



Rutland Co-op Board Meeting | October 22, 2020 | 6:30pm

Location: virtual meeting due to Covid-19

Board facilitator Steve Peters called the meeting to order at 6:35pm.

Attendance

Board Members: Steve Peters, Melissa Rixon, Chris Ettori, Matt Poli, Abi Fowler, Jess Venable-Novak, Lindsay

Absent: Irene Gold

Staff: TJ Allen

Lindsay has officially been voted to join the board. This is her first official meeting.

Steve asked for a motion to approve the minutes from the September meeting. Matt Poli motioned. Jess Venable-Novak seconded. The motion passed unanimously.

Committee Reports

Finance Committee w/ Matt Poli

September Review

- Sales down \$9,940.39 or 6.3%
 - HABA down 18.3% (\$5,326)
 - Bulk down 47.2% (\$9,134.91)
 - Grocery up 8.2% (\$2523.69)
 - Cooler up 9.6% (\$2,129.97)
 - Produce up 13.4% (323.73)
 - Alcohol up 58.4% (\$3,093.33)
 - Coffee up 19.3% (\$677.01)
- COGS down \$10,416.72 or 10.1% from last year
- Loss/Waste up \$1,448.78 or 93.4% over last year
- Loss of \$5,938.41 down from a loss of \$2,718.73 last year
 - \$4500 payment to Columinate for Pro Forma work
 - \$660 towards moth traps
 - Payroll up \$2,042.42 over last year due to not having GM wages for the first half of September 2019 as well as continued \$2/hr increased pay rate for all staff

QTD

- Sales down \$53,342.66 or 10.3%
- COGs down \$12,824.72 or 4%
- Loss/Waste up \$477.99 or 7.9%
- Loss of \$14,411.94 down \$20,913.79 from last year



YTD

- Sales down \$127,454.03 or 11.5%
 - COGS down \$73,056.42 or 10.3%
 - Loss/Waste Down \$972.19 or 8%
 - NI Loss of \$12,688.56 down \$19,722.16 from last year
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- Matt said that this isn't a fantastic story, but could be much worse under the current circumstances. This is a pretty slow time of year traditionally, until the holidays hit.
 - Melissa relayed an anecdote from her visit to the dentist this morning. They discussed what a two or four person thanksgiving would look like and it made Melissa think about how that could translate to the co-op.
 - TJ relayed that there is a loss of confidence in our bulk department after the moth problem. Also, there isn't a great way to make a bulk dept exciting as much of it is all the same color. The staff are focusing on keeping the bulk section neat and clean and in stock to try to bring more draw to the section.
 - HABA has been constantly down for about a year, which is due in part to the CBD bubble. A major part of HABA sales has to do with creating relationships with customers and upselling particular items.
 - The management has made investments into the store to drive sales, like purchasing a refrigerated unit for the "to-go" items for sale.
 - Abi wanted to know if there was still discussion about acquiring a peanut butter grinder. TJ responded they are up to \$9k to purchase so it's not an immediate possibility to purchase a new one. He mentioned that we're looking to only purchase equipment upgrades that we can take with us when we move. That said, TJ has reached out to other co-ops letting them know that we'd be interested in purchasing their old equipment if/when they replace their grinders.
 - Matt said that sales aren't great due to COVID, but they are improving.
 - Chris E said the balance sheet is strong and we have more money in savings. He was glad to hear about the store improvements. He also wanted to know what the board can do to help support the co-op during the holidays.
 - Matt said the beautiful new wine display case could be partially responsible for the uptick in wine sales.
 - Abi wanted to know if staff is still receiving hero/hazard pay. TJ said yes. The management is also buying the staff lunch once a week and they've replaced used vacation time for COVID related reasons for most employees. They're buying masks, hand sanitizer, gloves, and bleach to keep the staff safe. TJ would like to see the employees continue to keep the \$2 salary going forward.
 - Jess wanted to know if we can do any target marketing to highlight the bulk section.
 - TJ stated that they've moved away from UNFI to help keep the store stocked up by trying to use as many local suppliers as possible.
 - Jess heard feedback from someone who said they called to order a turkey and was told to do it online, but the customer couldn't find it. TJ said they've already sold 19 turkeys and will make the ordering link easier to find on the website.



Policy Name & Number: D.2 – Accountability of the GM
Policy Type: Board-Management Relationship
Last Revised: December 2019

Director: Christopher Etori
Submitted On: October 2020

The General Manager is the Board’s only link to operational achievement and conduct.

1. The Board will view GM performance as identical to organizational performance so that the Cooperative’s accomplishment of Board-stated ends and avoidance of Board-proscribed means will be viewed as successful GM performance.
2. The Board will not instruct or evaluate any employee other than the GM, except during such periods as the GM position is vacant, or the GM is otherwise unable to carry out the position’s responsibilities.

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

2. How have we been IN compliance?
The board, to my knowledge, has not instructed any other employees. The board has made it clear to the GM that they have the ability to act in any manner within the policy guidelines that achieves the co-op’s stated objectives.

3. How have we been OUT of compliance?
We have not been out of compliance to my knowledge.

4. Overall, have we been in compliance?
Yes

5. Is this the policy we want?
Yes.

Recommended changes:

Submitted by:

Christopher Etori



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 member-owners regarding the policy and conditions of being a stockholder. The Board of Directors will determine the values of shares and Management will provide the information to the member-owners.

Data:

The membership info has been updated to include all the information set forth in 2019's B4 report and staff have been trained on the necessary impact points of the updated information. We have not, and will not without the board's approval, adjust or amend any aspect of member-owner equity or the disbursement of related funds.

We have gathered and input all the member data that was lost during the crash of June 2019 into an excel spreadsheet. This info is all available to review and easy to search at this point if a member-owner has any questions. As we transition into Catapult, this info will be built into the new system.

Conclusion: In Compliance

GM PG Report B5- Treatment of Consumers

The General Manager will not be unresponsive to customer needs.



The GM will not:

- 1.) Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints, and suggestions.
- 2.) Allow an unsafe shopping experience for our customers.
- 3.) Operate without product selection guidelines that are consistent with and supportive of the Mission (Ends).

Data:

- 1.) We have a customer suggestion box located at the front of the store where customers are encouraged to leave ideas, comments, criticism or anything else they would like to tell the Coop. Additionally, we are sending out consistent GM Updates to our member email list to keep people in the loop regarding all relevant Coop related issues. The email also, always, encourages open communication between the GM and our customer base.
- 2.) Since the 2019 report, we have continued to work to improve the safety of our customers. We have changed our overhead lighting to a brighter bulb, put all our refrigeration units on quarterly maintenance plans. Considering the pandemic, we have also adapted in many ways to ensure the Co-op is as safe of a shopping location as we can make it. As of July 7th, we have implemented a strict Masks Required policy. We have gloves, masks and hand sanitizer at the front of the store for all customers free of charge and we are wiping down all communal surfaces with disinfectant wipes throughout the day.
- 3.) We ensure all vendors, items, organizations, products adhere to our Product Purchasing Guidelines.

Conclusion: In-Compliance

Rutland Area Food Co-op
Product Selection Guidelines

Buyers shall follow these considerations for purchasing product for the Co-op.



For any product category offered by the Co-op, preferences shall be given to products and vendors that best satisfy the following:

The product is grown or produced locally.

The product is wholesome, natural, and minimally processed.

The product is grown and processed organically or sustainably.

The product is minimally or sustainably packaged.

The product is affordable

The producer:

Demonstrates a commitment to these considerations.

Demonstrates a commitment to social and environmental responsibility.

Must be a Co-operative business or demonstrates a commitment to Co-op values.

Buyers are expected to apply judgement to determine the best-suited products, using these considerations as guidelines rather than strict rules. For example, a product grown or produced in Rutland would certainly be local, but if it is produced using pesticides, GMO's, excessive packaging, or unfair labor practices, we would not give it as high a preference.

Buyers should keep in mind the Purpose (mission) of the Co-op in making product decisions.

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

Provide a market for local, regional, and other cooperative producers of food and other household and personal products.

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

Provide a support for the cooperation with other individuals and organizations whose purposes are similar to those of the Co-op.

Steve discussed with TJ and Jess about doing another member survey soon.

Accepted as in compliance

GM Update

GM update of pertinent events over the past month, next month and the future at the Co-op

- Catapult we're waiting for an installation date. Justin and TJ have graduated with their Catapult diplomas. Melanie will also complete the training. This system functions best with a receiver, which will create a new position and open up the grant from REDEC that we've been sitting on. The Catapult team was planning on completing this transition during Thanksgiving week, which TJ said he won't



allow because it's such a busy time of year. He's hoping to transition either the first weeks in November or the first weeks in December instead. The new Catapult system can run an incredible amount of reports. After 6-8 months it can start operating recurring and automatic ordering. We can leave behind the current credit card processing company which is very expensive and use a company that will save the coop \$9800. Abi wanted to know if the new system would integrate the credit card machine, as she remembered that there was difficulty with staff entering the credit card sales into the register. TJ said yes, everything will be integrated.

- TJ and Justin are looking into updating the facade of the store, with the ability to take the improvements with us when we move. Justin has reached out to artists to paint a mural on plywood that would be removable and able to be installed in a new location when the time comes. Also, they're planning on having the store professionally painted either yellow or green.
- TJ asked the board to please direct staff members to TJ or Melaine who approach board members in the store to discuss issues they might be having. He wanted to make sure the board knew that he is more than willing and available to discuss concerns that staff members have but would prefer to do so off the sales floor.

Board Facilitator Update with Steve Peters

- Steve wanted to bring to the boards attention a Columinate membership: C-Build. It's a \$5000 year long membership through Columinate that offers programs, courses, and training for co-op boards that includes consulting and board retreats. He was wondering if this would be something that the board would be interested in.
- Matt said his first impression on the Columinate finance training he took was that he would know most of what the training would cover, but was incredibly glad that he took the course because he didn't learn a lot.
- The decision was made that the board would educate themselves and would discuss if this is something the board wants to invest in at the next meeting.
- TJ, Melanie, Chris E, and Steve went to look at 80 West Street (Key Bank building) as a potential location to move to. It would be a rental, not purchase, but it has a lot of potential and really good parking.
- TJ said it's the first place he visited that he was excited about and thought the co-op could actually move into. One major downside is that there is no loading dock, but he's already looking into solutions for that.
- The location is about \$2 more per sqft but the owner seemed to be eager to work with us.
- 1200 sqft is what we were hoping to grow into.
- Steve said he was also excited about this location.
- Abi wanted to know if Key Bank was leaving. They will not. Most of the building is currently empty. There's a potential for apartments to be created on the upper floors, which would build in some customers.
- Chris E stated that it's a great opportunity to reach out into the community and really invest in Downtown Rutland. He believes there is room to negotiate the costs.

New Business and/or Announcements

- Matt used his personal Zoom account to host the last few Finance Committee meetings, but wondered if it was possible for the Board to have an account that he could use for any future meetings so he wouldn't have to worry about the time limit enforced by Zoom, since it looks like we'll be meeting virtually for the foreseeable future.
 - TJ said the co-op was paying for former facilitator Hannah Abrams's account so the board could meet.
 - Jess supports the idea of having a store account that anyone on the board account would have access to.



- Jess wanted to get something for Hanna as a thank you for all her years of service on the board. They wanted to know what the board thought and what gifts would be good.
 - Melissa suggested that we make a donation in her name to a cause that she cares for, along with some money and flowers as a token of gratitude.
 - Matt wanted to make sure that Chris Littler is also recognized. He also worked the full board term possible. He said that there is great value in showing recognition to the former board member from the remaining board.
 - Jess likes the idea of giving something in the moment. They will email the board the best way to contribute money.

Agenda Setting

Board Calendar

- Strategic planning: 10/30 at 2:30pm
- D3 - Abi (with Meilssa's help)
- B1 - TJ
- Finance Committee: 11/18

REMINDER

The Board meeting in November is the 19th and the meeting in December is the 17th.

Adjournment

Board facilitator Steve Peters called for the meeting to adjourn at 7:44pm. Matt Poli motioned.