



**Rutland Area Food Co-op Board Meeting  
March 28, 2019**

**Present:**

Board: Chris Littler, Hannah Abrams, Jess Novak, Erin Anderson, Tyler Richardson, Irene Gold, Matt Poli, Dave Tibbs,

Missing: Steve P, Chris E, Kate T.,

Staff: Zach Stevens, Jamee Sherwin, Justin Jankus

Guests: Julie Zaloudek

**Notes:**

Meeting brought to order: 6:35 p.m. Hannah calls names to verify members are present.

**Minutes:** Minor changes submitted for February minutes. Irene motions to approve February minutes with the correction. Chris Littler seconds. Approved unanimously.

**FINANCE COMMITTEE –Chris L.**

**February Review**

- Sales up \$6,437 or 4% from last year
- Cost of Goods was up \$6,497
- \$932 increase in Loss & Waste. A lot of this was due to taking some expired HABA items off the shelf
- Dues & Subscriptions are down because NFCA fell in a different month this year. Also, Quickbooks renewal was moved to “Payroll Service Expense”
- Profited \$7,800, up \$2,000 or 38% from last year

**Year to Date**

- Sales are up \$26,000 or 1.3%
- Cost of Goods are up \$21,626.28 or 1.8%
- Profit of \$46,000. Down \$29,000 from last year
- Savings Account has \$86,000!

**Looking Forward**

- Sales are up \$2,000 this month
- Still waiting for utility bill from Mark Foley
- Will be receiving a bill for Turner Piping for freezer fix
- Expecting some bills from the lawyer
- Taxes for the year have already been paid!
- Received a \$400 patronage check from Frontier. Patronage works!
- We are expecting an increase in spending for the GM search
- Still expecting some plowing bills from Fabians

**OWNERSHIP COMMITTEE – Kate**

- Kate is absent as such must move this topic to next month.

**HIRING COMMITTEE – Matt P.**

- Zach has given his notice as GM, as such, the board has begin to search for his replacement keeping in mind realistic goals, timelines, expectations, etc.
- The committee has found an old charter with a job description from several searches ago.
- Zach has reviewed the job description and noted suggested changes.
- Given ads, reviewing applications, and interviews, we are hoping to have someone in place in July.
- The ad was distributed to the board, it's requested that the board please review and provide input by Wednesday April 3<sup>rd</sup> so that the board can move quickly with this item.
- The committee consists of Jess, Matt P, Steve P, Chris E, and Hannah.
- Hannah contacted CDS Consulting, an organization that provides interim GMs and hiring assistance. Costs for services range around 750 to 2000 (\$150 an hour, minimum of 5 hours). There is also an onsite option that ranges from 1200 to 1600 and would include ground level research to help find a new GM that fits the coop. The interim GM service would include onsite, and/or remote, roughly 3000 a week cost. The coop would be responsible for providing housing and travel expenses.
  - A few board members expressed general sticker shock and felt that the board has the skill necessary to conduct the search and hiring required.
- Next meeting is TBD

## PG REPORTS

### C1 –Governing Style– Dave Tibbs

**Policy Name & Number: C1 – Governing Style**

Policy Type: Board Process  
 Last Revisited: February 15, 2017 - Chris Littler  
 Director: David Tibbs  
 Submitted on: March 28<sup>th</sup>, 2019

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

- 1. We must stay focused on the future, while swiftly dealing with adversity in our midst.....**
- 2. Observe the 10 Policy Governance principles:**  
 Ownership, Governance Position, Board Holism, Ends Policies, Board Means Policies, Executive Limitation Policies, Policy Sizes, Delegation to Management, Any responsible interpretation, Monitoring (copy attached).
- 3. Be responsible, while allowing for ideas and policies to be implemented on behalf of the group.....**
- 4. Clearly distinguish Board and General Manager Tasks**
- 5. Listen to all sides involved**
- 6. Use bylaws to guide us through Co-op business**
  1. Is this policy clear? (Yes/No/Comments)

**Yes.** This provides guidance on how the Board of Directors should work cooperatively with the General Manager.

**2.** How have we been **IN** of compliance?  
Regular timely updates, a budget, and other

**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: None

#### **C1 –The Board’s Job – Irene Gold**

**Policy Name & Number:** C2 - The Board’s Job

**Policy Type:** Board Process

**Last Revisited:** 3/21/17

**Director:** Irene Gold

**Submitted On:** 3/24/19

**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.**
  - 6. 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?

No, we are not compliance with #1 and #6

3. How have we been OUT of compliance?

Item #1: There is no clear “process” for developing “meaningful” relationships between the Board and member-owners. Some Board members attend special events and get to mingle, and we mingle in the store. During the Patronage introduction, we had an information table that was really a nice way to reach out to people. The definition needs to be more specific.

Suggestions: Change the wording to reflect how this is to be accomplished e.g. Create and sustain **meaningful relationships with member-owners by participating in more member events, and having a greater presence representing the board.**

Item #6: The Board has a yearly team building exercise; the Board has opportunities to attend other Coop events and educational seminars, but more active attendance by the Board needs to be encouraged. We’ve talked about an Annual Board Retreat, but that has not happened in years. A great deal of recruitment efforts have been made by some Board Members, and as a result the current board is well represented, and committed. I think that more efforts could be made to keep growing the Board and encouraging more member owners to attend board meetings.

4. Overall, have we been in compliance? Yes

5. Is this the policy we want?

Yes, with changes suggested below. These suggestions have been made before but not acted upon.

Recommended changes:

Change wording of Item #1: Create and sustain **meaningful relationships with member-owners by participating in more member events, and having a greater presence representing the board through\_\_\_\_\_???**

Resurrect the Outreach/Education Committee and start going back into the community and schools. If manpower is an issue, we can solve it without imposing on staff. Ask Member-Owners’ to participate. This committee is vital to the growth of our Coop.

Submitted by:  
Irene Gold

- Its suggested that we discuss an outreach committee in about six months, once the database and ownership files are properly recorded and the new GM is fully trained and fully functioning.
- Irene offered to chair the committee once it is organized.

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### **GM PG Reports B4- Membership (Ownership) Rights and Responsibilities**

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

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

- 1.) The required member (owner) equity, or fair share, is determined by the Board.
- 2.) Members (Owners) 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 (owner) 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 (owners) 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 (owners).

Data:

The GM has not, or will not, implement or change the member (owner) equity system without board approval. The board approved and outlined a new ownership policy in December of 2018. Going forward members (owners) need to be informed of the \$200.00 full share requirement and need to be informed that this investment is a risk. The management team is working to prepare updated ownership forms, informational posters and talking points. Once all the documents and necessary add-ons are ready the staff will receive training. The owners will also receive communications about the updates/changes via letter or email. I would anticipate this happening during the Summer of 2019 coinciding with completion of the ownership entry project. Membership (ownership) equity has not and will not be refunded to an owner 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: Out-Of-Compliance

*Signed, Zach Stevens, General Manager*

*Accepted with acknowledgement of noncompliance. Unanimously approved.*

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### **GM Report**

#### **February**

- Board Meeting was the last day of the month, nothing new to report.

#### **March**

- End of fiscal year!! Hooooooray!
- Sales as of Tuesday 3/26 are up \$4,000 or 3%
- We could use 1 or 2 BOD members this Sunday night from 5-9ish for inventory if anyone is available.
- Patronage change comes 4/1, Has been emailed, posted on-line, and flyers at the register
- Justin and Melissa attended the NFCA annual meeting on the 23<sup>rd</sup>. Que- Justin

- Food access and social justice intertwined. Justin sent out several links to articles that explain in more detail.
- Justin attended a workshop around diversity and unconscious biases. A big take-away from the workshop is that if you don't believe in social change it's difficult to be an active participant of a coop.
- He also attended a workshop focused on strategic planning and believes there is an upcoming workshop that may be highly beneficial for members of the board and/or staff to attend.
- As you are all already aware, I have submitted notice. I will continue to operate as I always have and will continue to turn in BOD reports and help plan for a successful annual meeting. My last day will be by May the 6<sup>th</sup> ish. I will do everything I can to continue to support the coop and make the changes successful
- We have promoted Chris Turco to grocery manager, Melanie has accepted the front-end manager position. We are searching for a new produce manager (will post online next week). We have hired a full-time cashier and floating manager- Melissa Manney from Roots, she will start next week. Helena's BF, Carl has asked her to move in so Helena will be leaving us in the beginning of May, we will post for a herbs and spices manager over the next few weeks.
- Still No utility bills or word from Mark.
- Held staff meeting this week to discuss- Patronage changes, membership, staff changes, annual meeting, and upcoming event.

#### **April and the Future**

- Stone Leaf Tea house tasting on 4/6
- Sip and Shop is coming up the 4/18
  - 12 shops participating, we are the first spot! There are 100 spots open (must RSVP) and they are filling up quickly!
  - Almost exclusively Vermont goods.
- We are closed for Easter Sunday 4/21/19

#### **Hannah Update**

- Hannah was able to review the new proforma. She is going to meet again to review it after providing additional information.
- Board members up for election this year
  - Irene
  - Jess
- Currently have 5 open seats (including Irene and Jess)

#### **New Business**

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#### **Announcements**

- Chris L. went to the Middlebury coop!

- Chris met the owner of one of our suppliers (Green Rabbit) and was extremely complementary of our coop and Zach.

**Next Month**

- Finance Committee Meeting: Wednesday, April 17<sup>th</sup> at 6pm
- Board Meeting: Thursday April 28<sup>th</sup> at 6:30 pm
- Annual Committee Meeting: April 17<sup>th</sup> at 9 am
- Strategic Planning Meeting: Monday, April 8<sup>th</sup> at 12:00 pm
- C3 – Agenda Planning - Chris
- B1 – Ownership(membership) – Zach \*Possibly
- B5 – Treatment of Consumers - Zach

**Meeting closed:**

David made a motion to end the meeting. Erin seconded. Meeting closed at 8:15 pm.