

**Plainfield Co-op Board**  
**Special Meeting Minutes**  
February 7, 2019 5:30 pm  
in the Community Center

Attendees: Giordano Checchi, Chris Jackson, Sarah Phillips, Pete Boyle, Jean Hamilton  
Regrets: Jay Hebert, Bram Towbin  
Staff: Kevin

The meeting convened at 5:48pm.  
Chris has almost graduated with his Masters - Congrats!

**Other Business**

[Review Special Meeting Actions](#)

- Community Supper Planning  
Theme is local food. Collecting donations to go to the Senior Center. Jean went to the meeting. 60 people. We provide the main meal and salad.  
**Action:** Jean will get a list of consumables to Kevin  
  
Set up – arrive at 4pm  
Sarah will make a big pot of Vt black beans, a giant curtido, and help with clean up.  
Pete will help with set up and clean up – Pete's on cheese.  
Kevin will donate beef.
- Neighboring Food Coop Association Annual Meeting - March 23 – Kevin, Jean and Pete are attending.
- The Finance Committee (Kevin, Giordano, Jean) are recommending a Board-Staff meeting to discuss the current financial situation and staffing reductions. **Decision/Action:** The Board agreed to host a Board-Staff meeting for 10am on Sunday, February 24<sup>th</sup>.
- The Board had set a plan to identify measures that could be taken at the end of Q1 if finances had not improved to break even. **Action:** The Finance Committee is tasked with developing a Viability Action Plan.

**Approve Budget**

Kevin presented the 2019 Budget

SALES - The budget includes an overall projected margin of 35.6% - with department variation, as appropriate. Targets are not just intentional, but also there are plans in motion to support these goals. For example -

- Grocery has the highest margin (and still is competitively priced) – grocery is a driver of sales.
- Produce has an 8% spoilage target, but in summer the spoilage rate increases – there is a target margin of 40%. There have been new tools put in to place to support a base level of ordering (which impacts spoilage) – that continues to be an area of improvement. There are close, but different, margins for local and non-local. (to favor local)
- The margin targets also take into account the new method of incorporating delivery charges into COGS.
- Body Care is trending a 5% increase in sales.
- Supplement sales are declining – no longer hold a market niche of CBD

Projected increase in sales of 3%

COGS

- There are some changes made to reduce delivery costs.
- Bakery has had a lot of buyer transition which has resulted in a higher loss. Should be getting back in line.
- Reducing inventory on hand.
- Reducing cost of goods is a key driver of the projected gross profit for 2019.

Gross Profit of 438,431, 7% increase over estimated actuals for 2018.

## Expenses

- Small decrease in estimated credit card fees since the last time it was reviewed.
- Other ups and downs have been previously discussed
- Loan fee is accounted for in expenses (interest and principle)
- Member Discounts was separated to Member Discounts (Special Orders) and Worker (Working Member) Discounts
- Store Supplies was slightly reduced

There was a small minor correction noted to move the “donations” 150 to the “charitable contributions”

Action: Kevin will report back on “what is the dividend” line item.

Action: Kevin will send out the final version by email.

The Budget essentially breaks even. The budget is a stretch, but not unreasonable. The Board is pleased at Kevin’s discovery effort to dig behind each line item and build a detailed, intentional budget. Kevin expressed that next year’s budget should be more timely due to his own improved understanding of our accounting.

**Decision:** The Board approved the budget.

## Manager’s update from Kevin

- Credit card readers are now working! Cash register discrepancies have dropped to almost nothing.
- Improved receiving with CEHE is more efficient – started being implemented. Moved to a biweekly delivery. Improved inventory management.
- Kevin asked the board for feedback about opening earlier on weekdays (7am), on weekends (8am) and staying open later on the weekends. Board members shared their feedback as shoppers – many are excited about weekdays morning coffee on the way to work! There was agreement that seeing the impact would take time (more than a couple months) and that staff will need to be reminding all customers all the time. Changing hours does not require Board approval, but the Board was very supportive.
- We are living Co-op Insurance for building/workers’ comp insurance and starting with KinneyPyke.
- Stainless tables likely to be installed in March by Building Committee.
- Kevin and Sarah were reminded that they were tasked with working with Rosemond on her 3 month evaluation. **Action:** Sarah will follow up with Kevin on how she will support this process. Both will review PG for the role of the Board in review of the Admin Manager.
- Lots of 1:1 conversations with staff about hours reductions to explain changes and understand challenges.
- Kevin is calling a staff meeting for 2/13 to discuss the changes.
  - There was a discussion about the difference between this meeting and the Board-Staff meeting – is there value add in having both meetings?
  - Kevin wants to focus on communication and hear staff feedback on changes – The Board agrees that is really valuable.
  - The Board-Staff meeting will focus on the financial situation and hearing from staff input on future changes.

**Action:** Jean will connect with Kevin, and Board members about 2/24 Board-Staff meeting

## F1 - Q4 2018 (was due in January, but reports were not in from bookkeeper)

A1 – In compliance. Revenue for Q4 was not stagnant or declining. October, November revenue showed steady increase. December was down slightly from last year. Overall for Q4 is 3.62%. Holidays tend to be struggle at the Co-op – perhaps in part b/c folks do holiday shopping at other stores.

- There is potential to rework the approach to holidays to be more successful.
- Kevin is going to look more deeply at December.

A2 – Net Income was -24,716 or -8.5% Not Compliant – (Net Income should be 2% or more of sales for the quarter). Margin target was 31.6% (target 33%) – Dairy loss and Produce spoilage are areas for improvement. Grocery continues to be positive. Produce is the main area to drive change in net income.

**Decision:** The Board tabled the remainder of the F1 until the Regular February Board Meeting. **Action:** Kevin will email the completed F1 to Jean to include with the Board packet for the February Board Meeting.

**The meeting adjourned at 7:15pm. (on time!)**