



**Rutland Area Food Co-op Board Meeting
October 25, 2018**

Present:

Board: Steve Peters, Chris Ettori, Erin Anderson, Kate Thomas, Irene Gold, Chris Littler, Matt Poli, Tyler Richardson, Dave Tibbs

Missing: Hannah Abrams,

Staff: Zach Stevens, Jamee Sherwin

Guests:

Notes:

Meeting brought to order: 6:33 p.m. Steve Peters calls names to verify members are present.

Minutes:

Irene motions to approve September minutes. Kate Seconds. Approved unanimously.

FINANCE COMMITTEE –Chris L. & Matt P.

September Review

- Sales were up \$2,398 or 1.4%
- We had a profit of \$8,017, up almost \$9,000 from last year
- Cost of goods were down for the month as staff continues to monitor spending
- We are back up to over \$100,000 in our bank accounts, with \$70,000 in savings

Q2

- Sales for Q2 up \$561 (.1%) from last year
- Profit of \$10,811 for the quarter, down from \$28,573 last year
- Expenses were way up in payroll, taxes, and professional fees from last year. These were all expected based on being fully staffed, the expansion, and being profitable
- Janitorial expenses up due to towels, mats, and aprons

Year to Date

- Sales are down \$14,262 (1.3%,) but \$12,000 of that was in April
- Profit of \$20,299, down from \$46,620 at this time last year. Taxes, Payroll, Professional fees, and rent account for the loss
- Payroll is up from last year but coming in under the budgeted amount for this year.
- Membership will be moving from the P & L to the balance sheet at the end of the year. This will create a large loss that is correcting 20+ years of that info appearing in the wrong place.

Looking Forward

- Inventory adjustment is going to create a \$5,000 loss in profits for the Co-op
- Inventory adjustments used to create swing of \$20,000, so \$5,000 is very manageable
- Nicole switched her visit to November. That will create added expenses
- Lease committee is going to work on drafting a letter to Mark asking for our fuel bill reconciliation, which is overdue
- \$300 cost for the Co-op café
- Zach is going to ask CPA if tax pre-payments should be on the balance sheet under “Pre-Paid Income Tax” instead of on the P&L. Chris prefers to keep them on the P&L if that is an option since it would create less of a swing in profits at the end of the year.

OWNERSHIP COMMITTEE – Kate

- Special thanks to Melissa for all the work she’s done in setting up the systems we need to keep track ownership records.
- Ownership Committee started doing data entry this month with 4 board members plus Monica, the co-op’s bookkeeper, have been trained on how to enter.
- Currently scheduling data entry on Tuesdays from 5:30 to 8:30 until finished. If you have time to help, please do so. Melissa will be onsite to train anyone who volunteers their time.
- Kate will send draft policy regarding ownership to board after today’s meeting.
- Kate will also work on an executive summary on what will be the biggest changes to the current policy.

LEASE COMMITTEE – Dave

- Recently organized a letter which is available in the drop-box under the lease committee folder.
- The letter addressed items that are the responsibility of the landlord such as improvements to the kitchen, fixes to the parking area, and missing utility bills. There were also some issues such as lack of heat for several days in the beginning of October.
- There are additional notes available in the lease committee folder on the drop-box.

STRATEGIC PLANNING COMMITTEE – Zach



**2nd Quarter, Fiscal year 2018-2019
Company Wide Rocks & Accountability**

Q2 Financial Goals

Gross Sales: \$546,000 /**\$531,896**
 Net income: \$10,000 /**\$10,800**
 GMP: 33-36% /**40.25%**

Q2 KPIs (Key Performance Indicator)

1. Sales Growth: 2% /**0.1%**
 2. Basket Total: \$30 (or greater) / **\$27.36**
 3. Membership Growth: 91 new members / **81**

	WHAT	WHO	WHEN	STATUS	DATE COMPLETE
1.	We have successfully found and hired our new Kitchen Manager and Bookkeeper and they are well suited to all the Co-op needs & does and are functioning happily in their roles.	Zach	7/20/18 7/31/18	Yes	September 8
2.	The membership committee has officially formed and has created a charter and timelines for completion of membership policy and has put all	Kate Thomas	9/15/18	About 1/3 complete	N/A

	of the membership records thru the policy.				
3.	Member loan program has been reviewed by legal counsel and the SCC. The team has been trained and fundraising is ready to begin	Hannah	9/1/18	No, due to lack of forward movement on design plans	N/A
4.	A facilities and expansion update meeting has been held with Mark Foley	Hannah	8/15/18	Yes	August 8
5.	Painting of the retail space is complete	Zach	9/1/18	¾ completed	9/20/18
##	Extras: Co-op handbook complete	Zach	9/30/18	No	n/a
##	Extras: All parking lot signage is complete	Melissa	9/30/18	No	n/a



**3rd Quarter, Fiscal year 2018-2019
Company Wide Rocks & Accountability**

Q3 Financial Goals

Gross Sales: \$560,000
Net income: \$10,000
GMP: 33-36%

Q3 KPIs (Key Performance Indicator)

1. Sales Growth: 2%
2. Basket Total: \$30 (or greater)
3. Membership Growth: 86 new members

	WHAT	WHO	WHEN	STATUS	DATE COMPLETE
1.	Co-op handbook is complete, has been reviewed by our legal counsel, Heather Wright, and ready for implementation	Zach & Melissa	12/31/2018		
2.	The ownership committee has completed ownership policy and has put all the ownership records thru that policy, and determined next steps necessary and appropriate	Kate Thomas	12/15/18		
3.	Nicole Klimek from Seven Roots has completed her site visit to our coop and has delivered plans for our expansion	Hannah	11/30/18		

4.	Painting of the retail space is 100% complete	Zach	11/1/18		
5.	Parking lot signage is installed and 100% complete	Zach	11/15/18		
##	Extras: NCG Application if they are taking on new coops	Zach	12/31/18		
##	Extras: Membership Loan Campaign is reignited after successful agreement between coop and landlord on the expansion plan and layout	Hannah	12/31/18		

PG REPORTS

D1 –Unity of Control– Chris E

Policy Name & Number: D.1 – Unity of Control
Policy Type: Board-Management Relationship
Last Revisited: October 2017

Director: Christopher Etori
Submitted On: October 25, 2018

Only officially passed motions of the Board are binding on the GM.

1. Decisions or instructions of individual directors, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.
2. In the case of directors or committees requesting information or assistance without Board authorization, the GM can refuse any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.

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1. Is this policy clear: (Yes/ No/Comments)
Yes
 2. How have we been IN compliance?
Official requests of the GM have occurred through Board action at Board meetings.
 3. How have we been OUT of compliance?
I am not aware of any requests made by board members that would make us out of compliance with this policy.
 4. Overall, have we been in compliance?
Yes
 5. Is this the policy we want?
Yes as it provides clarity of direction for the GM.

Recommended changes:
None

Submitted by:

Christopher Etori

B6 – Staff –Zach

The General Manager will not treat staff in a way that is unfair, unsafe, or unclear.

The GM will not:

1. Operate without written policies that:
 - A. Clarify rules for staff
 - B. Provide for fair and thorough handling of grievances
 - C. Are accessible to all employees
 - D. Inform staff that employment is neither permanent nor guaranteed.
2. Cause or allow personnel policies to be inconsistently applied.
3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
4. Establish compensation and benefits that are internally or externally inequitable.
5. Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

Data:

1. We are again working to update and roll-out a new handbook planned for January 2019. In our current handbook most of the policies are clear but some are outdated or missing, Example: (A Social Media Policy).

The grievance polices are listed in the old handbook and the procedures are both fair and thorough. We will make sure to have the proper resolution/grievance policies applicable and/or required by law in the updated version.

All staff members are given a copy of the handbook when hired. A copy of the handbook is available in the staff office and additional copies are made available if requested. Staff have been made aware the policy book is outdated and is being worked on.

Our current and revised handbooks have or will have a written disclaimer about employment and that the handbook nor the policies in any way form a contract or guarantee of employment.

2. All personnel policies are consistently applied to each employee without discrimination or favoritism.
3. Personnel records are kept in file cabinets in a locked office. The keys to that office are only available to the GM, AM, and Bookkeeper. All personnel related issues and decisions are documented and stored in secure places.

4. All compensation and benefits both internally and externally are equitable and available to all employees that fit the criteria. With the success of the business last year we were able to provide an annual wage increase of 4.5% across the entire staff.

5. The GM has not and will not change his own compensation or benefits. The GM's benefits are consistent with that offered to all other employees.

Additional Information-

The GM has an open-door policy and will meet with any staff member, at any time, for any reason. I make every attempt to share information and communicate changes in a timely manner. The GM will make sure to maintain a safe working environment, will be clear when addressing staff, and will always strive to be fair-minded.

Conclusion-

We are out of compliance based on the outdated and missing policies

Plan and timeline-

We are again working on the handbook. We have reviewed similar handbooks and have made notes and started the merging and writing of new policies. Our goal is to finish the changes and have the new handbook ready for review by our attorney in December and ready for a complete roll-out in January 2019.

Accepted with acknowledgement of noncompliance.

GM Report

October Update

- We attended the Co-op Café on 10/13. It was nice to see members from our fellow Co-op's
- Spoke to NCG at the event, they advised not sure about new applicants. Got a call from NFCA that there may be a chance that NCG will be lifting the moratorium. I have reached out to both Terry Bowling (Development Director – Eastern Corridor) and David Fowle (Eastern Corridor Advisor) to alert them of our interest! They advised they will reach out to me as soon as the BOD for NCG makes a decision.
- We have started taking turkeys pre-orders for Thanksgiving. Same farms as previous years and same price per pound. Stonewood or Misty Knoll, both priced at \$3.99/LB.
- Based on Annie Harlow's feedback from Vermont Farm to Plate, we have reset the produce department and are working on more creative displays and end-caps.
- Sales for October as of Tuesday 10/23 are up \$4,000 or 3%, compared to last year, however spending is also up just about as much.
- Mark emailed today that the city is requiring the water main be turned off for the project. It will now require us to be closed for a day, they are trying to schedule it with the city for Monday 11/5, I have alerted the lease committee. I am frustrated that is the one-day Nicole is here but understand the changes. Zach is going to investigate our insurance to see if sale profits would be covered for that missing operational day.

November and upcoming

- Reminder we will be closing early this Saturday 10/27 at 5pm for the Halloween parade.
- Reminder Nicole Klimek, design specialist, will be joining us in store November 5th.
- We are starting to plan and gear up for the holidays, we have ordered lunar calendars, African baskets, we' Moon products and we have brought in a new gift line of candles from Sunbeam Candles, please look next time you are in store.
- We will again be closed Thanksgiving and Black Friday.
- We have again placed a large wine pre-order for Thanksgiving, we should see that stock arrive 7 to 10 days before the holiday.
- We will again take part in Small Business Saturday 11/24/18!

Unfinished Business

- Lawyer update with Kate
 - Hannah needs to sign for the co-op.
 - Kate asked her to provide some clarification information regarding client and attorney privileges and how we should include items in the notes.
- Steve to look into adding patronage bylaw changes to the website. Kate offered to help.

New Business

- Chris L. noted that it might be a good idea to empower Zach to highlight items in his GM Policies that may need to be updated.
 - Matt P. asked, if Zach recommends changes, what would be our next steps? Would we vote to approve the change?
 - Steve notes that its important that we make these policies work for our co-op, and that we are continually growing and evolving, our polices should as well.

Announcements

Review of Board Calendar

- September
 - Holiday Board Meetings
 - November 29th at 6:30 pm
 - December 20th at 6:30 pm
 - Hannah proposes that missed November and December meetings would not count as an absence.

Tabled Items

- BOD & Staff Event – December

Next Month

- Ownership Committee Meeting: Tuesdays 5:30-8:30pm
- Finance Committee Meeting: Wednesday, November 14th at 6 pm
- Board Meeting: Thursday November 29th at 6:30 pm
 - D2– GM Accountability – Matt P.
 - B4 – Ownership – Kate (to review)

- B1 – Financial Conditions and Actives – Zach

Meeting closed:

Executive Session: Move to Executive Session at 7:31pm. Kate moves to move to executive session. Dave seconds. Unanimously approved. Topic: Personnel.