces. They're a co-op.
 - Steve is going to complete the donation request form with Heritage to help cover some of our expenses. They're also a co-op.
 - McKenna will share possible branded items and costs at next meeting.
 - A save the date is going on out in the next newsletter. When we have a few more details solidified, we'll send a separate email out to members.

MEMBERSHIP UPDATE –

- Laura and Chris have continued the search and organization of membership policies. Everything found is now located in one box, but much information and chunks of minutes are missing from some years. It's a puzzle at this point in piecing together information.
- We will find out what we are legally obligated to have.
- There were two shares that were purchased. We don't know what these entail.
- Will likely need to seek legal advice at some point and bring what we have found and discuss what we need to do going forward.

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.

B4 – Membership Rights and Responsibilities – Zach

The General Manager will not allow the members to be uninformed or misinformed of their rights and responsibilities.

The GM will not create or implement a member equity system without the following qualities.

- 1.) The required member equity, or fair share, is determined by the Board.
- 2.) Members are informed that equity investments are a risk. While they are generally refundable, the Board retains the right to withhold refunds when necessary to protect the Cooperative's financial viability.
- 3.) Equity will not be refunded if such a refund would lead to a net decrease in total member paid-in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.

Interpretation: Management will provide accessibility and transparency for its members regarding the policy and conditions of being a stock holder. The Board of Directors will determine the values of shares and Management will provide the information to the members.

Data:

Monthly Board meetings dates and times are posted on the front bulletin board and are on the website. We post the finalized approved minutes from the Board meetings on the website and are happy to provide to members in-house, if requested. We welcome all members to attend our meetings and stay informed of their rights and responsibilities.

The GM has not, or will not, implement or change the member equity system without board approval. If it is decided by the BOD that the system needs to change the GM will follow the guidelines outlined above. Membership equity will not be refunded to a member without board approval and it must be deemed that this will not put the co-op or any of the financial conditions into jeopardy.

Conclusion: In-compliance

Laura motioned to move in compliance. Dave seconded.

C1 – Governing Style – Irene

We will govern in a way that emphasizes empowerment and clear accountability.

In order to do this, we will:

- 1. Focus our vision outward and toward the future**
- 2. Observe the 10 Policy Governance principles:**
 1. Ownership
 2. Governance Position
 3. Board Holism
 4. Ends Policies
 5. Board Means Policies
 6. Executive Limitation Policies
 7. Policy Sizes
 8. Delegation to Management
 9. Any responsible interpretation
 - 10 Monitoring (copy attached)
- 3. Maintain group discipline, authority and responsibility**
- 4. Clearly distinguish Board and General Manager Tasks**
- 5. Encourage diverse viewpoints**

6. Obey all relevant laws and bylaw

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

Yes. This provides a broad definition of how the Board of Directors work cooperatively with the G.M. and staff. While utilizing the 10 Policy Governance Principles (attached)

2. How have we been IN of compliance?

This past year, the Board was able to work with the GM in making plans going forward without getting involved in the day to day activities. More attention is being paid to monitoring the GM using the 10 Governance principles, and timely reports. Board meetings have been disciplined, productive very well run. The Board has grown, with many new voices, ideas and opinions being heard and contributions to the overall health of the coop without interfering in GM tasks.

3. How have we been OUT of compliance?

We have not. Each individual board member makes their own contribution. Sometimes we get a bit giddy but honestly for the most part, we start and end on time and have very productive

4. Overall, have we been in compliance?

Yes

5. Is this the policy we want?

Yes

Recommended changes: There are no recommended changes at this time.

D – Global Board-Management – Matt P.

In order to govern successfully, we will:

1. Create and sustain a meaningful relationship with member-owners.
2. Hire, compensate, delegate responsibility to, and hold accountable a General Manager. (See D. Board GM Relationship Policies)
3. Have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of Ends, Executive Limitations, Board Process, and Board-Management Relationship, as described in the Policy Governance principles.
4. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
5. Rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship. Perpetuate the Board's leadership capacity using ongoing education, training and recruitment.

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

2. How have we been IN compliance?
We are compliant with items #2 through #5.
3. How have we been OUT of compliance?
I don't feel that we are doing item #1 at all, and we could be doing more with #6.
4. Overall, have we been in compliance?
Mostly, but item #1 is critical and the rest seem like words on paper to me without having a strong relationship with members.
5. Is this the policy we want? (Yes/No)
Yes, I believe it is. We have some work to do, but I don't think we should change this policy.

Recommended changes:

None to the policy, but the board needs to take some initiative to be more engaged with members and we should be doing more to develop current and prospective board members. We recently discussed and decided not to re-form the outreach committee. I was not considering this type of outreach during that conversation, but it's clear to me after reading this policy that there's a need for outreach to members. We also recently re-formed the nominating committee, which will be doing some of the work that I feel we are missing in item # 6. I feel we should reconsider the outreach committee.

- Matt feels that as a board we do not have a meaningful relationship with our members.
- Nominating committee does a good job at recruitment.
- Don't feel that we need to change the policy but that we could be doing a better job reaching out and communicating with members.
- We will discuss ideas next month on how we could do more member outreach.
- Matt's recommendation: reenact the outreach committee
- See report for details.

GM Report

- **Last Month**
 - Nothing additional to report.
- **This Month**
 - Freezer had to be defrosted first week of month then 4-5 days later had a part burn out. We lost some product.
 - Justin has been with us for around a month and has again started promoting the Co-op, items we carry, and demos on social media hopefully driving some excitement and sales
 - Hannah, Justin, and Zach went to NFCA event this last Saturday; it went well. They got to reconnect with Stone valley and NCG.
 - Glenn and his grocery manager Jen toured our co-op on Monday. Glenn looked over expansion plans and gave feedback. They then toured the store and gave us a list of things we could add or change while we wait for the renovation. We plan to start action on a few of them in April.
 - Assistant Manager interviews are in the process, however we are still accepting applications if anyone knows of a qualified candidate.
 - Sales for March are down 5,000 or 4%. Mostly Weather related.
- **Future**

- Zach is working on wage increases for the entire staff based on fiscal year performance will provide to finance team next month for approval and will roll-out 5/1, same as last year.
- Zach will be attending the quarterly HR event in Springfield at the end of the month. We will be closed Sunday April 1st for Easter.
- **Our large annual inventory is coming up Monday April 2nd at 6 am.** That being said we need a few **Board Volunteers for next Saturday night March 31st from 6pm-10pm** to help do counting and deep cleaning in Bulk, Herbs and Spices and Produce. Please let Zach know if you are available.
- Leah Fury, the new Betsy Black from CFNE, stopped this afternoon for a surprise visit while she was in town; we toured the store and offices and discussed the expansion plans.

NFCA Conference Report:

- Hannah, Zach and Justin went to the conference this past Saturday. It was a great event.
- Zach sat on one of the panels.
- There is a NFCA Co-op Café on Saturday 10/13/18 in Keene, NH. We would like to have a group of board and staff. Please save the date if you can.
- While there, we found out that we need better insurance coverage for board members.

New Business

- Matt raised the question on whether a board member could sell produce to the co-op. More details were needed and the answer will be followed up on.

Next Month

- Patronage Committee: Wednesday, April 4th at 6 pm
- Annual Meeting Committee: Wednesday, April 4th at 4:30 pm
- Finance Committee Meeting: Thursday, April 19th at 6 pm
- Board Meeting: Thursday April 26th at 6:30 pm
- B5 – Treatment of Consumers - Zach
- C3 –Agenda Planning – Tyler

Executive Session: Went into an executive session at 8:32pm

- Discussed Zach's evaluation. Note: GM Annual Evaluation is supposed to happen in February and we are behind.

Meeting closed: