

## **Friends and Farmers Board of Directors Meeting Minutes, May 17, 2017**

Present: Jeremy Bean, Daryl Sinn, Michael Pipe, Casey Warner, Sara Carlson, Chris Rand, Stacey Budd (employee), Roy Sletson, Neal Carlin, Mark Maroney (non-board member), Meg Weidenhof

19:02 JB calls meeting to order, would like to discuss Alicia's resignation, but tables it for later in the meeting.

### **MEMBER MEETING AND VOTE**

JB addresses the member vote results. There were 150 votes cast, now the board needs to decide how to move forward taking the vote into account. Board does a straw vote on the same options given to members, 2 votes per member on OLM operation, 1 vote on mission.

Meg enters at 19:08

JB: 2 for hybrid

MP: 1 for hybrid, 1 for close

CW: 2 for hybrid

SC: 2 for close

RS: 1 hybrid, 1 close

DS: 2 for close

NC: 2 for close

CR: 1 close, 1 hybrid

MW: 2 for hybrid

Vote split half/half for closing the OLM and finding a hybrid option. Mission vote had 5 sticking with B+M vision, 4 want a new vision process.

SC: more than half of people who voted for hybrid option also believe in the current vision and want to stick with B+M, which is an important distinction to make.

CW: the term "grocery store" in vision/mission is what is confining us, but revisioning could scare people into thinking they will lose the goal of creating a third place. The type of place is what is up for discussion, not that we won't have a place at all. I want a place, but I want it to make sense for our current situation.

JB agrees that members seem to be set on the idea of a place, and CR thinks many members would drift away from F&F if they felt we were veering off course from original mission and vision of a physical store.

RS raises concerns that the existing feasibility study no longer applies to the mission of the co-op. MW raises concerns that there is not the time or energy for the changes we're talking about making and we need a more concrete plan.

CR addresses some comments from members that talk about putting OLM on a timer, more analytical and less emotional. Discussion regarding the idea of keeping the OLM operational until the grant expires or until the end of the calendar year, then re-visioning. DS and SC agree

that by closing shop in December after giving it the old college try, vendors could find it difficult to fault us for making the best financial decision for the business.

Mark Maroney: the original idea was to strike a balance between a growers coop and a consumers coop. Could we potentially hand off OLM to a group of growers, but stay connected to it in a way that would allow F+F to reintegrate it at a later date if the B+M would allow it? Mentions the existence of some interested parties, but only in early stages of discussion.

CR would support the notion of a group of growers willing to take responsibility of OLM, but MW, as a grower, expresses doubts. JB mentions the possibility of a farmers market taking over the operations of the OLM. Mark suggests the use of grant funds for a transition to a different governing entity for the OLM.

Another vote is held regarding the cooperative's mission, this time resulting in all 9 votes in favor of retaining the vision of the B+M. RS motions to reword mission statement to omit the word "grocery", Sara seconds. Unanimous vote to remove the word "grocery"

Another vote is held regarding the operation of the OLM, with the options being:

- 1) F+F entity will no longer be responsible for OLM – sell, close or find a partner, so that starting Oct 1 the OLM is no longer ours
- 2) F+F will retain the OLM and explore ways to make it more solvent (look at business model, vendor negotiations, etc.), but will remain the fiscal responsibility of F+F even after the grant expires. Goal is to find a hybrid option that would find solvency for OLM while continuing to work toward B+M.

Vote was 6 to 3, in favor of close/sell/partner

CW would like F+F to retain some form of OLM identity so that when we open a B+M, we could take it back and integrate it. She believes we should at least give it a go and make some policy changes, negotiate with vendors until we may have to close Oct 1. Votes for option 2. SC says that her heart says number 2, but her sense of responsibility says number 1, and therefore votes for option 1.

DS believes F+F has allowed vendors to dictate pricing for too long. F+F spends too much time and money doing things that vendors should do (creating invoices, picking up, collating produce, etc.)

RS: Does BOD have willingness to make significant policy changes? BOD would just be spinning wheels, if not. To make OLM work, we need variable markups, need to make hard changes, dictate to vendors, buy at wholesale prices in wholesale quantities. If not, we should close/sell/partner.

MP: vote for option 1 is largely based on Alicia leaving

Mark proposes the idea of a joint venture agreement between a grower cooperative and a buyer cooperative, 50/50. He believes it could cut the cash burn of OLM by splitting it 50/50 and doing more wholesale, lower prices – could grow membership in that time and extend experimentation time after grant runs out.

JB: I make a motion that we endeavor based on feedback in votes from membership meeting to work closely with both the buyer side and the vendor/grower side of the cooperative to try to

make OLM financially sustainable OR at a to-be-identified acceptable loss by Dec 31 (or sooner if necessary), at which time we hold the right to transition OLM to a growers' cooperative or some other entity and we move toward our vision of a store. We reserve the right to cease operation if we do not reach financial sustainability or find an acceptable buyer/partner by said date.

SC feels that if we want a growers' cooperative to happen come December, wheels need to be turning now, and Mark agrees that policy changes and modifications to the business model should be voted on within the next few weeks. JB says we need to work with local growers to find a business model that would work for them and us once we open B+M.

MP seconds JB's motion, but asks us to quantify how much money we are willing to sacrifice to protect vendor relations. Come December, if we have spent \$5k (10% of current member equity), will vendors appreciate the investment we've made or will they just be upset that they are losing business? DS and MW agree that the latter would be the case.

CW emphasizes that we are also offering them the opportunity to take over OLM, so it would not only be that \$5k for vendor relations, but also grant money invested into trying to make OLM work for the vendors.

JB thinks that, without setting a specific date, the BOD could start spending grant money to get things moving, and we can make the call come October if we see improvements. He believes it will be clear come October whether it will be worthwhile to keep OLM open any further. MP seconds but opposes motion, but all others approve.

#### OLM COORDINATOR

JB returns to the topic of the resignation of the current OLM coordinator, Alicia Leitch. need to hire someone. A PSU student (Adam) is interested, but would not be offering solutions, would purely be mechanical. Can start immediately. No experience other than customer service.

SB: Jenn Landry has offered to have her payment reallocated toward market.

MP makes a motion to offer interim OLM coordinator position to Adam until June 9, at which point we can discuss further. MW seconds motion. All in favor.

MW leaves 21:23.

CR asks for a vote on the Father's Day event at Elk Creek Café and Aleworks, Sunday June 18 5-7:30p. Goal is to recruit new members and raise funds for F+F, by selling tickets for ~\$30. A dollar from the purchase of a beer of Elk Creek's choice will go to F+F. People who buy a membership with F+F will receive a free ticket. There will be lower prices for children. Elk Creek will work on a menu, and they want us to sell the tickets through Eventbrite. BOD or other members could potentially subsidize a few tickets.

In favor: 7, opposed: 1 (RS)

#### OUTREACH COORDINATOR

SB says that she is resigning from her position as outreach coordinator, but would like to come back as a volunteer after some time away. She gave a commitment through July 4. She also mentions that she has not submitted a time sheet since January.

SB leaves 21:28.

RS makes a motion that we pay SB for one month. CR amends RS' motion, motions to catch up on Stacey's pay through the end of February (the end of her current signed contract). Mentions the possibility of using grant money for the next 6 weeks if her position pivots to OLM transition. MP seconds, all in favor.

MP motions to adjourn at 21:39.