

Plainfield Co-op Board Meeting Minutes

Regular March Meeting
March 25, 2019, 6:15-8:00pm
in the Community Center

Board: Jean Hamilton, Sarah Phillips, Pete Boyle, Bram Towbin (exited at 7pm and returned at approx.. 7:45pm), Chris Jackson (arrived around 6:45)

Regrets: Giordano Checchi

Staff: Kevin, Angie, Charlotte, Margie

Guests: Rosemond London, Andy Robinson, Johanna, Coco, Moe, James, Buffy, plus 6 additional guests that joined mid meeting (no introductions).

The meeting convened at 6:23pm.

The meeting started with introductions. Jean asked that people also say whether they have anything they are hoping to add to the agenda. Buffy asked that there be an agenda item that includes discussion of Rosemond's employment termination.

Jean offered that the meeting could start with Buffy's request. Jean offered that the Board had important agenda items and a separate meeting could be scheduled. Jean also offered that while Rosemond is able to speak freely, the Co-op considers all personnel information confidential, as standard practice; and it serves to protect employee confidentiality. The Board feels protective of the confidential information that is in Rosemond's HR file. Rosemond wanted to proceed with the conversation. Rosemond explicitly granted permission for the Board to respond to her question about why the Board did not provide her mediation. Board members also responded to other questions that Rosemond asked, but limited any information shared during the meeting to questions that Rosemond was asking.

Rosemond felt that she asked the Board for mediation and the Board did not provide her with mediation. She wanted to know why the Board did not provide her with mediation. She demanded that each individual Board member respond to her questions and suggested that Board members were evading her question as they discussed whether to respond. Jean explained that no one member of the Board can speak for the Board, as a matter of policy, and that Board members could respond, but that is not normal practice. Sarah and Pete agreed to respond.

It was explained that three board members did meet with Rosemond to listen to her concerns. A summary of that meeting was agreed to by Rosemond and shared with Board members – in brief, at that meeting Rosemond expressed concern that communication was poor between Kevin and herself and she requested a mediator and/or Board support with communication. That meeting occurred on a Friday. The same three Board members met with Kevin to hear his concerns. Within the week, Rosemond asked the Board, by email, when mediation would occur. The Board responded that the Board was meeting on Thursday to discuss the two meetings and make any decisions, and would respond to Rosemond after the Board meeting. On Friday, Kevin met with Rosemond and provided her with a written warning (these reasons were not discussed during the meeting) and a plan for moving forward. That plan included weekly meetings to discuss job duties, with Board participation in the meetings. Rosemond did

not to agree to the plan or refused to sign the plan. Kevin ended Rosemond's employment. Board members met on Sunday to review the documentation and information related to the termination and determined that it was legitimate. Board members invited Rosemond to discuss with them. Rosemond did not accept the offer to meet.

Rosemond spoke about her termination of employment. Some concerns she expressed:

- She felt that her termination was unjust and that it was retaliation for asking for mediation and/or expressing concerns about Kevin.
- She felt that board members worked with Kevin to fire her on "drummed up" grounds that all occurred after she asked for mediation. She suggested that Board members inappropriately participated in her firing.
- She felt that the board members and Kevin did not follow personnel policies.
- She felt that the board members were insincere and failing to fulfill their responsibilities.

Note: Rosemond's communication involved repeated interruption and cutting off of Board members, swearing at and to Board members, name calling, mocking voices and sarcasm. Rosemond was asked not to call names, she replied that it was okay for her to treat people that way because it was direct communication.

Guests in the room made comments regarding:

- Concern for the lack of collective and cooperative spirit and the way that people were being treated.
- Concern that the power dynamic was not being recognized and validating Rosemond's anger and frustration.
- Asking that the Board consider mediation, and that mediation with a third party was an appropriate step.

Jean, Board chair, offered to participate in mediation with Rosemond as a restorative process, with the understanding that mediation was not a commitment to reinstate employment. Rosemond did not accept and replied that Jean's offer was insincere. Asked by Buffy if she wanted to be employed at the Co-op again, Rosemond stated that she would have to think about it.

Other issues discussed briefly:

- Rosemond deleted files from the Co-op's online shared drive.
- Rosemond's participation in a meeting where staff reductions were discussed. There are different recollections of what Rosemond and Kevin decided at this meeting and what next steps would be. Sarah attended this meeting as a notetaker, and there are some notes from this meeting.

At around 7pm, Jean suggested that the board adjourn and try to meet again to discuss the urgency of items on the meeting agenda. Instead, at 7:15pm, the board took a five minute break and reconvened at 7:20pm.

Several guests exited. All staff remained. Andy Robinson, Rosemond, and two additional guests remained.

Manager's update from Kevin and Management Proposal from Bram/Jean

Kevin briefly discussed upward sales trends in March that are better than January and February, which would suggest a smaller loss.

Jean reviewed the Management Proposal developed by Bram, Jean and Kevin. The full proposal package included a narrative with roles/responsibilities, a budget analysis, and resumes from Bram and Jean. The narrative is included as an appendix to this minutes for simplicity.

Reasons for the interim management: Kevin has submitted his resignation as General Manager. There are no staff that are able to step into the General Manager role. There are significant financial challenges facing the Co-op which will require financial contribution from membership. There is an unknown membership commitment to help address financial challenges.

The interim management proposal includes: Jean as General Manager, Bram as Assistant General Manager, and Kevin as Operations Manager.

There was discussion about whether there was another way forward. Providing leadership needed to save the Co-op is a job larger than a part-time General Manager. It is a daunting task and Jean will not be able to both fundraise and manage the store.

Sarah stepped in to facilitate the conversation between Chris, Pete and herself, as voting Board members on the management proposal (Jean and Bram are recused).

Pete offered that he felt the proposal was generous and strong. There was discussion that having someone fill the leadership role is an essential first step. At the same time, there is a major need to fundraise for debt relief. And there is a need to communicate with the membership. Andy offered some suggestions on how this might be approached – both fundraising and communication.

Chris agreed that the management proposal was a good plan as well. There was discussion about the deferred pay – there was general agreement that deferred pay seemed appropriate for the reasons outlined in the proposal.

Sarah asked for staff feedback or input. Kevin spoke about his reasons for stepping down.

Margie asked about whether this is interim – and what is the driving factor – is it financial? No, Kevin's resignation initiated the need for an interim management plan. It was reiterated that the plan was for 3-6 months. The current financial situation means that hiring could be difficult given the significant decisions about the Co-op remaining open, as is. Jean reiterated her desire to post for the position immediately, and her intent not to be the General Manager permanently.

Anji offered that she felt that having someone step into leadership that was familiar with the people and the organization was helpful and she felt that it was the right step forward. Charlotte offered her general support, and expressed that people familiar with the Co-op will be familiar with the current staff know-how.

Decision (Chris, Sarah, Pete): The Management Proposal was accepted, with deferred partial pay. Jean and Bram will both leave the Board. Effective at the end of the meeting.

Action: Jean will draft a communication to staff.

Board Development

With the departure of Jean and Bram from the Board, the Board is down to 4 members. There was discussion about the need to install another board member before the annual meeting in order to meet the minimum requirement of 5 board members. There are no more regular meetings before the annual meeting, but it is expected that the Board might have a special meeting before then.

Charlotte is interested in joining the Board and her last day as staff is on Thursday. Jim Malloy has expressed interest in joining the Board as part of the annual meeting elections. Sarah suggested that Charlotte might be appointed by the Board at its next meeting.

Andy was also invited to join the Board. Andy expressed that he is still sitting with whether or not he is able and willing to join the board. He agreed to step up to support the Board with its urgent fundraising need and this was most appreciated by all.

Decision: Sarah will step in as Board Chair, effective end of meeting.

Action: Sarah will reach out Gail to ask about minutes

Chris posed an important question about whether the Co-op is continuing to use policy governance. It was suggested and generally agreed that this felt critically important with the new management as a way to maintain the important relationship and role boundaries. Jean agreed that policy governance helps us govern and manage better. Sarah agreed, and offered that we might exercise a patient and flexible PG approach to reporting, as we have been already exercising.

Decision: Reaffirmed Policy Governance.

Consent Agenda

- Approved March 4, March 17 and March 21 minutes
- Postponed March 14th minutes, as Sarah suggested edits which were not yet reviewed by the Board.

Decision/Action: A Special Board Meeting was called for Sunday, March 31 at 1pm at the Co-op to plan the Annual Meeting.

The meeting adjourned at 8:15pm.

**Plainfield Co-op
Interim Management Proposal - 3/23/19
Prepared by Jean, Kevin and Bram**

Problem Statement:

1) Plainfield Co-op is in need of a new management structure to address recent challenges and ongoing deficits. These include -

- Lack of sufficient revenue growth to overcome operational losses. At the end of February we have approx \$55,000 in accumulated losses.
- Loss of the Administration Manager, and a need to fulfill those roles.
- Loss of the General Manager who has resigned due to the store's financial duress and personal circumstances.
- Need for the organization to face internal and external market conditions to develop a new direction and business model is that can realistically succeed.

2) Plainfield Co-op has limited resources to invest in hiring the skill set required to address the above concerns. We are further challenged by the fact that the required skills are unique and include specific knowledge of small business management, cooperative management, community development, and local economic development. Additionally, the current conditions of the tight labor market suggest it may take longer to identify suitable candidates.

3) The Co-op is in a precarious financial position and cannot afford a risky personnel investment.

Proposal: With this proposal we are recommending an interim management solution to support the Co-op while it experiences a shortage of working capital and seeks a qualified General Manager. Our target time period for this Interim management team is 3-6 months. We are proposing to leverage competencies available to provide coverage of all management functions through a management team. The Management Team will include Jean Hamilton (Interim General Manager), Bram Towbin (Interim Assistant General Manager, and Kevin Levesque (Operations Manager). The roles and accountabilities of these positions are outlined below.

To facilitate this transition taking place, Jean and Bram will step off of the Board, and their seats will be filled through new appointments. Kevin has already indicated his intention to step down as General Manager, and pending his personal circumstances, is available to continue in the essential functions he provides as Operations Manager.

While there are distinct roles for each individual on this team, we believe that we will operate in close working relationship. The roles below indicate those tasks that we are each accountable for, but will count on one another to provide support and advice. Communication will be essential to our team and we will hold weekly stand up meeting to facilitate prioritization, team accountability, and resource sharing.

Compensation: We recognize the following factors relating to compensation of these positions:

1. The Co-op is experiencing significant cash shortages and would benefit from any relief on cash flow possible. Jean and Bram are both willing to be compensated as low as \$13/hr for their work. In this interim the GM and Assistant GM will bill for no more than 25 hours/week cumulatively. Jean/Bram will also forgo paid time off.
2. The salary equivalent of \$19/hr for the General Manager is low compensation relative to the prevailing labor market. Although Jean and Bram are willing to work for less than \$19/hr, it may not be advantageous to our business modeling to assume a lower compensation rate.
3. The duties of Operations Manager are less than those of General Manager; therefore, Kevin will take a reduction in compensation.

Attached is a budget analysis of two different compensation scenarios.

- Scenario 1: Kevin is compensated hourly at \$16/hr for 30 hours/week. Jean/Bram are compensated at \$19/hr for 25 hours/week. Jean/Bram will defer up to \$6/hr of compensation until the co-op is in a cash position to pay off this liability. The impact of this compensation deferral is that the full expense will be preserved on the P&L, but there will be a reduced strain on the cash flow while the deferred payment will move to the balance sheet as a liability.
- Scenario 2: Kevin is compensated at \$16/hr for 30 hrs/week. Jean/Bram are compensated at \$13/hr. This has the benefit of reducing the labor budget for the store and improving cash flow. There is the disadvantage of potentially setting up the expectation for staff, members, or other stakeholders that we can retain the GM skill set at this abnormally low (charitable) rate.

There is a budget analysis of these two scenarios attached to the end of this document.

Roles and Accountabilities

Jean (10 hours/wk) - Interim General Manager

This role is primarily responsible for financial management, business strategy, and holding overall accountability of the store. Jean will be the primary liaison between Board and staff.

Performance Metrics

- Cash flow positive
- A/P targets met
- 5 year business plan and financing strategy in place
- Accounting systems functioning
- Assistant GM and Operations Manager meeting targets

Board Accountability

- F1 – Quarterly Financial Conditions
- F2 – Business Planning and Budgeting
- End Report

General

- Establish organizational goals (including store sales goals), performance objectives, guidelines and best practices that are based on Board Policy and strive towards achieving them.
- Oversee all store operations based on the goals, objectives, and standards of the organization. Maintain viable Co-op store within a highly competitive and challenging marketplace.
- Oversee, assist, and supervise managers in planning and performance to achieve all goals and objectives.

Financial Management

- Advise and support the development and monitoring of annual capital, operating and cash budgets.
- Understand and utilize the financial tools and reports available to support operations.
- Support invoice processing and vendor payment tracking, as needed, in conjunction with appropriate staff. Examples include, prepare invoices for processing, sign and/or distribute checks; maintain records of store charges; interface with bookkeeper as needed, etc.
- Oversee all aspects of payroll.

Human Resources

- Provide a model of supportive and participatory leadership promoting the concepts of team building and empowerment.
- Support the Operations Manager and Assistant General Manager in identifying appropriate staffing structure, position descriptions, pay scales, and staffing levels to meet store and Co-op goals.

- Help facilitate the flow of information among staff.

Marketing

- Work closely with Assistant General Manager and Operations Manager to develop a marketing plan to meet budget and performance targets. Support staff and Management Team to execute the marketing plan.

Membership & Customer Service

- Communicate regularly to membership via quarterly newsletter, annual meeting, etc.
- Monitor key indicators to ensure overall satisfaction.

Board Relations

- Demonstrate an understanding of and commitment to Board Policy.
- Attend some meetings of the Board of Directors, as needed.
- Remain at all times within the Board stated Executive Limitations.
- Work with appropriate staff to report compliance to Board policies as required by the Board of Directors.

Bram (15 hours/wk) – Interim Assistant GM

Performance Metrics

- Revenue, Expense, and Profit Margin targets met
- HR systems functioning
- Marketing and membership development plan in place
- External communications plan in place

Board Monitoring

- F3 – Asset Protection
- F4 – Treatment of Customers
- F5 – Staff Treatment and Compensation
- F6 – Emergency Management Succession

General

- Oversee mail pick up and sorting.
- Oversee community center rentals, maintenance and function.

Financial Management

- Monitors daily cash reconciliation process, and revise as necessary.
- Manage labor and other controllable expenditures within budget. Work with members of the Management Team to improve financial performance.
- Advise and support the development and monitoring of annual capital, operating and cash budgets.

Human Resources

- Oversee, assist, and supervise staff in planning and performance to achieve goals and objectives.
- Provide a model of supportive and participatory leadership promoting the concepts of team building and empowerment.
- Support the development of appropriate staffing structure, position descriptions, pay scales, employee benefits and staffing levels to meet store and co-op goals.
- Develop staff training plan, orientation process, and personnel policies to ensure that organizational training needs are met.
- Oversee hiring of all staff to meet objectives developed by Management Team and established by General Manager.
- Support supervisors in providing strength-based supervision, performance appraisals and discipline.
- Participate in one-on-one performance feedback with supervisors and staff as necessary.
- Develop and maintain a system to facilitate communication between all managers and staff.
- Write and implement personnel policies/employee handbook.
- Ensure confidentiality on all personnel matters.
- Support a positive, ethical, productive and rewarding workplace.
- Help facilitate the flow of information among staff.

Store Operations

- Provide operational capacity when needed.

Safety

- Ensure adequate financial, corporate, and personnel records.
- Provide comprehensive property management, including energy, accessibility, capital repair/replacement, and equipment for store and community center.

Marketing

- Oversee social and digital media management of store.
- Support the General Manager and Operations Manager in developing and executing the store's marketing plan.

Membership & Customer Service

- Develop an in-store communication plan to consistently and positively promote ownership and owner benefits.
- Set customer service standards to help the Co-op:
 - Resolve customer concerns,
 - Anticipate customer needs,
 - Respond to request for service and assistance,
 - Schedule and post position hours to ensure availability,
 - Treat all customers and staff fairly.
- Develop necessary training to ensure the Co-op provides outstanding customer service to its members and customers.

Board Relations

- Demonstrate an understanding of and commitment to Board Policy.
- Attend some meetings of the Board of Directors, as needed.
- Remain at all times within the Board stated Executive Limitations.
- Work with General Manager, to report compliance to Board policies as required by the Board of Directors.

Kevin (30 hrs/wk)– Operations Manager

Performance Metrics

- Gross margin targets met
- Inventory turn targets met
- Store (interior and exterior) safe, shopable, and welcoming
- Safe working conditions met.
- Capital assets and maintenance work plan in place
- Internal communications plan in place

Financial Management

- Advise and support the development and monitoring of annual capital, operating and cash budgets.

Store Operations

- Oversee day-to-day store operations based on the goals, objectives, and standards of the organization, including: store floor, warehouse, office, general building and equipment.
- Monitor overall store conditions to meet customer service objectives and budgetary goals, in partnership with General Manager.
- Develop and oversee floor and warehouse (storage) activities, including cashier, stocking, customer service, and receiving.
- Oversee floor schedule and ensure adequate staff support for all store and Co-op activities in partnership with the Assistant General Manager. Be on the floor, as the business demands.
- Oversee store purchasing and purchasing staff to meet revenue, margin, and cash flow targets.
- Support capital planning, in partnership with Building Committee, Maintenance Coordinator and General Manager.
- Facilitate communication between all staff regarding floor activities, with specific attention to floor shift changes.
- Develop and implement operation policies and procedures to support day-to-day store functions.

Safety

- Understand, implement required programs, manage and monitor compliance with applicable federal and state health and safety laws.
- Ensure that all staff are trained in and follow all organizational safety procedures and guidelines.
- Regularly review security needs of the store and implement facility or procedural improvements, as needed.
- Ensure that the store provides a safe work environment for all staff and customers.
- Plan and prepare for emergencies, including (but not limited to) weather, equipment failure. Work to ensure continuity of operations and minimize financial loss.

- Review and ensure adequate legal and insurance support for the Co-op to mitigate financial risk.

Marketing

- Support store promotion design.
- Design, develop, and maintain a store that is well merchandised and customer friendly.
- Evaluate and identify customer service needs and develop necessary training to ensure the Co-op provides outstanding customer service to its members and customers and communicates clearly and effectively to the membership.
- Support the General Manager and Assistant General Manager in developing and executing the store's marketing plan.

Membership & Customer Service

- Oversee the working membership program.

Board Relations

- Demonstrate an understanding of and commitment to Board Policy.
- Attend some meetings of the Board of Directors, as needed.
- Remain at all times within the Board stated Executive Limitations.
- Work with General Manager, to report compliance to Board policies as required by the Board of Directors.