

Board of Directors Feb 1 Meeting

Present: Neal Carlin (BOD), Jeremy Bean (BOD), Daryl Sinn (BOD), Roy Sletson (BOD), Michael Pipe (BOD), Sara Spock Carlson (BOD), Stacey Budd (F+F employee)

AGENDA

Old Business

- Banking change overs
- Budget

New Business

- Alicia's Contract
- Nation Builder as a single platform
- OLM Business Plan Progress
- Strategic Plan
- New Board Members
- Membership Engagement Strategy

7:10

Jeremy calls meeting to order. Chris and Sara are absent.

PAST BUSINESS

January minutes were approved via email and should be sent to Stacey for posting to website in the future.

LEASE AT MEETINGHOUSE

Roy wants to talk about gentlemen's agreement for building lease. How do we move that into a more official agreement?

Daryl and Chris had a conversation with Sharon from the Meetinghouse in Dec re: our time and space in the Meetinghouse. They have a walk-in and compressor but unsure of working order of this equipment. Asked Sharon to come to us with a figure for rent but would not commit beyond the end of this year.

Sara enters at 7:15

Daryl said that Sharon told him there is a walk-in cooler available for sale in Bedford for \$2700, but have not heard from Sharon on that anytime recently.

Roy is concerned with the sensibility of the space as Alicia and Jenn move forward with business plan.

Daryl: space is not ideal, but it is a space that serves its purpose well enough for now. Our signed lease on the space went through December 2016 but we are now on a month-to-month basis. Month to month for the space is fine for now, and Sharon may even allow us to put up shelves in back rooms even on month-to-month, but we need a definite number from Sharon.

Stacey was at the Meetinghouse on Sunday and Sharon spoke about the walk-in and potential improvements, so it is on her mind, but we need to make the effort to start discussions with her about this.

Jeremy mentions the potential for in-kind donations of equipment from PSU that would usually go to salvage.

BUDGET

Daryl did not get a budget finished for this year, but doesn't see it as a priority. Sent the BOD an email with numbers re: profits and losses for 2015 vs 2016. Cost of goods sold is at a higher percentage in 2016 than in 2015.

INSURANCE AND LIABILITY

Daryl came across a memo from the law clinic in the Katz Law Building, dated April 6, 2016 and titled "F&F Scope of Liability under PA Products Liability Law". According to the memo, F+F and OLM are in the product liability chain. Sara clarifies that this conversation was re: raw milk and they said our current insurance is fine based on the labeling of products by the producers. We are required to have something on our website re: issues with consuming raw milk. Daryl says that it may have been produced in reference to a raw milk issue, but does not mention raw milk, and provides an opinion about F&F liability in the supply chain.

In spite of that, Sara says breaking down bags of flour into smaller bags to sell (buying bulk) would not fit into our current insurance.

Sara: according to our current insurance, we have to have documentation from our producers showing that they have insurance that covers X, Y, Z. We don't need the extra insurance because we are not currently parceling.

Daryl: law clinic implied that just because we are a link in the chain and are passing food from producer to consumer, we are liable

Jeremy: we need to do more research into how parceling would affect our insurance coverage needs

Sara: there is a binder that has all of our vendors' insurance policies as well as our own. Roy: we should look into that to go over our insurance policy and how it works. Jeremy: Jenn and Alicia will need to know this as they work on the business plan. Roy will look into our insurance.

NEW BOARD MEMBERS

Jeremy: Meg Weidenhof, a Tait farm producer, has offered to serve on the board

Roy: is there a concern with a vendor serving on the board (conflict of interest?)

Jeremy: she would need to recuse herself for any votes that would affect her business, but it would be good to have a vendor on the board

Daryl: it would offer a valuable perspective

Sara: that was the idea in the first place – to have farmers AND FRIENDS serve on the board

Jeremy: Casey Warner is new to the area, a frequent OLM shopper, and interested in serving on the board. She is a young mother, and a valuable representative of a crucial demographic for OLM and F+F

Whose seats would they be filling and how long are the terms?

Sara: The new board members would serve in “interim” positions until the next election (November 2017) to be re-elected to the board by the membership for either a 1 or 3 year term. The idea is that 1/3 of the board changes every year. 4 seats were filled last year. Neal is on for 1 year, Roy is on for 2 years, Daryl is on for 1 year.

Roy makes a motion to appoint Meg Weidenhof and Casey Warner to the

board, Michael Pipe seconds. All approve. Jeremy will send invitations to them.

JIM EISENSTEIN

Sent Jeremy a letter about his closing thoughts on F+F, will continue planning Plough to Plate with Tony and wants to move forward working with Mt Nittany medical students.

Michael Pipe: Mt Nittany program, while a good one, is not the organization's focus right now. Roy agrees.

OLM

Daryl: if we could increase revenues \$5000 more per month, we would be pretty close to solvency without grant money, because as of right now, we are about 60,000 short annually

Jeremy: I have asked Jenn and Alicia to come up with a business plan. Goal of as right now: by end of grant, have OLM be solvent WITH the grant. They will crunch numbers and think of ways to do so. As of right now, we use some member equity to keep OLM afloat. They will also work on writing another grant proposal. We will never make money on this business model. If we continue with it, it will be because we believe it is the right thing to do, and we want to provide another avenue for vendors and consumers. This bleeds into strategic plan. Would like to call a special members meeting to bring these numbers forward to our membership and present various paths that we could take: are you OK subsidizing OLM? If not, should we keep OLM afloat for another few months? Do we begin negotiating prices with vendors? What do we change? OR we close OLM and focus all of our time on B+M. We should have member meeting sometime in spring and take feedback into account, so that we can move forward with a plan based on that.

Sara: membership numbers are grossly outdated based on how we've been hemorrhaging member equity through OLM. We used to say at 800 members, we can look at space, at 1200, we can break ground, but realistically, it is probably more like twice those numbers now.

Michael: at membership meeting, we can give them updated benchmark numbers

Jeremy: the OLM is not a huge moneymaker for our vendors other than Tait

Sara: I order every week and I would be sad to see it go, but I wouldn't drive the co-op into the ground to keep it around

Jeremy: I'm not saying I want to close the OLM, but I want a business model that allows F+F to survive

Roy: let's wait to see what Jenn and Alicia come up with for their business plan by Feb 10, and we could consider changing some policies. If we take these numbers and plans to the vendors, maybe they will understand that they need to be selling to us for lower prices. What the OLM does for us is it gives us something tangible to talk about and show our members and our community to entice them. Would like to have a special board meeting after that first draft of the business plan, and a vendor meeting soon after that.

Jeremy: it does not seem super important to have a vendor meeting before they plan for the upcoming season because none of them plan for our OLM

Roy: are you saying that before we make any changes to policy, we should have the member meeting and ask for their input?

Daryl: members either need to fork out another \$19k this year in member equity or more people need to buy from the OLM, or buy more

Jeremy: Ray at Cheese Shoppe is much more interested in a wholesale option through us than OLM

Roy: wholesale is a potential revenue stream for us but we are not ready for it

Daryl: the wholesale market MUST exist until the grant ends and we must document that it exists. We cannot simply drop it.

STRATEGIC PLAN

Jeremy: grow membership is our top priority, and we need someone whose sole job is growth of membership. That may be Stacey's job. There may be an incentivized growth plan for Stacey and the membership? When we hit

certain thresholds, we begin to move forward with certain things/unlock “rewards” for our membership

Goal 2 is make a decision on OLM and give options to membership

Goal 3 is talk to bank about loan guarantee for big loan that would move us toward B+M

Roy: most likely bank will want to give us a smaller loan first that is secured with our member equity

Daryl: there is a certain amount of money you have to have available at all times for a loan

Jeremy: Goal 4 is putting a fundraising campaign together now that we are over 500 members – in-kind donations, monetary donations even though we aren’t a 501c3, grants, member loans

Stacey: member loans should really wait until we are closer to B+M because something tangible will entice people more

Jeremy moves onto the topic of a physical space for the cooperative. The idea of start small, and grow into your space. From what I’ve read, the idea of starting in a small space to just to get started and growing from there is a mistake.

Stacey: community engagement is important because there are other options in this town, and people need to feel connected to the co-op to make it successful, to draw them in

Jeremy: what is our member engagement plan? Looking for feedback on preliminary strategic plan. Asks BOD to get back to him on how to improve plan.

Daryl took a first stab at committee standard operating procedures and emailed it to the BOD

NATIONBUILDER

Michael: Neal and I met last week exploring Nationbuilder and how to better utilize it.

Stacey: understands the tags, lists, etc and would like to be included in discussions of nationbuilder.

Michael, Neal and Stacey and Sara will work together on cleaning up and better utilizing Nationbuilder.

Stacey leaves

ALICIA CONTRACT

Jeremy: finalizing her contract extension, adding 5 hours to make it 37 hours, change her pay from 2 different rates to a single hourly rate. Roy motions to approve this contract, Michael seconds, all approve.

Jeremy moves to adjourn the meeting at 9:08.