

## Board of Directors Agenda for the RAFC

May 28, 2020

Location: Virtual meeting via Zoom.com; due to the Covid-19

Hannah called the meeting to order at 6:35 pm

**Board Members Present:** Matt, Chris L., Abigail, Irene, Jess, Steve, Hannah. Chris E. joined 6:47pm

**Staff Present:** TJ

**Guests Present:** Melissa Rixon (former assistant manager at RAFC and prospective board member) longtime owner, native Rutlander, excited to continue to support RAFC

Hannah motioned for the April minutes to be approved. Irene Gold motioned and Matt Poli seconded.

### Officer's reports

- Committee reports
  - Finance Committee w/ Chris Littler
    - done by TJ during GM update
  - Strategic Planning Committee w/ Hannah Abrams
    - Highlights
      - Exceeded income goal!
      - growth profit margin = good
      - sales growth = higher
      - basket totals = higher
      - new owners = much lower
    - Questions
      - Relocation

### 1st Quarter, Fiscal Year 2020-2021 Company Wide Rocks & Accountability

### Q1 Financial Goals Q1 KPIs (Key Performance Indicators)

Gross Sales: \$: 505,000 1. Sales Growth: -2.0%

Net Income: \$: 12,000 2. Basket totals: \$30

GPM: %: 34-37%, 3. Member growth: 75

### Top Priorities

1. Updated the personnel policies and the staff job descriptions (roles & responsibilities) is complete and ready for implementation for Q2
  - a. Who: TJ Allen
  - b. When: 6/30/2020
2. Member Owner Data Project is complete
  - a. Who: Monica
  - b. When: 6/30/2020
3. Two of four vacant board seats are filled
  - a. Who: Hannah
  - b. When 6/30.2020

4. Catapult POS system has received a down payment and the back-of-house installation is underway
  - a. Who: TJ Allen
  - b. When: 6/30/2020
5. Formally make our relocation intentions known to landlord
  - a. Who: Hannah
  - b. When: 6/30/2020

Chris L. wanted to know if we have officially made a decision to relocate. Hannah said there has been no formal vote but that if we plan to move forward with relocating plans we need to formally let Mark Foley (landlord) know. Chris is wondering if we are ready to formally discuss and vote. Irene commented that we should have a formal, on-the-record vote and that we need to expand/relocate to be able to grow the RAFC business. She believes we can make the commitment to do what we need to in order to help the business without “spilling the beans” on relocating. Chris L. suggests that we should vote on the GM having permission to explore relocation, as the GM isn’t allowed to secure real estate. He also recommends not telling the landlord until we have a location and made more significant steps towards relocation, as to not put our lease and current location in danger, recognizing that if the landlord fills our space and we do not have another location we could be without a lease/location. Chris L. also believes that, because we are 3 years out, we do not need to give the landlord a heads up and suggests that once we have made more progress on relocation efforts then we can formally let Mark Foley know, also noting that the landlord does not communicate with us and we don’t have reason to put a lot of faith in him being understanding. Hannah suggests we table this discussion for “New Business.”

- As a result, the relocation point of Q1 will be paused until further notice

### **PG Reports**

- C4 - Meetings (Matt Poli)
  - In Compliance, No recommendations
- B1- Financial Condition (TJ Allen)

B1- With respect to the actual, ongoing financial conditions and activities of the RAFC, the GM shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

**Interpretation:** The policy states the criteria that we base our financial practice and assessment on which is outlined below. We use the following to measure our financial performance and look at trends to make informed decisions. If we fall out of compliance in any areas, it is the GM’s responsibility to report on what may be a factor and our working plan towards compliance.

**Data:** The data collected is presented under each sub-policy below.

**Conclusion:** We are in compliance with all areas except for the ongoing member equity data input project.

Please see the data, plans, and timelines for each section below as well as the attached financial reports.

- Decision Tree: 90% Compliant (Non-compliance regarding Member Owner records). The Board accepts the proposed plan and timeline with

acknowledgement of Non-Compliance regarding Member Owner records.

### **GM's Monthly Update**

- Finance Report
  - Questions:
    - Irene is curious about the mood in-store. TJ shares that it is, overall, good. They are seeing shopping patterns emerge. They had some daily big air conditioning issues this week (5/26/2020) and had to wait for Robert (property maintenance person) to turn on the switch. As of 5/29/20 it is resolved. Hannah asked TJ to keep a record of this and TJ is already doing so.
- Adjusted RAFC hours
  - Beginning 6/1/2020 the store will be open until 7:00pm Monday - Saturday. We will keep the 10:00am start time, as well as being closed on Mondays.
    - They have seen Sunday business shift to Saturday and Monday without any grumblings and TJ doesn't believe the business happening between 9:00am and 10:00am is enough to reinstate 9:00am open time.
- Staffing
  - Sam will be coming back 7/01/2020
  - Waiting to hear from Caber.
- Online Shopping
  - Passed 400th online sale!
  - Look at ways to expand online sales
    - Ideas include: blind grab bags with items that are not moving (other coops have been doing this)
      - Conversations will resume once Justin is back
- Justin's baby is 5/25/2020!
  - Her name is Lucy!
  - Without the government grant, May is still up 22% compared to 2019, even with increased wages and 3 pay periods.
- Freezer (back of floor) broke down Friday 5/22/20
  - Quarterly preventive maintenance has been scheduled with Turner Piping
    - Quarterly visits will be, overall, cheaper than 1-2 annual emergency calls
- Morale is good!
  - Folks are unsure of the future but happy to come into work. Staff definitely carry more than they are required to, and doing so with little complaint.
    - Board thanks TJ for holding it together and thriving during these strange times.

### **Board Facilitator Update**

- Nothing

### **Special orders**

- Nothing!

### **Unfinished business**

- Plan for merging the Coop-related calendars (fiscal, board, GM review, PG, etc)

- Chris L. states that if we move the Board calendar to line up with the fiscal, we do need to change the policy, as the policy states that all business must be conducted between January and December. Chris L. also notes that the Fiscal calendar would be the most difficult to change and suggest we make shifts to match that. Hannah shares that because new board members are voted on in June (at annual meeting) that some calendars have been moved to match that timeline. Irene suggests that we keep it down to two calendars, one being Fiscal. Hannah wonders if that's an issue because the General Manager review doesn't line up with anything. Chris also reminds us that the GM review used to have to happen after the Fiscal year because the finances used to play a role. Matt suggests that someone creates a new calendar(s) to propose and brings it to the next meet, so we all have something to look at. Jess offers to have a mock calendar made by next meeting; they will send it out via email so Board Members can review it before our June meeting.

### **New Business**

- Relocation Conversation (as it related to letting landlord know)
  - Matt is wondering if there is a reason that the Strategic Planning committee feels urgency to tell the landlord about our plan to leave. Hannah shared that we don't want to make a decision out of pressure but the group free like this is part of what we need to do in 2019-2020 to move forward with a strategic plan which includes relocation/ expansion. The group wants to make an intentional decision with the hope of having 4 years of negotiations and agreement making and we feel that it is important to tell Mark because we have had this long term relationship with him and he is under the impression that we will be expanding at the current locations and it seems, based on the market study that is expansion isn't possible then we need to move because we are under performing in the space. Expanding at the current location is not feasible insofar as money and other details (ie parking) are concerned. TJ comments that it's unrealistic to think we will find a place that matches the lease timeline well. Mark is not going to be able to move someone in any time soon without renovation so the issues of "forcing us out" seems unrealistic. Because we have a lease we cannot break, it seems that having conversations will potentially open the door to breaking the lease before 2024 if we find somewhere that works well, sooner. Steve also adds that it's not a secret that we have been planning to relocate and are beginning to look at locations. It's not good practice to let the landlord find out our plans from a third-party. We just need to have a realistic conversation with him. Steve continues that even though Mark has not treated us well, he has a lot of influence in the community, especially among property owners. The other piece is that Steve takes over as Board Chair he needs to be careful on how the relocation conversation is continued with Mark, given his job with DRP. Things need to feel more comfortable and clear before things are handed over to Steve. Hannah said she is committed to doing this work before Steve takes over. Chris still feels that telling Mark now leaves RAFC in a vulnerable place and that we might be asking for trouble when we don't need to. It feels like we might be risking a lot to be nice to someone who isn't nice to us, and risky business decisions are not something we should be contemplating right now. Irene asks what we should be doing now. Chris suggests that we identify properties and take steps to see if they are feasible options. Abigail asks about a timeline regarding when we hope to begin some of the steps and an estimation on how long it might take to do some of the preliminary work. Hannah reminds us that a group has looked at the former Ground Round, the Ocean State Job Lot neighbor property and the former Rite Aid, which are also the 3 properties in the market study. All were possibilities but none were "home runs" as they all have very different renovation

needs. The timeline benchmarks would be years, not months or weeks, which is why it's important to start 4 years out. Abigail asks if we found a good fit, property-wise, would we be moving in ASAP and Hannah responds saying she thinks so. Irene asks how we get to that point. We know we need to move in order to thrive. Is this environment- with a pandemic- one in which we feel like we move during? Irene asks how we determine when the time is "right." Hannah comments that no one knows how to do this, really, especially given the pandemic.

- Chris E. comments that this conversation started in the Strategic Planning Committee related to having a conversation with Mark and that Irene's questions, while big and important, are another thought. We have determined that we can't thrive where we are currently so we will have to relocate and it makes sense to talk to Mark because we know that moving has to be in our future; it's also prudent because he knows so many local developer folks. Chris E continues that no one is desperate for our space, especially given that so many other downtown properties are available. If we talk to Mark now it might help us get out sooner when we do find something. Hannah comments that the intention with talking to Mark is to tell him what our intentions are. Matt says it's reasonable to give Mark a heads up, though he isn't sure we know exactly what we plan to say. Hannah suggests that her message would entail: letting him know we have looked into expansion and it is cost prohibitive and we know we need to move to thrive, mention the market study and key points (parking, square footage, etc) and that we intend to look for a new space as well as meet our obligations in our current space, and we simply wanted to let him know. Chris L asks if we have done more on the places we have looked at, such as pricing, estimated renovation costs, etc. Hannah says that the GR location was to purchase and the OSJL neighbor location was to lease. They looked at Rite Aide when it was to purchase but have heard that it is not a lease property. Hannah also says we have the price per square foot in her notes somewhere, and she can share them if the group wants. Chris asks if we have crunched numbers and suggests we look at the numbers and see if they would even be in our range of possibilities. Hannah said that a proforma was done on Rite Aide, but it would need to be updated. COVID has kept us from reviewing that property and others. Hannah has been keeping an eye out for properties but nothing promising has come up.
- Chris L asks what the next logical step is moving forward and if we should develop some sort of a checklist to follow. Hannah said that we do not currently have a checklist but there is a Columinate relocation workbook with suggestions, lists, etc. Matt says that the 6/30/2020 benchmark of telling Mark feels too soon because we aren't actively working on anything and that it would be helpful to have some "post-COVID" time under our belt so that we can work on things. Chris E states that we did do the market study and we can continue to look for properties as viewings become more available. Chris E suggests that our Strategic priority should be the relocation steps, rather than talking to Mark, because talking to Mark is not a crucial benchmark in the process. Hannah asks if we should form a relocation committee and Steve states that we should and thinks we have to. Chris L suggests that we reach out to experts in the field; bring in a consultant who knows that they are doing. Matt also suggests we take time to read the Columinate workbook and mentions Jeff Glassberg being helpful and making meaningful progress (with Proforma). Hannah says that we can reach out to Jeff as well as Columinate. Hannah also suggests that we can ask other Coops that have relocated such as Springfield.
- The next steps are :
  - Hannah: reaches out to Columinate as well as Springfield
  - Member:s will look over workbook in anticipation of June meeting

Workbook: [https://www.dropbox.com/search/personal?path=%2F&preview=id%3AFU6lbA\\_6gJoAAAAAAAAAlpg&query=expansion&search\\_session\\_id=98402037048962707412874529906118&search\\_token=ISafcRxhyfGnOPepFEdrZ59BIFjCW%2FfUQjk9hOPjVdY%3D](https://www.dropbox.com/search/personal?path=%2F&preview=id%3AFU6lbA_6gJoAAAAAAAAAlpg&query=expansion&search_session_id=98402037048962707412874529906118&search_token=ISafcRxhyfGnOPepFEdrZ59BIFjCW%2FfUQjk9hOPjVdY%3D)

### **Announcements**

- The email send on 5/27/20 with this Zoom meeting link will be the same link used for Board Meetings through November (if needed)

### **Review of Meeting & Agenda Setting**

- A look at what was accomplished
- Review of Board Calendar
  - **A Ends - GM**
  - **C5 Code of Conduct - Jess**
  - June events and highlights
    - Annual review of calendar
- Who has responsibilities for next month?
- A request for any new Agenda items

Adjournment called at [Jess did not record the time, I apologize]. Irene motioned and Chris L seconded.