



**Rutland Area Food Co-op Board Meeting
June 27, 2019**

Attendance:

Board: Hannah Abrams, Steve Peters, Erin Anderson, Irene Gold, Chris Littler, Jess Novak, Matt Poli, Julie Zaloudek,

Staff:

Absent: Chris Etori

President Hannah Abrams called the meeting to order at 6:31 pm.

Hannah asked for a motion to approve the May minutes. Chris Littler motioned, Steve Peters seconded. Motion passed.

Committee Reports:

Finance

Treasurer Chris Littler provided the May financial report. See attached. Chris received an explanation from a previous board member, AJ, regarding the audit every three years. AJ suggested that the current board may want to take note that every three years there will be a report on how the Co-op prevents unauthorized spending. Zach noted that this would be a large undertaking and we may need to change the bylaw and do some research before the next annual meeting. Hannah will follow-up with our attorney on this question.

Ownership

There hasn't been much movement forward lately but once everything settles down with the GM search. Data entry is at a standstill until late summer or early fall and it will pick back up again at the "R" names. During the scheduled conference calls, Chris has been listening for what might affect RAFC regarding the unclaimed property discussion among other co-ops in the State. This started with a discussion with Hunger Mountain and their audit but each co-op should discuss with their attorney. The next call is taking place in two weeks.

Hiring

The job posting is still live on the website and several other sites, but we are not paying to post it anywhere at this point. The committee has narrowed the search to four phone interviews, three in-person and there will be two or three joining for shadow days. One person is scheduled for a shadow day on Tuesday, July 9. The candidate that is coming in for the shadow day has a solid resume and had a good interview. The committee wants to keep a "select, not settle" attitude throughout the process. If we end up back at the beginning of this process without a candidate, the committee will consider bringing in a consultant to evaluate the job posting. There is still a chance that the candidate will be able to overlap with Zach for a month. There will be a shadow day opportunity for staff to spend time with the candidates. There will be a portion for shadowing with current staff before the interview scheduled for July 9 from 6:30 to 7:30 pm. Board members should be at the Co-op at 5:30 or 6:30 to meet Mike. Board members should RSVP to Jess' email.

The committee is going to set up a survey system to receive feedback from staff after the shadow time. Jess noted that throughout this whole process, board and staff relationships have improved. Some ideas that came out of this improved relationship to discuss later include: a group picnic, staff liaison, and board members shadowing with staff.



Annual Meeting

We had 120 guests and it was a successful evening despite being moved to the rain location. One item of feedback included using a compost bucket at the next meeting. Steve and Jess cleaned the board room out and found many items that need to be addressed and sorted out. The committee will gather in the fall to organize.

Policy Governance Reports

- Erin presented the C5 Directors' Code of Conduct report. Erin determined that this is the policy that we want. No recommended changes. See attached.
- Zach provided the A-Ends report in advance of the meeting. The board accepted the report as being in compliance. See attached.

GM's Monthly Update

- See Zach's notes sent in before the meeting.

Board Facilitator's Monthly Update

- Picnic: Hannah returned to the picnic conversation with Steve and Irene volunteering to begin planning in August. The plan is to hold the picnic mid-week for two hours at the beginning of September. Irene offered her home.
- Board liaison: Hannah will discuss with the hiring committee and Melanie.
- Board retreat: Matt offered his home for September 18 from 6 to 8 pm using ingredients from the Co-op to cook pizza with his outdoor oven. Board members should send dietary restrictions to Matt. His address is 458 Campbell Road, Center Rutland.
- Board recorder: We need to fill the position. Right now we are only advertising through word of mouth. The candidate would have a short interview and will need to supply a resume. The position includes recording the meeting, reviewing the minutes, sending them to Hannah and the GM for review and is paid \$30 per meeting.
- Board and staff shadowing: Hannah offered for the board members to try this soon.

Old Business

Steve updated the Dropbox to include the current board members and remove previous board members. Erin will reach out to current board members to note their start dates for the roster. Erin will also look into whether new board members need to be added to the liquor control board information. Erin and Hannah will create a new board calendar. Jess will miss the next meeting. This year's co-op visit winner is Hannah who opted to donate the money back to the Co-op. We will do the visit tracking again this year. Next meeting is C6 officers assigned to Irene and Zach will continue A-Ends.

Adjournment: Motion to adjourn the meeting and move to executive session at 8:27 pm made by Chris. Seconded by Irene. Motion passed. Meeting adjourned at 8:27 pm.

Executive Session:

An executive session followed the regular board meeting.



Attachments: see below

Finance Committee Update June 2019 May Review

- Sales were down \$5,000 or 2.9%
- Profit of \$1,300, up \$54 from last year
- Paid board insurance in May



- Increased expenses from GM search
- Cost of goods was down

Year to Date

- Sales for the Year are still up \$6,500
- Currently showing a loss of \$565 for the year, down from a profit of \$7,000
- However, Co-op is still in a good place. The sales and profits are lining up well with the budget

June

- Sales are up \$1,000
- Still haven't heard back from Mark on reconciled heating bill
- Freezer, sanitizer, and scale all needed repairs, so there will be extra costs
- Annual meeting expenses should be finalized this month
- There is a new fan in the kitchen
- Inventory on 7/1
- WE HAVE OVER \$100,000 IN THE SAVINGS ACCOUNT!!!!!!!
- Zach is going to take some of that money in savings and pay off our loan with the Co-operative Fund of New England. Paying off the loan will still leave over \$50,000 in our account, which satisfies NCG's requirements, and will save us \$3,000 a year in interest

CPA Review

- The CPA moved our April inventory adjustment to March so it will show in fiscal year 2018
- This lowered our profits from last year and increased profits this year, which is good for taxes
- This gave us a profit of \$60,512.81 for the year!
- All adjustments have been entered in RAFC's Quickbooks
- The accountant also reviewed our bylaws and called attention to the Section 9.3 which states: "The Board of Directors shall engage a certified public accountant to perform an audit of the Rutland Area Food Co-op's financial statements and a study of the RAFC's internal controls at least every three years, beginning fiscal year-end March 31, 2011"
- After discussing this section with AJ Reuben (who was on the board when this was passed) and at the committee, we may want to change this bylaw so that it "allows" the board to conduct an audit instead of requiring it.

GM Store Report Notes for Board Meeting 6.27.19.

June

The downstairs toilet started leaking from the tank, Mark Foley replaced.

Bottom piece of granite façade fell off the front of the building near the produce area, made Mark aware.

Melanie Nixon has promoted to Assistant Manager; she will begin this new role 7/1.



Caber Wilson has promoted to a manager on duty.
Tim Brennan has promoted to cooler and freezer manager.
We have hired a full-time front-end manager, Ryan Carr.
We have hired a part-time cashier, Emma Miles.
We have reset the produce area to try to increase sales.
Purchased a new fan to help circulate air in the kitchen.
Sales as of Thursday 6/2 are up \$1,000 or .8%

Future

Quarterly Inventory coming up on 7/1. BOD help not required.
Co-op is closed Thursday 7/4 for Independence Day
We are in the process of setting up interviews for a kitchen assistant.
Shacksbury Cider tasting Friday, July 12th 4-7 (Same night as Friday night live)
VT Wine Merchants tasting Friday, July 26th (another Friday night live event!)
Zach will not be available at next BOD meeting on July 25th.

Rutland Area Food Co-op
Board of Directors
Board Policy Worksheet

Policy Name & Number: C5 – Board Meetings
Policy Type: Board Process
Last Revisited: June 24, 2018



Director: Erin Anderson
Submitted on: May 24, 2019

We each commit ourselves to ethical, businesslike and lawful conduct.

1. Every director is responsible at all times for acting in good faith, in a manner which she/he reasonably believes to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative's owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other boards or staffs, and the personal interest of any director acting as an individual consumer or owner.

Board of Directors Code of Ethics and Conduct:

As a member of the Board of Directors of the Rutland Area Food Co-op, I agree to:

1. Attend all regular and special Board meetings;
2. Be prompt, attentive, and prepared for all Board and committee meetings;
3. Devote the time needed to fulfill the responsibilities of the position;
4. Contribute to and encourage open, respectful and thorough discussion by the Board;
5. Be honest, helpful, diligent and respectful in my dealings with the Co-op, with other Directors, and with the Co-op's Management, Staff, and Members;
6. Disclose any personal, economic, domestic, or organizational conflict of interest that I may have and refrain from discussing or voting on any issues related to that conflict;
7. Refrain from becoming financially involved or associated with any business or agency that has interests that are, or could be perceived to be, in conflict with the interests of the Co-op;
8. Refrain from asking for special privileges as a Board member and from interfering with Management's authority. Will not engage in operational activity of the Co-op without the expressed permission of the General Manager or the official approval of the Board of Directors;
9. Treat the business of the Co-op and its members, and all related information and decisions, with appropriate discretion and confidentiality;
10. Work for continued and increased effectiveness in the Co-op's ability to serve its Owners;
11. Abide by decisions made by the majority of the Board, even if it is not my own personal opinion. Present the agreed-upon view of the Board of Directors rather than my own, if different, when I speak for the Co-op to employees, members, shoppers and the general public. I understand that in case of disagreement between me and the Board decision that I shall have the right to present further evidence and argument to the Board for further consideration in a manner consistent with the Board's by-laws. Whereupon, the Board shall have the duty to reconsider its actions according to the bylaws.
12. Work to ensure that the Co-op is controlled in a democratic fashion by its members and that all elections are open and fair and encourage the participation of all members. Strive at all times to keep members informed of the Co-op's status and plans and of the Board's work, as appropriate;
13. Continually seek to learn more about the Co-op and its operations and about my responsibilities as a Board member.

As a Co-op Director, I agree to abide by this Code of Conduct. I agree that if, in the opinion of the majority of Co-op Directors, I have violated the letter or spirit of this agreement, I shall resign my position on the Board immediately and shall not seek to cause continued disruption to the Co-op and the Co-op Board for that action.



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

Yes.

2. How have been we IN compliance?

We have an active and engaged board. Directors make every effort to be at meetings and actively participating. Attendance is taken at each meeting, directors value the importance of keeping board business confidential, discussion between directors is open.

3. How have we been OUT of compliance?

Directors have been absent at meetings this year and the executive committee had to refer to this code of conduct to discuss board attendance with several directors.

4. Overall, have we been in compliance?

Yes. When directors have been in violation of this code, they have resigned or had discussions with the executive committee and board. These violations have not disrupted the board's functioning and operations. We may need to approach each future absence or violation with the individual and assess it against this code of conduct depending on the context.

5. Is this the policy we want? (Yes/No)

Yes.

Recommended changes:

None.

Submitted by:

Erin Anderson

Policy Type: Ends

Policy Title: A- Ends

Zach Stevens, General Manager

Because of the Rutland Area Food Co-op, our community will have:

- Affordable access to natural, whole, and minimally processed and packaged food items and other products that form the basis for healthy and ecological lifestyles.
- A market for local, regional, and other cooperative producers of food and other household and personal products
- A community building and educational center where owners and other patrons can work, shop, and learn together and empower each other.
- Support for and cooperation with other individuals and organization whose purposes are similar to those of the Co-op.



Please see the data under each section below;

Affordable access to natural, whole, and minimally processed and packaged food items and other products that form the basis for healthy and ecological lifestyles.

- We select a wide variety of monthly specials. These specials are clearly signed throughout the store, are posted in the monthly sales flyer, and emailed out the beginning of each month.
- Supplement discount day is on Mondays, members receive 10% off supplements.
- Senior discount day is on Wednesdays. 10% off on all purchases except consignment and gift cards for all patrons that are at least 62 years' old.
- Staff receives a 20% discount. Not valid on alcohol, gift cards, clothing, or consignment.
- Board members and volunteers receive a 10% discount. Not valid on alcohol, gift cards, clothing, or consignment.
- The special order programs offer additional savings on bulk purchases and is available to all customers and staff.
- We continue to focus on trying to carry products and brands whose prices are more competitive and comparable to the income level of our community.
- We make every attempt to get the best possible pricing on the items we carry. We share those discounts directly with our consumers.
- We offer a diverse and expansive selection of carefully selected products for better living.
- When considering new products, we always check to make sure the retail price would fit our consumer base.

A market for local, regional, and other cooperative producers of food and other household and personal products

- We offer a wide array of local products that stretch over 20 different departments
- We focus on local producers first and foremost
- When considering prospective suppliers, we follow proper Co-op buying guidelines
- There are chances for consignment, gift, local art, and clothing
- We are always happy to receive and follow-up on customer suggestions to expand our product selections
- The Co-op looks for every opportunity to invite new suppliers or vendors to our store. Everyone is held to the same standard and given the same opportunities without discrimination
- We invite our vendors to demonstrate their products and educate our community.

A community building and educational center where owners and other patrons can work, shop, and learn together and empower each other.

- Our building is open to all members of our community
- We prioritize great customer service
- We offer space for education, group meetings, and community projects
- We welcome and educate numerous school groups and cooking classes annually
- With our continued growth and profitability, we hope to expand our educational offerings in the future.



Support for and cooperation with other individuals and organization whose purposes are similar to those of the Co-op.

We support and/or participate in the following;

- Vermont Retail Grocers Association
- Cooperative Fund of New England
- National Food Co-op Association
- Cooperative Groceries Network
- CDS
- Downtown Rutland Partnership
- The Community Cupboard
- The Open Door Mission
- Heritage Family Credit Union
- All the Co-op's in the New England Region, and any that reach out to us nationally
- CoMetrics
- The Rutland Free Library
- Rural Vermont
- VBSR

It is this managers' conclusion that we are in-compliance.

Signed: Zach Stevens, General Manager