

Board of Directors January Meeting 1-4-17

Present: Jeremy Bean, Chris Rand, Daryl Sinn, Sara Spock Carlson, Michael Pipe, Roy Sletson, Neal Carlin, Grace Emmerling, Raylene Demorest (employee)

AGENDA

- 7:00 call to order
- 7:05 Past Business
- 7:10 Financial Report (Daryl)
- 7:20 OLM Business
 - Wholesale Market
 - Alicia's Role
 - OLM Committee Report (Roy)
- 8:00 F&F Business
 - Executive Committee Report (Jeremy)
 - Staff Reporting Structure
 - Stacey's Role
 - Committee Standard Operating Procedures
- 8:30 Communications (Neal)
 - Posted Meeting Minutes
 - Internal Communication Platform
 - Communications Committee Topics to Cover
- 8:50 To Do's
- 9:00 Adjourn

Grace will arrive around 8 or later. This will be her last meeting as a member of the BOD.

PAST BUSINESS

Roy makes motion to approve December minutes, Sara seconds. All approve. The executive committee, comprising of Jeremy Bean (President), Chris Rand (Vice President), Daryl Sinn (Treasurer), and Neal Carlin (Secretary), has been voted on and approved unanimously.

Sara spoke with a member who asked about getting minutes up more quickly. Chris voiced some concern about approving minutes via email could take time away from other tasks. Roy, Jeremy, Sara voice concern for waiting a month to approve and post minutes. Michael says we can always have another vote to amend minutes after they are posted if need be. The general concern is the timeliness of the board's communication with the membership and the public, and so we will attempt to approve meeting minutes via email and post as soon as possible after board meetings

Minutes are currently posted on website but ONLY for the last year (2016 currently). We should add a note on the website for people to request minutes from before that.

Communications committee will decide where to post minutes on the F+F website and if and where we should post them to social media.

FINANCIAL REPORT

Daryl met with Raylene before Christmas and shared financial reports with the board via email.

Sara says acting treasurer and president are in charge of coop credit cards, but one is still with Michele Marcheti and the other is now with Alicia Leitch. There were 4 issued, and Sara says both she and Melanie each had one but they were taken to the bank and shredded.

Priority: to go to bank to get EC names on documents so that current board can use coop credit cards and checks. Michele or Catie need to go to bank with meeting minutes identifying new EC so that at the very least, the president and treasurer have signing power for documents.

According to Daryl, Raylene will use the rest of the handwritten checks, but will then switch to electronic checks through Quickbooks, which are \$55 for 500, as opposed to \$40 for 300 handwritten, plus it saves Raylene time.

Daryl's summary of the financial reports is that the retained earnings of the cooperative (or just the OLM???) without the assistance of the USDA grant are very far in the red. November 30, 2016 Balance Sheet retained earnings were -44,657.76. For November alone, our losses were \$5967. These numbers are without the grant money factored in. Total USDA grant reimbursement for 2016 is around \$21,000, which is low, and there is upward of \$15,000 that can still be claimed from that grant to offset these costs.

Sara states that we are to perform an annual audit at the same time as we do taxes. We use Wakefield and Assoc. and should begin the process in February.

Our grant reimbursement total is low for the year. Daryl will contact Jenn Landry, who is the grant administrator, regarding how and where those other grant funds are being used. Jenn has asked to be more of use, and may be of value working with Alicia trying to find ways to use any lingering grant money before it expires.

Roy asks if it will be standard procedure that meeting times for committees will be posted for members to see. Jeremy tables this topic for later.

OLM BUSINESS

Jeremy begins discussion about wholesale. The wholesale market has been in hibernation since Melanie left. Jim Eisenstein has proposed 5 hours of grant money

hours to be added to Alicia's workload to be focused on wholesale market and vendor relations. This would up her hours from 32 to 37 hours per week.

This is proposed to the board and asked for opinions. Roy sees no downsides. Sara says this 5 extra hours was already approved for Melanie and Jenn found ways to move money around to make this doable, so it should not require a vote.

Jeremy states that the main issue with wholesale is that overhead is too high. Vendors are seeing this as an online farmers market, but we are a business and they cannot sell goods to us for the same amount they are selling at market. They pay a fee to sell at a farmers market and we ask no fee of them, and even pick up from them at Boalsburg Farmers Market. We should be negotiating better prices on goods to make this a viable endeavor.

Jeremy expresses concerns regarding the market study from 2015 and its use of the phrasing "natural food store" when that is not the vision for F+F. The vision for the coop is a hyper local grocery store, but if the market study is through the lens of a "natural food store", then it may not be applicable.

Sara explains that the woman we worked with for market study specifically works with coops. The board at that time came to the consensus that we want it to be a fully functional grocery store, with products that cannot be found locally (ie toilet paper). We are not necessarily looking at hyper local (within 50 miles) for all of the products in the brick and mortar (B+M), but would highlight local products.

Jeremy wants to speak with vendors who sell through online market about lowering prices to make OLM successful and therefore helping to make B+M a reality.

Sara had years ago suggested charging vendors a yearly fee to sell through OLM, or a percentage fee. Both ideas were vetoed. It was also suggested that vendors must be members of the coop.

Daryl likes the idea of none-members paying a percentage fee (smaller percentage for larger volume) for selling in OLM.

Roy would prefer not to have a fee for vendors, but would rather simply like to see them sell to us at a lower price for resale. Roy wants to have a vendor meeting and discuss the fact that we are a business and vendors need to understand that we have been subsidizing the OLM and can do it no longer, so costs will need to be adjusted to make OLM sustainable.

Sara says originally it made sense to roll out red carpet for our first 10-15 vendors, but it is not sustainable now to continue picking up from the vendors and we need to stop subsidizing those costs for our vendors. Current costs are not sustainable.

Jeremy says we need to act now on speaking with vendors, preferably this month,

and vendors may not show up to a group meeting, but if Roy is willing to meet with them individually to discuss, there is a higher likelihood that they will come and listen. Additionally, he wants Alicia to use the extra 5 hours to improve vendor relations and to work to find vendors who will provide product for us at the right price. Roy says there are not many local producers who are interested in selling wholesale, but we need to identify those who are interested, and find more. Roy proposes a policy statement that states “to fulfill our purpose we will negotiate prices for commodities with vendors and no longer have vendors set the price”

Grace and Raylene enter at 7:55

Grace says there is an organization called Red Tomato (a for-profit food hub) whose fundamental tenet of the organization allows producers to set their prices and refers to it as dignity pricing. This is a concept that we should acknowledge and understand. It works based on full transparency, and vendors would know the business is losing money and would hopefully adjust their prices accordingly, or we would up our margins. Daryl agrees that vendors need to know that either they can help us make this a successful endeavor or they cannot. Roy worries this idea of dignity pricing is too idealistic. Michael is optimistic that vendors would negotiate if they knew the financial situation of the coop. Jeremy suggests going to our membership and showing them our financial situation and asking what the membership supports to remedy it – using member equity? Increasing margins? Talking with vendors about adjusting pricing?

Jeremy asks if we need to vote to approve the 5 extra hours for Alicia to work on wholesale and vendor relations? Sara motions to approve 5 extra hours for Alicia, Grace seconded, motion passes unanimously.

COMMITTEES

Roy’s understanding from last meeting was that committees would propose charters and he sent a proposed charter to the secretary 3 weeks ago. He does not want to move forward with vendor meeting until board approves it. Grace acknowledges the fact that the OLM committee is time sensitive, but because it is so important, more work needs to be done before the charter is proposed and a lot of detailed work needs to be put into crafting the OLM committee and charter.

Jeremy does not feel that we are ready for a vendor meeting, but is meeting with Jim tomorrow about utilizing his efforts and energy for a committee. Sara feels that Diana Griffith and Jenn Landry should both both key members of OLM committee.

Jeremy had voiced concern at last BOD meeting that a strategic plan needed to be in place before committees were created. We need to write standard operating procedures for committees before we move forward.

Daryl says that if we put out feelers for member engagement and nobody shows

interest, that tells us what kind of membership we have and that most people are interested in B+M and not much else.

Grace voices concern that this new board will inherit historic member disengagement, so it may be difficult to stimulate, but it is important to do so for the committees to work. The open letter that Daryl wrote needs to be delivered to the membership strategically and coincide with other communications such as Jenn's street team meeting to stimulate member engagement.

Sara suggests creating email aliases specifically for BOD roles to make transitions easier (ie secretary.ffcoop@gmail.com) both now and for future transitions. In that case, whoever takes over an executive committee role would also inherit the email and whatever accounts and services (ie nationbuilder) are attached to it.

Jeremy tells the board that the Executive Committee will meet regularly apart from BOD, at least once per month. Top priority for EC is strategic planning in moving from thriving OLM to B+M. The EC will be working with communications and outreach committees for stimulating membership (502 strong).

STACEY AND ALICIA CONTRACTS

Chris spoke with attorney David Gaines yesterday to discuss extending Stacey and Alicia's contracts. Jeremy would like to be both Alicia and Stacey's first point of contact, although Alicia may work more closely with Roy and Stacey may work more closely with Neal.

Grace believes someone who does not work very closely with the employee should do the employee evaluations, which could potentially be discussed at quarterly meetings (quarterly evaluations).

Jeremy is meeting with Stacey next week to discuss her role and where she sees herself within the coop. Michael believes that Stacey's relationship with members is strong and positive, and we must be cognizant of that as we restructure her role.

Roy has been talking to a current member if she would be interested in one of the two seats on the board. Grace suggests crafting "job descriptions" for the remaining seats for specific skill sets we would like to see on the board. Jeremy also has his eyes on a prospective board member.

COMMUNICATIONS

Neal's call with Catie Rasmussen identified the various software the coop pays for and their uses, but it appears that Nationbuilder has the capacity to do everything that Mailchimp and 123 Contact Form do, plus integration of payment through Paypal. If we are paying for Nationbuilder, we should learn to use it to its greatest extent.

Neal recommends moving all F+F dropbox files to a Google Drive folder under the email alias of the board president to better streamline sharing of documents and files among board and membership.

Neal will create emails for EC members and move all Dropbox files into president's Google Drive and share with the board and membership. Consolidating onto Google accounts would also allow use of integrated and underused tools such as Google Voice, Google Chat, Google Calendar and Google for Non-Profits.

Michael Pipe will help Neal learn Nationbuilder to consolidate Mailchimp, 123 Contact Form, other software prior to the next BOD meeting.

Neal will send out a communication to membership about the new year, new board, new exec committee and what we are working on – Neal will draft something and send to Stacey before sending out.

REVOKING MEMBERSHIP

A current coop member-owner has requested to revoke their membership.

It is stated in the bylaws that it is left to the discretion of the board as to whether or not the coop can refund the member equity based on financial standing.

Chris states that we can revoke membership and all membership privileges but are not obligated to refund the money if it is not the best interest of the coop.

Jeremy will contact this member with the acceptance of revocation of membership.

Roy motions to accept revocation of membership, but does not find it in the best financial interest of the coop to refund member equity. Daryl seconds that. Motion passes, despite Jeremy voting against.

Roy motions to adjourn meeting, Sara seconds, all in favor.