

Plainfield Co-op Board Minutes
January 17, 2017
6:00 pm at the Community Center

Present: Giordanno Checconi, Sarah Phillips, Jean Hamilton, Joseph Gainza, Bob Fancher, Gail Falk (by phone)

Links: Jeanine Dewald, Chloe Budnick

Absent: None

Check-in

Joseph invited folks to attend a vigil at noon on State and Main on Friday.

Jean sent some notes on the board orientation, **ACTION**: board members please respond with ideas.

Updated compliance report on B1, part 2 (Adequate Net Income)

Board members discussed whether the plan provided enough information on how the MC was responding to issue of adequate net income. Board members wanted to understand whether the MC think the is plan adequate. There was some discussion on what the root causes are of the financial issues. For example, we were below budget, but about on par with sales last year. Board members wanted to have a general analysis of the issues. It was discussed that revenue loss and increasing COGS are a part of the analysis for each department. For example, Produce – Revenue went down but COGS went up. Board members agreed that they are wanted to understand the short-term strategies that are actionable and targeted. 2016 Budget Variance Issues: Wages, Staff Discount, Repairs, Professional Fees and Insurance (Expenses) and Sales (Income). Gross profit was \$18,641 less than budget, up 4.1% from last year. Historically, Q1 is the slowest quarter. Board members want the MC to identify how long the Co-op can keep losing money before we need to make some significant shifts. It seems that the downward shift started in July; Board members wanted to understand the MC's analysis on why July was down. The Links added to the compliance report, that buyers are looking at department level analysis, and the MC could consider sales promotions as short term strategies; however promotions take an investment of staff time and there was a question on whether it is appropriate to make that investment during Q1 (which is typically slow).

There was a discussion on examples of short-term strategies. For example, using department-level analysis to increase sales to departments with costs controlled and already strong sales; considering adjusting prices on particular items (up or down); possible targeted promotions to

increase general sales.

Jean again volunteered her capacity to help the MC to develop short-term strategies. The Links reaffirmed that this is a welcome consultation. **ACTION:** Jean, as a volunteer consultant not Board member, and the MC will find a time to meet together this week to discuss short-term strategies.

DECISION: The Board does not accept the plan for compliance as presented, with feedback to the MC that the plan needs to include more specific, actionable, short-term strategies, and also a target date for adequate net income (based on budget). The plan can be based on the MC's proposed budget, which the Board has yet to approve.

There was a dynamic conversation about how these kinds of discussions occur at Board meetings, between the Links and the Board. There was a good reminder of the role of the Links in the meeting, as a conduit to the MC. And, there was a good discussion about our challenges around communication. There was also a good reminder that Board discussion is a critical step towards making a decision, but the discussion itself is not what the MC responds to, only the decision. We discussed restructuring our conversations to avoid overdoing the "back and forth" between Links and Boards; and to encourage the Board to address each other during the discussion. **ACTION:** The Board reminds itself at the next meeting to direct comments to each other during the Board discussion.

Strategic conversation - Board's role when Co-op is losing money

The Board can offer consultation, skills and expertise to the MC (non-directive); in addition to its policy governance role.

Link Report

How was the \$6,000 line of credit used in 2016?

The line of credit was taken out once and paid back, not rolling. This confirmed the Board's understanding.

Staffing updates

New produce staff supporting Anji, that are efficient and produce is looking great! MC positions were staffed internally. Dawn's responsibilities have been divided amongst MC staff.

There was some discussion on changing equipment needs, and these would be included in the proposed budget. It's not anticipated that this is a large expense.

There is still an effort to understand better tracking and budgeting of hours.

B2 Report. Planning and Monitoring

This was deferred to February. **Action:** B2 Report Review at February Board Meeting.

B Global Restraint

There were three items in the chart under “other recurring issues” that all agreed are misplaced in this report and should be removed.

Decision: We accept this report as being in compliance and on time, with the above consideration.

Decision: December minutes were approved.

D1, D2, C8 amendments – Gail drafted these technical changes and **(Action)** we will defer to February.

Committee Updates

Treasurer

Bob drafted some information on looking at the financials/financial terms that can support future board orientation. Bob is going to start reviewing the weekly checks report to understand where there may be some possible coding issues; the MC affirmed that Bob can communicate directly with the bookkeeper. Bob will cc the finance committee on communication.

Building and Building Construction

The committee met and discussed a ballpark estimate on the building projects/expansion. **Action:** Giordano will send along the estimates from the building committee and include \$ from previous studies (siding, windows). The rough estimate is approximately \$350,000

Building Finance

This committee meets on Thursday.

Communication

The committee is looking at a film series in conjunction with the “Building a Local Economy”. The committee is using base camp. The committee also wants to make sure to offer “fun” items. The committee is also working on developing marketing messages as a tool for the MC.

Board Recruitment

Pete Coleman is interested in joining the board; he is a young entrepreneur and head of Vt Salumi. We discussed other potential candidates that board members may approach.

Request from Melinda Vieux

There was a discussion on the cause for the problem and the liability of the Co-op. The Board agreed that the request was made in a fair and reasonable way. **Action:** Jean agreed to reach out to the town for more information. Bob will let Melinda know that we are discussing and will have a response in February.

Board Monitoring

C Global Governance

D Global Board/Management

Action: Board monitoring (C, D) was deferred until next month.

Check-out

Sarah clarified her preference for having a special meeting when needed. Board members were open to this. Board members can propose a special meeting, when needed, and Links would be included on this.

Action: Sarah offered to identify another public facility for our regular board meetings to facilitate better communication/quieter meetings, as the community center is being used on Tuesday nights.

Board Packet:

December Board minutes

Global B Monitoring Report

November financials

Letter from Melinda Vieux

MC January minutes
Draft Amended D1, D2, and C8