

Plainfield Co-op Board of Directors Meeting
Minutes April 23, 2019

Board members present: Sarah, Giordano, Pete, Chris

Board members present after being appointed to board: Charlotte, Bram

Others: Jean (as General Manager), Angie, Gail (taking notes)

Consent Agenda. Minutes of the March 31 special board meeting were approved.

Board Development

Board Communication. Sarah apologized for sending out the annual meeting notice before giving the Board a chance to pre-approve it. Charlotte pointed out that her (and other board members') names were signed to the announcement even though they hadn't had a chance to review it.

Board Officers. Charlotte Domino was appointed Secretary of the Board now that Sarah is President.

Board membership. Chris wants to leave the Board in the near future but will continue through the Annual Meeting. Bram Towbin was re-appointed to fill a vacancy on the Board after he left his position as staff member. Both Charlotte and Bram will run for election to the Board at the Annual Meeting, as their appointments are temporary until the Annual Meeting.

Angie asked Bram why he had decided not to continue as a member of the transition team. He said he didn't think his management style was a good fit, and he realized he didn't understand enough about the grocery business and the co-op environment.

Sarah will send Charlotte, Bram and Pete documents they need to be familiar with as Board members (e.g., By-laws, policies).

Manager's update

Jean said there have been no major changes in personnel, legal, facility since the last meeting. She feels things are going relatively smoothly from a personnel perspective. Kevin is doing great work with the buyers. Everything is stable because Kevin continues to hold it all together. Thinking about moving bookkeeping inhouse. Angie noted that Dave is interested in this. Jean said she is having trouble transitioning to a 10 hour a week General Manager because of all the other responsibilities in her life. She is hoping the Board will give her feedback about what level of compensation Kevin should receive in his new role. His title is now Operations Manager. Sarah said this will be done in executive session. (note, this didn't happen at the April meeting and Sarah is polling Board members). Jean is also seeking guidance from the Board about what her role/priorities should be. She said in her mind fundraising and member communications are the priorities.

Financial Report (F-1) Financial Conditions

Jean reviewed the highlights of the F-1 report. Board members requested clarification of certain parts and discussed the report at length. The financial situation has improved to the point that the Co-op is no longer on the brink of closure, as it was last month. Some of the improvement is attributable to cutting store expenses, such as reducing spoilage and reducing of inventory, but much of it is because of the savings from management changes and the resulting reduction in management salary. It was agreed that this is not sustainable in the long run as competent management will have to receive reasonable compensation. Specifically, the F1 was out of compliance in that

- Sales for Q 1 were 3% lower than 2018 sales
- Net income was 2% lower than sales for the quarter. (However, gross margin exceeded the 33% goal)
- 49% of vendor payments are out of current (\$33,279). Giordano noted that about 50% of this is 14 days or more out of current.

Jean sees hope in that we are entering the season of traditionally strong sales. Basket size has increased, but the number of customers per day has decreased. Looking to the marketing committee to bring in more customers.

There was considerable discussion about the importance of forthrightly sharing the precariousness of the financial situation with staff and with members. There was also discussion of whether it is wise to attempt fundraising when we are losing money.

There was discussion about how well the Board communicates with members, and Sarah concluded that, in a spirit of continuous improvement, the Board is naming member communication as something to do better.

The Board found that management is out of compliance with F1.

The Board did not accept the plan to come into compliance because they found it incomplete. After discussion, the Board and the General Manager agreed **that Jean will bring a more comprehensive compliance report to the May meeting (and will begin implementing it before then).** Specifically, **the compliance plan will provide for:**

- The General Manager will work with the Marketing Committee to bring more people into the store.
- Fundraising, spearheaded by the Fundraising Committee, will raise money through donations and interest-free loans to address arrears vendor payments and capital needs. This process will be launched at Annual Meeting.
- Clear communication to members about the Co-op's financial status.
- Clear communication with staff about the Co-op's financial status, as well as the cyclical nature of the business.

Committee Updates

- Expansion Finance. No longer active. Will not consider this an existing committee.
- Newsletter. Next issue will be planned in the week after the Annual Meeting.
- Building Committee. Meeting 4/23
- Fundraising Committee. Minutes of this Committee were shared with the Board. Next meeting May 7. Andy Robinson has agreed to be on the Committee and should be a big help. Will seek his advice about whether to do fundraising when the store's financial situation is weak.
- Marketing Committee. Giordano shared minutes with the Board. Charlotte drafted a charter, but her draft has not been reviewed or approved by the committee. **It was decided that this is an Operations Committee and not a Board Committee.** Board members can serve on the committee, just as they can do other volunteer work for the Co-op. Work of the Committee needs to line up with the management strategies. To assure this happens, Jean will connect with the committee and give input into its charter.

Annual Meeting Check-in

Board members will arrive at 2 to do set-up

Pete will co-ordinate coffee and beverages.

All will bring pot-luck snacks.

Pete has arranged for a musician to play from 2:30 to 3:30

All Board members can be there except Giordano, who will send Jean the Treasurer's Report before he leaves town.

Charlotte will make a timeline of the Co-op's 50 years.

Gail will take minutes and serve as parliamentarian.

Chris and Jean will work together to identify a facilitator.

Members will be invited to share skills/gifts they can make to support the Co-op.

Adjourned at 8:15.

Next regular Board Meeting Monday, May 27, 6:15.

_____ = Board Decision

_____ = Someone is to do something