

Friends & Farmers Cooperative Special Board Meeting June 21, 2017

Present: Casey Callahan Warner, Roy Sletson, Daryl Sinn, Jeremy Bean, Chris Rand.

Guest: Mark Maloney

Absent: Meg Weidenhof, Neal Carlin, Sara Spock Carlson, Michael Pipe

Meeting called to order at 7:07.

Minutes from June 7 meeting will be approved via email as there are edits pending. Roy makes motion to enact the changes to OLM discussed at June 14 OLM Committee and later circulated via email. Daryl seconds the motion.

Roy asks how we control prices vendors charge (they can raise prices to offset our 8% fee). All agree F&F can't control. Mark asks about variable markup and a theoretical wholesale track vendors can join to leverage volume purchases to achieve lower retail prices. Roy says he will bring this up later in meeting. Mark stresses price sensitivity; Chris says lack of growth and weekly sales volume evidence that prices are too high already. Mark wonders how much extra labor is really required to add a wholesale track.

Jeremy mentions delivery fee level, feels drivers should still get \$5 per order. Daryl and Chris agree. Chris wonders if 8% is too high and a lower number might prevent vendors from increasing prices. All agree that it really needs to be higher and 8% is our best compromise.

Jeremy points out the growers and buyers benefit from current OLM arrangement, but F&F does not. Daryl says it is important for F&F name to live on in the OLM, and intangible value of OLM in operation would be a big loss. Transitioning OLM to other management or ownership makes sense because of this.

Daryl proposes we keep driver pay at \$5, and leave the other items the same. Motion is amended to the following:

- 1) \$50 flat entrance fee per year to sell on OLM, \$25 for member vendors.
- 2) All vendors will have 8% sales deducted from OLM sales compensation by F&F
- 3) Delivery fee increases to \$7
- 4) Driver pay remains at \$5
- 5) Pickup of orders at location(s) other than meetinghouse at 318 S Atherton will be assessed \$2 fee

Motion passes unanimously 5-0.

Roy makes a motion that vendors are required to provide hard copy bulk invoices for all orders at the time F&F receives the ordered goods, and vendors will be paid from provided invoice. Chris seconds motion.

Discussion focuses on order discrepancies and time Daryl spends preparing invoices. Adam had problems this week with items missing on orders, some of which cannot be replaced if items sell out at BFM before we get there for replacement goods. **Motion is voted upon and passes unanimously 5-0.**

Roy makes a motion to charge 3% of invoiced total to vendors that do not deliver to F&F primary pickup location. **Motion is not seconded**, but board generally agrees a solution to this issue is needed and the issue can be raised again at a later date.

Roy makes a motion that “When facility logistics and labor allows F&F will buy in case units and at wholesale prices. By so doing F&F will set the retail price, as opposed to current practice of standard 20% member, 30% non-member markup.” Chris seconds the motion.

Jeremy says this makes good business sense, but wonders if we buy 50 lbs of carrots from a vendor, are they branded as F&F carrots or the vendor’s carrots? All agree F&F will most likely cobrand goods as it makes good business sense. **Motion passed unanimously 5-0.**

Roy says we need to communicate policy changes to vendors. Policy changes voted on above will be effective July 11, 2017. Jeremy proposes sending the verbiage to Michele and Stacey to craft the custom wording to communicate the policy changes to vendors.

Jeremy says Jenn reported that AMS denied our request to extend the paydown term for the USDA grant to December 31, 2017. All funds are to be spent by September 30.

Jeremy mentions the handout provided by Chris regarding the reallocation of grant monies to other categories, which must be approved soon if we are to exhaust our available funds.

Chris makes a motion for “Jenn to reconfigure grant to reallocate all available monies to cover labor expense, prioritizing the OLM Manager’s pay, in an effort to exhaust all USDA grant money available to F&F.” Jeremy seconds the motion. **Motion passes unanimously 5-0.**

Jeremy says at F&F Elk Creek event June 18 that Jim Eisenstein suggested Plow to Plate proceeds go to supporting OLM financially through December 31. Daryl and Chris agree the money can’t go to equity so why not use it to support the OLM. Board agrees to grant Jim’s wish.

Jeremy met with Casey to discuss communications committee. Casey has agreed to chair the communications committee with Neal's situation up in the air. Casey will help develop a cohesive communications strategy. Diana will be included in this process. Sara and Michele will help with communications, Carolyn Meehan may as well. Casey says she will set up editorial calendar but will take a maternity leave later this year. Jeremy will facilitate with introductions and meeting initiation. Jeremy thanks Casey for her service. Casey says she will pick Stacey's brain for ideas. Casey and Chris will jointly handle an exit interview for Stacey.

Jeremy said Elizabeth Crisfield asked for the file containing comments from members in the recent voting. The board agreed to not provide this information as members presumed anonymity in their comments. The board will look for an existing report on the general content of comments and breakdown of the votes to provide insights without violating privacy.

Jeremy talked to Jessica Dolan of Room to Breathe, she just joined as a Local Loyalty Partner. Jessica is interested in considering board membership. She is not ready yet but may be in the fall. Jeremy will invite her to communications committee meeting.

Jeremy met with Grace Emmerling last week. He asked her about running the OLM. Her partner (Jeff) owns Chronic Town. They are considering retooling their business and think a pilot retail location may be of interest to F&F. They would be willing to discuss with F&F. Board is dubious that the location would work. It is downstairs, not that visible, and parking is lacking. For now the idea is off the table.

Daryl raised the issue of Authorize.net email instructing us to make changes by 12/31/2017. Chris recommended Daryl contact Catie to see if she knows what the email request means we have to do. Chris asked for reports from Jeremy or Madelyn for LFM transactions that weren't paid, and for Authorize.net info from Daryl so Chris can reconcile the missing charges.

Jeremy motions to adjourn, Roy seconded. **Motion passes 5-0**, meeting adjourned at 8:52.