

FFBOD Meeting 11/6/17

Board Attendance: Chris Rand, Meg Weidenhof, Roy Sletson, Sara Spock Carlson, Daryl Sinn, Jeremy Bean; Non-Board: Anne Williams

19:06 CR calls the meeting to order and passes the floor to DS for the finance report.

Finance:

DS presents the financial report: checkbook reconciled through October. They're much better from this year to last year. Sales are down, but expenses are WAY down. Sales were 12,900 from 19,000. Gross profit 15788. COGs are at 58% compared to close to 90% last year. Gross margin of \$8125, including events sales. Total expenses are \$2000 less than the same period last year. This doesn't include 3rd quarter reimbursements, so this could get better. U-haul receipts are missing for a certain date range. Anne suggests that they might have been emailed because there's a tab that's called U-Haul. She will look.

Net operating income for SEPT/OCT is \$-1,896 compared to 2016 \$-10,396. For 2017 year, we're at \$-15,630. DS thinks the picture isn't bad.

Thompson Harner: He is dropping the payroll charge. There will be an extra charge to come up with 1099 at the end of the year. DS wanted a 6 month contract with a 30-day opt out clause. DS meets with him again on Wednesday to go through the billing and everything.

RS makes a motion to approve the proposal of Thompson Harner to be our bookkeeper, that DS has sent to the board. MW seconds. Motion passes unanimously. TH will be reviewing the books after Dec 1, 2018.

OLM Report:

RS has been able to buy wholesale from Wild for Salmon, Jade Family Farm, Rising Spring. Has reached out to every vendor with the hopes of getting wholesale. Made personal inquiries with Ardry, Way. Way wouldn't be willing to deliver, but if we pick up they might. Ardry Farms will not deliver to us, they don't have the time on Tuesday Market day. No response to other efforts. Reached out to Standing Stone. Cheese Shop gave prices, but has not followed up since.

It's been said before, but the 20-30% markup model doesn't cover our expenses. The 8% user fee has covered us, but it's a very stringent model instead of a variable model for different goods. Bought a scale and a stand-up refrigerator. Running a sale on WFS products for the next 3 weeks.

19:30 JB joins.

AW reports that we're averaging 32 orders at \$1500. Marketing people that we've taken on have helped. Working on featuring different vendors and products. Difficult to feature vendors with LFM. DS suggests getting in touch with Amy at LFM to see what they're planning to roll out next, since they're updating. Also, DS notes that we're getting billed by the month, instead of yearly. It's more expensive. SC suggests creating a new category for FEATURED ITEMS on the left-hand bar. CR suggests pulling Madelyn into the website process.

Marketing Proposal:

JB sent a marketing proposal around to the board from Sarah Decker. Hourly rate of \$20/hour at 10-20 hours/week. We could also sign with them on a project by project basis. SC asks if this could be covered under the grant? Yes, this could use grant money. CR suggests looking at 10 hours/week for a set number of weeks. JB will go back to them to ask if they can do 10 hrs/week to do the weekly deliverables which include OLM Newsletter, multiple social media blasts, Local interaction.

JB makes a motion that we offer Thickhead Productions \$20/hour for 10 hours per week to provide the weekly marketing deliverables through March 31, 2018. CR seconds. Discussion: DS asks if this will include a monthly report? JB says that Sarah told him she would include a monthly report. Motion passes unanimously.

Ross Pifer Law Information:

DS met with Ross and his students. If we're taking products that are already packaged and we're not changing the package, we can stick on any stamp that we want. You are allowed to redistribute certain kinds of raw ag products such as carrots, onions. The Borough cannot come to us and say that you can't do this or do that, because by PA law, we're following the food code. We have an exemption because we're a retail food establishment. There are sets of federal and PA rules. The gist of it is that we're okay. You cannot alter or process the product in any way. The scale must get sealed by the USDA. EN asks about organic product labeling. DS said that RP advises that we don't include organic labeling because there are grey areas.

Dissolution: there are no rules about how to dissolve. The bylaws have indications about how to dissolve, but PA law doesn't have hard rules about it. Patronage – there are tax advantages to paying dividends in at least 20% in cash.

The law students will send their final briefs before the end of the semester.

Food Hub Report (attached)

JB reports that Commissioner Higgins is driving the discussion. There was a meeting with JB, CR, Mark Maloney, Tim Flanagan, Leslie Pillin, others, regarding the food hub and PSU interest. They said they were interested. FF has an opportunity to move into this role, we are the first group they are willing to engage. Desire to have PSU look at 6-12 commodities that they would or could buy locally and what the cost would be. Higgins would like a \$6mil group to be the supplier. The idea was to look at ag

incubators in the rural areas like PV or Philipsburg. Space there for processing plants, but they need a mediator to sell the processed products. Higgins has a couple of entrepreneurs who would be willing to shape and explore. Meeting with PSU to come up with the list of 6-12 commodities and what they spend on it. Take that list to Commissioner Higgins and his entrepreneurs. Friends and Farmers conversation with a new full board about gauging interest. JB told Mark Higgins that we would continue to operate the OLM and then we'd buy and sell on a larger scale for wholesales. Sara Walter is doing the research at PSU, has found that the most successful models are hybrids with wholesale and retail. JB's idea is that it would be spun up quickly and executed with 1-2 farms. Mark has asked townships if they would be willing to contribute money to create the staff/workforce. Facilities donated to see what might work. DS wonders if PSU wants to control this venture, or if they want to make changes, you're beholden to their changes as the one big customer. RS suggests that we should broaden the customer base so avoid vulnerability. JB says there has to be a balance between the drivers of Higgins wanting to push county growth, JB wanting to promote FF, investors who are interested in making money. EN asks how this will effect smaller scale farmers, if they can't provide for the wholesale market? DS and CR both explain that the OLM/retail side would continue to run and support smaller scale farmers.

Agenda for Annual Meeting

CR asks who will be available to come early. SC, AW, JB, SC, RS can be there at 1pm. The timeline is packed. We have to be concise. "Please hold your questions until the member comment period." SC reminds that we need a minute taker for the annual meeting minutes. SC will present Finance, talk about how we're closer to break even than last year. We are optimizing our model, but we need to take a leap. This will help lead into JB's discussion of the Food Hub. RS asks how we're going to get more board members. JB will say "If you want to help shape the course of the coop, please consider running for the board."

- 2:00-2:15 Arrival and mingling
- 2:15-2:30 Jeremy - Welcoming remarks, year in review
- 2:30-2:40 Roy - OLM update
- 2:40-2:50 Chris - Membership update, growth, outreach, marketing
- 2:55-3:05 SARA Financial update
- 3:05-3:15 Jeremy - Looking ahead to 2018, Food hub
- 3:15-3:45 Mike - Member comments
- 3:45-4:00 Board Candidate introductions, explanation of voting, voting
- 4:00-4:30 Member questions/discussions.

20:57 motion to adjourn by JB; second CR. No discussion, all in favor.