



Rutland Area Food Co-op Board Meeting January 24, 2019

Present:

Board: Chris Littler, Matt Poli, Hannah Abrams, Kate Thomas, Dave Tibbs, Chris Ettori, Steve Peters, Jess Novak

Missing: Jamee Sherwin, Erin Anderson, Tyler Richardson, Irene Gold

Staff: Zach Stevens

Guests:

Notes:

Meeting brought to order: 6:30 p.m. Hannah calls names to verify members are present.

Minutes:

One change needed to the December minutes. Molly Nitka was present at the meeting yet was marked as absent. Chris Ettori motions to approve December minutes with the correction. Chris Littler seconds. Approved unanimously.

FINANCE COMMITTEE –Chris L.

December Review

- Sales for December were \$206,908.20, up \$23,290.69 (12.7%) from last year
- We also had a profit of \$24,132.43, up \$8,956 from last year
- Last December was very slow with some bad storms and delivery issues with UNFI.
- Cost of goods was up, but the rise in sales outpaced the rise in goods.
- Foley Services got their bills out late, so Customer Service and Store Supplies were down
- Fabians bill for plowing just came in.

Year to Date

- Sales are up \$17,000!
- Profits are down \$24,970, but are \$10,000 higher than they were a month ago.
- We were expecting lower profits this year, but they are still coming in way over our budget.
- We have \$130,900 in our bank accounts!
- The Savings account is at \$73,000, the highest it's ever been
- Our loan is down to \$41,000

Looking Forward

- Sales are up \$500 as of the meeting
- Still waiting for utility reconciliation
- Closed for electric work on 1/14, then for a few hours later in the week due to unexpected issues from the electric work
 - The power outage that closed us later in the week damaged lots of store equipment.
- Inventory adjustment is going to lower profits \$5,000
- Got our bill from Jeff
- Ordered new set of Co-op totes to sell. An expense this month, but we should recover
- Expecting a bill from our attorney for some work
- Had to order some parts for the sanitizer. About \$80

- Budget forecasting predicts a profit of \$39,000
- Most of our budgeted expenses are coming in under except for taxes. It's a new expense for us, so we did not know how to forecast it

OWNERSHIP COMMITTEE – Kate

- Next Membership Data Crunch Night is Wednesday, January 30th 4:30-7:30

LEASE COMMITTEE – Dave

- No report.

POLICY B8

- Kate Thomas, Chris Littler and Matt Poli provided suggested changes to policy B8 (see appendix), which was reviewed at the December meeting. Hannah made a motion to approve the changes. Chris Etori seconded. Motion passed with one no vote.
- Steve reminded the board that items tasked to the board clerk should be the responsibility of the entire board to keep on top of, even if the clerk is the one that carries out the specific task. For example, bylaw changes, liquor control needs, etc., should be worked into the board calendar so that we don't forget, or anyone gets blamed for something being missed.
- Hard copies will go into folders for absent board members.

STRATEGIC PLANNING COMMITTEE – Zach



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

RESULTS

Q3 Financial Goals

Gross Sales: \$560,000 **\$581,926.33**
 Net income: \$10,000 **\$14,141**
 GMP: 33-36% **36.21%**

Q3 KPIs (Key Performance Indicator)

1. Sales Growth: 2% **5%**
2. Basket Total: \$30 (or greater) **\$29.67**
3. Membership Growth: 86 new members **93**

	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	No lots of great headway, but not fully finished	
2.	The ownership committee has completed ownership policy and has put all the ownership records thru that policy, and determined next steps necessary and	Kate Thomas	12/15/18	No lots of great headway.	

	appropriate			The policy was approved	
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	Yes	
4.	Painting of the retail space is 100% complete	Zach	11/1/18	No...almost!	
5.	Parking lot signage is installed and 100% complete	Zach	11/15/18	Yes	
##	Extras: NCG Application if they are taking on new coops	Zach	12/31/18	They are not taking applications as of yet	
##	Extras: Membership Loan Campaign is reignited after successful agreement between coop and landlord on the expansion plan and layout	Hannah	12/31/18	No	



**4th Quarter, Fiscal year 2018-2019
Company Wide Rocks & Accountability**

Q3 Financial Goals

Gross Sales: \$531,000
Net income: \$7,000
GMP: 33-36%

Q3 KPIs (Key Performance Indicator)

1. Sales Growth: 2%
2. Basket Total: \$30 (or greater)
3. Membership Growth: 88 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 – for real!	Zach & Melissa	3/1/19		
2.	The ownership committee has put all the membership records thru the policy and we have our finalized numbers for the CPA	Melissa and kate	2/28/19		
3.	The Coop has interviewed and selected an ideal Grocery Manager who has been trained and is	Zach	2/14/19		

	functioning happily in their new role				
4.	The Annual Meeting Committee has planned and prepped for an exciting event that invigorates our owner and grows attendance and participation	Steve	3/31/19		
5.	Newest version of pro-forma with Bill Gessner ready to present	Hannah	2/15/19		
##	Extras: Final and complete painting of the retail store is complete	Zach	1/15/2019		

PG REPORTS

C –Global Governance Commitment– Matthew Poli

Policy Name & Number: C - Global Governance Commitment
 Policy Type: Board Process
 Last Revisited: November 2010

Director: Matthew Poli
 Submitted On: January 20, 2019

Acting on behalf of our owners, the Board ensures that our cooperative produces benefit and value, while avoiding unacceptable actions and situations.

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1. Is this policy clear: (Yes/ No/Comments)
Yes
 2. How have we been IN compliance?
We generally comply with what this policy says.
 3. How have we been OUT of compliance?
We occasionally fall out of compliance with specific requirements of some policies.
 4. Overall, have we been in compliance?
Yes
 5. Is this the policy we want?
Yes

Recommended changes:
None

Submitted by:

Matthew Poli

D –Global Board Management Connection– Christopher Littler

Policy Name & Number: D - Global Board-Management Connection
Policy Type: Board-Management Relationship
Last Revised: January 21, 2018 – Matthew Poli

Director: Christopher Littler
Submitted On: January 23, 2018

The Board's sole official connection to the operations of the cooperative will be through the General Manager.

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

Yes

2. How have we been IN compliance?

The board has not been made aware of any instances of a board member telling staff members what to do.

3. How have we been OUT of compliance?

We have not been out of compliance

4. Overall, have we been in compliance?

Yes

5. Is this the policy we want?

Yes

Recommended changes:

None

Submitted by:

Christopher Littler

Policy Governance Report B-Global Constraint

Prepared by: Zach Stevens, General Manager, January 2019

The General Manager shall not cause or allow any practice, activity, decision, or organizational circumstances that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

Cooperative Principles:

1. **Voluntary and Open Membership**

Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

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.

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.

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.

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 the benefits of cooperatives.

6. Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for the Community

While focusing on member needs, cooperative work the sustainable development of communities through policies and programs accepted by the members.

Data:

1. Everyone is welcome at the Co-Op! We do not discriminate for any reason!
2. We are a democratically run business controlled by our members. The members vote to elect the board of directors whom govern and oversee the work of the GM and of the Co-op. Changes to the by-laws, or policies that require it, are presented to the members to be voted on annually. Member feedback helps us make informed decisions. All members are welcome to attend monthly board meetings to stay-up-to-date and to help drive business decisions.
3. We make every attempt to share with our members the status of the business. We welcome any inquiries and make sure to follow-up in a timely manner. When capital is received or available the members will be consulted and updated on the uses and plans.
4. 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. When possible, we provide education opportunities for staff, members, the board of directors, and for the community. This past year we have hosted instore and offsite events that help to raise awareness about the cooperative mission, our products, and local vendors. We look forward to expanding these offerings in the future.

6. We strive to maintain relationships and open lines of communication between us and all Co-op's both locally and nationally. We currently are part of NOFA, NFCA, Rural Vermont, CoMetrics, Heritage Family Credit Union, CFNE, VRGA, and a few others. The management team attends quarterly tri-state human resource meetings in Springfield to stay up-to-date and share resources. We attend and 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. The Co-op makes every attempt to help support the community in which we live. We try to focus on what our members need and want (local, healthy, and affordable foods and goods). We continue to work with the community cupboard and BROCC to help make healthy food more available to everyone in our area. We launched a "fill our cornucopia" event and collected food during the holidays. We strive to make the Co-op a friendly, comfortable, welcoming community space for all patrons.

Conclusion: In-Compliance

GM Report

January Update

- Beat sales by \$23,000 in December.
 - On 1/14 the power was off and the Co-op was closed. Tuesday there were more power issues as a result. Power went out again on Wednesday – overloaded breakers. Had to shut Co-op down, several pieces of equipment were blown out. Ice maker, scale, and back door not working.
 - Water leaked into Roots on Wednesday due to negligence by Co-op staff.
 - Water leaked again after that, but not our fault that time.
 - Staff dinner is next Tuesday. Co-op will close an hour early to accommodate everyone.
 - Coop was closed last Sunday due to bad weather.
 - We're still beating sales as of \$200 as of Tuesday.
 - We will have a middle of February event for Caitlin M for her 18 years of service to the Co-op. Hannah will initiate an email to board about a board gift and card.
 - Feb is our slowest month of the year. Please shop as much as you can.
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Unfinished Business

- Board members need to fill out the liquor control sheet with your info. If not at the meeting, please talk with Erin. The sheet is currently locked in Zach's office.

New Business

- We have two open positions on the board. Jess Novak was unanimously approved to the board.
- June 5th is our annual meeting date. 5:30 – 7:30. Kate, Jess, Steve, Zach, Erin, Melissa and Justin will be on the committee. Steve will be the chair of the committee/event.
- Nominating committee needs to discuss recruiting board positions. There will be two open positions. Hannah will put together the roster of board member's terms for our next meeting.
- GM's review will happen in February.
- Steve, Hannah, and Erin plan to meet to review files in Dropbox to organize and update, as there is some confusion.
- Chris E will have to miss the next several meetings because he is teaching a class. The board can discuss what to do at the next meeting regarding his status on the board.
- Kate volunteered to provide Jess' orientation to the board before the February board meeting.

Next Month

- Finance Committee Meeting: Wednesday, Feb 20th at 6 pm
- Board Meeting: Thursday February 28th at 6:30 pm
- Membership Nights: To be announced for February.
- C1 – Dave
- B1 & B9 – Zach

Meeting closed: Kate made a motion to end the meeting. Matt P seconded. Meeting closed at 7:40 pm and went into executive session.

APPENDIX

To: RAFC Board of Directors
From: B8 Policy Committee (Ad Hoc)
Matthew Poli, Christopher Littler, Kate Thomas
Date: January 8, 2019
Re: Report re: Recommended Changes to Policy B8

As you know, in our last board meeting there was some discussion regarding Policy B8, Paragraph 3, which currently reads in relevant part:

“[The GM shall not...] 3. Allow Board Members to be without an updated copy of the Policy Register and the Bylaws.”

Discussion centered around the fact that although the owners voted to change the Bylaws at last June’s annual meeting, neither the version of the bylaws in our board folder nor the version on the website had been updated. Some of the board members serving on the Ownership Committee noted this lack of update but were unsure of whose responsibility it was to effectuate the updates. When we reviewed Policy B8, many of those in attendance noted that it appeared from the plain language of the policy that the responsibility to update the bylaws rests with the GM. However, that has not been the practice of the Co-op.

Several board members advocated that the policy language should match our practice, and, in the context of changing the policy, that it was important to think about who should be responsible for making these updates. The Ad Hoc Committee notes that the Bylaws in particular are our Coop’s governing documents and if they are not up-to-date in our records, we effectively thwart the will of the owners who voted to change them.

The Board voted to table discussion and allowed those who were interested to form an ad hoc committee to discuss the issues raised and deliver recommendations for changes to the policies, if any, prior to the next Board meeting.

Christopher Littler, Matthew Poli and Kate Thomas met by exchanging emails regarding the issues from December 21, 2018-January 8, 2019.

All three agree that:

1. The GM should not be responsible for updating the Policy Register and Bylaws because he reports directly to the governing body, and therefore should not be responsible for edits to governing documents.
2. Policy B8 currently directs the GM to ensure that these documents are updated.
3. Policy B8 should be changed to remove this responsibility from the GM role.
4. The Coop Board of Directors, as the governing body entrusted by the owners to act on the Coop’s behalf, should be responsible for updating the Policy Register and Bylaws.

5. The Board Clerk is the appropriate person to update the Policy Register and Bylaws because the Clerk is by definition a board member and therefore part of the governing body.
6. Policy C6, Paragraph 6, already directs the Clerk to “make sure the Board’s documents are accurate, up to date, and appropriately maintained.”
7. Policy C6 should be adjusted to affirmatively direct the Clerk to maintain and/or update specific essential documents.

Based on the foregoing, we recommend the Board:

- A. Strike the current language of **Policy B8, Paragraph 6** quoted above.
- B. Add the following underlined, italicized language to **Policy C6, Paragraph 3** so that it reads: “The Clerk will make sure the Co-op’s Bylaws and the Board’s documents, *including but not limited to the Policy Register, meeting minutes, committee reports, and correspondence* are accurate, up to date, and appropriately maintained.”

We hereby request to be added to the agenda under “committee reports” next board meeting so that we can present this report to the full Board and the Board has an opportunity for discussion and action.

Respectfully submitted,

Matthew Poli
Christopher Littler
Kate Thomas