

# FFBOD Meeting 12/6/2017

Board Attendance: Chris Rand, Tim Flanagan, Jeremy Bean, Roy Sletson, Dana Mitra, Emily Newman, Michael Pipe

Non-Board Members: Ann Glaser (Member), Anne Williams (OLM Manager), Thompson Harner (Contract Accountant), Catie Rassmusen (Member)

Meeting convened at 7:00PM by Chris Rand

## Introducing New Board Members

1. Tim Flanagan
2. Emily Newman
3. Dana Mitra

## Member Comment Period

Ann Glaser attended to share some thoughts and offer an “alternative view” on how the Co-op may proceed on short and medium term goals. After attending the Spring Meeting, she felt that the members supported the idea of investing in a physical location and spending no more money on the OLM. She believes because of this, that the board of F&F needs to determine how they will proceed with a clear timeline that is short. She reiterated that although OLM is running at less of a deficit than previously, by March 30<sup>th</sup>, 2018 (the end of the grant), F&F will not be reimbursed for anything through the grant. Anne suggested to steps: 1) A strategic plan and 2) Creating a budget for Q1 and Q2 of 2018 .

Ann believes that there are only three things that can be done for F&F: 1) Dissolve, 2) Put grant money into another area for OLM 3) Discontinue OLM immediately and set money into another account for another plan. This plan could be putting it into a capital investment, like rent or a mortgage. CR stated that money was put into capital investments; F&F has previously purchased a refrigerator using grant money.

RS stated that the key to what Ann is talking about is that the board has been very involved with operations. RS suggested we set goals and visions and move forward. We should no longer “tread water.” RS suggests moving forward to goals and visions instead of just talking about goals and visions.

## Finance Update

Thompson “Tom” Harner recently join the F&F Co-op as a contracted bookkeeper. This motion was passed by DS and seconded by MW at the 11/6/2017 board meeting. Tom was born and raised in State College; his family owns Harner Farm. Tom farmed for 20 years, now does accounting work. Most of his work is with fraternities at Penn State and small business tax returns. Tom will be handling the following:

1. *Accounts receivable*. The OLM Manager will make the deposits and Tom will record them.

2. *Budget on a yearly basis.* Willing to work with it on a quarterly basis, if requested by the board.
3. *Accounts payable.* Pay all bills as directed by F&F. Vendors drop off bills every week & Tom will pay them once every two weeks. The checks are kept at the F&F office
4. *Reconcile check book*
5. *Provide monthly reports to treasurer*

Tom will not be doing grant administration. Jenn Landry in the past was responsible for this. There will be a “light amount of work” for Tom to support the grant but will not be responsible for generating the grant reports. Tom requested to see the grant report.

There was a brief discussion on what emails should be used. Tom prefers that all accounting/finance communication be through his personal email:

THarner@thompsharnerinc.com It was agreed upon by the board that there are several F&F emails that need to be “cleaned up.” This conversation will continue via email between the board.

### **Institutional Knowledge Transfer**

CR noted that transfer of institutional knowledge has not always been smooth in the past and that it is important that during the transition of new board members, it would be important to note key players of Friends & Farmers in the past:

I. *Catie Rasmussen*

- a) Was on the Interim Board, first and second generation
- b) Served as the Local Loyalty Coordinator
- c) Updates Website
- d) Transitioned old website to new website
- e) 123 Contact Form which is needed for signatures for becoming a Coop member
- f) Social media

II. *Michele Marchetti*

- a) previous president before Jeremy

III. *Anne Williams*

- a) Online Market Manager
- b) Understands “Local Food Market Place,” the OLM platform

IV. *Stacey Budd*

- a) connecting with community
- b) membership development

V. *Madelyn Wagner*

- a) project manager and data management with Penn State. Utilize her to help with database management (LFMP)

The board agreed it would be helpful to create “Standard Operation Procedures” for onboarding process.

## **Executive Committee**

CR created a roster for the “Executive Committee”. CR asked if the board would consider it as an entire package or vote individually. RS agreed that we should open it up for a brief discussion to determine if anyone on the “roster” would like to run for treasury.

- Ø CR nominated Tim Flanagan for treasure.
- Ø CR nominated Emily Newman for secretary
- Ø CR nominated Michael Pipe for Vice President

JB made a motion for a simple up or down vote for all Executive Committee Members, RS seconded for the following positions:

- Ø President: Chris Rand
- Ø Vice President: Michael Pipe
- Ø Treasurer: Tim Flanagan
- Ø Secretary: Emily Newman

CR requested discussion. There was none. Vote passed unanimously to elect the above positions.

JB noted that there are still two open board seats. 9 people would be needed for a full board. Ann Glaser noted it would be important to have an active board with active committees.

## **Marketing Proposal from Thickhead Productions**

Earlier in 2017, a contract was ended with former marketing person. Sarah Decker of Thickhead Productions is contracted to do general marketing per hour per week. Any additional marketing promotions must be agreed upon in the board.

### Thickhead Productions Holiday Promotion:

- \$750 dollars towards WPSU and Centre Daily Times to promote holiday season
- WPSU will run 19 adds, CDT 11-17 digital add, full color print add on CDT Dec 19, THP design words. \$100 to THP and \$650 for adds.
- Social media falls under normal contract

The board agreed return on investment needs to be tracked. The grant would reimburse the \$750. CR was reminded that we owe the grant agency a reconfigured budget.

TF made a motion to accept the marketing proposal that covers the next two weeks for December 9<sup>th</sup> through December 17<sup>th</sup>. MP second.

Discussion continued around what marketing ads would be effective. MP suggested that facebook and targeting ads would be more effective than the broad outreach of CDT and WPSU. TF would like to see how effective the marketing is and JB stated they would create a monthly marketing report.

CR made a motion to approve the Thickhead Productions marketing proposal. JB seconded. Passed unanimously.

### **OLM Update**

AW confirmed closing the week of Christmas (December 26<sup>th</sup>).

Sales are slowly creeping up; 12 more on 12/5 than OLM has done in past weeks. Members shopping at OLM for the first time average 1 per week.

Signed on 5 new vendors:

1. Brazilian Munchies
2. Beeline Naturals
3. Mount Nitt Nee Kombucha
4. Happy Valley Greens
5. Over Moon the Farms

JB stated that the max capacity of orders for the current space and number of volunteers is 80 orders.

### **Food Hub Update**

*Primer from JB:* A Food Hub is an aggregator and distributor of local foods. TOG is an example. There is a need in State College to increase sales of locally grown products. Some people see it as a way to boost the economy, support our farmers. This isn't what the vision of F&F is but do we want to move forward with it. JB believes that it will happen with or without us due to the support of the community. The OLM could continue as a retail entity and work within the food hub model. Penn State has given JB and student-assistant quantity of food purchased. All is purchased prepared (cut, diced, etc.). There would be a need for a processing facility to do the value-added products. \$6 million in sales is a successful food hub, which is a small percent of what Penn State purchases. Plans are to distill it down to 5-12 commodities of what we could provide Penn State and starting to approach farmers; Jeremy has a meeting with Sara Walter to have a commodities list then approach F&F. Will need to determine transportation and storage. In some Food Hubs, storage doesn't exist; it is direct to grower to consumer. Funding would come from potential investors. Minimum liability insurance is needed for Penn State to purchase it and they may be willing to do the storage. Intentions would be to have a processing facility in Penns Valley and other locations and State College would be the HUB.

Ann Glaser raised concerns about why Penn State would want F&F to be the organization running a multi-million dollar food hub. She asked "What instructor, background, knowledge does F&F have?" JB explained it is the relationship with the growers that PSU most values in F&F.

Catie R. believes that the Food Hub fits in with the Coop idea by getting local food to local people, even if it is different than originally anticipated.

RS stated that what is needed is for us to determine goals and vision which could potentially look like the following:

- 1) pivoting to a food hub
- 2) dissolving the OLM
- 3) dissolving co-op
- 4) small retail and expanding the OLM

### **Board Priorities for 2018**

TF believes we need to hire someone so that the board has time to dive deep and be on committees and not be involved in the daily operations. The only way to move forward is to have a full-time staff member to put directives into actions. "Grow, change or die." F&F has volunteers, board members and tools. Responsibility to make F&F succeed, but have not maximized our resources or potentials. There is always one thing TF comes back to which is that there is always a chance to do something better, F&F needs a better investment in resources in personnel and setting vision and goals. Volunteer boards cannot be an operational force, need to invest in human power. RS agreed; in the past F&F hired to do jobs that are traditionally done by members and volunteers. We should NOT hire someone to do membership and communication aspects, just operations. TF believes we need to set a vision of financial success and viability. If F&F is going to grow, they need to invest in human power.

JB made a motion at the beginning of the new year, F&F board picks a date and does a half day retreat to set the vision, priorities and goal and set a plan for the year. CR second. No further comments. Vote passes unanimously

CR made a motion to conduct a strategic visioning board meeting. RS Seconded. Unanimous vote, passed.

### **Standing Stone – 8% decision**

JB: 8% of total sales to help recoup our money for the OLM. Daryl would cut checks for 8% less. Standing Stone missed the communications and inquired why 8% was missing. 8% provision does not apply to people who sell wholesale. SS has been selling to F&F at wholesale price but F&F did not realize this. They are not selling to us in bulk due to freshness of coffee. Do we consider this wholesale and would we wave their 8% user fee?

July 2017 when the 8% was agreed upon because gross margin was too low to cover operating expenses. Disseminated to vendors and received some flack for it. Since then, Roy has been buying in wholesale from a few vendors.

They would offer it at \$10 / lb and we could sell it at \$14 / lb, but that would be too confusing. F&F needs uniformity in our operations, so Standing Stone can sell it at \$14 and we will still do the 8% user fees.

TF made the motion to refund them the amount owed, \$275; moving forward they will still have the 8% user fees. DM seconded. Motion passed unanimously.

CR made a motion to end the meeting. JB seconded. Motion passed unanimously.

Meeting adjourned at 9:01PM

Action Items:

1. Clean up finance emails. Have all forward to THarner@thompsonharnerinc.com and indicate to vendors this information.
2. Send grant report to Tom.
3. Standard Operating Procedures for institutional knowledge? Long Term Goal for upcoming board members
4. Connect Madilyn Wagner and Ann
  - a. Ann create manual for Local Food Market Place for future hires
  - b. Ann and Sara Decker to fully utilize the LFMP — Is this a good platform? Should we be looking at others?
5. Contact member from Fall Membership meeting to help with organizing meetings
6. Ann Glaser would like to work with building a finance committee
7. Reconfigured budget for grant
8. How do we track our return on investment with utilizing Thickhead Productions
9. Vendor organization? Work with Ann
10. Visions planning
11. Set a date and plan Board Retreat.
  - a. Find a facilitator