

Plainfield Co-op Board Special Meeting Minutes
February 6, 2018
6:00 pm at Community Center

Attendees: Jean Hamilton, Giordano Checchi, Alicia White (by phone), Chris Jackson, Sarah Phillips
Guest: Buzz Ferver

Jean called the meeting to order at 6:05pm. The special meeting was convened to discuss the management restructure proposal, develop a transition plan, and review the management consultant contract 1.

The meeting followed an all staff/all Board meeting held on Sunday morning at the community center, where the Management Review Group (Anji, Sarah, Karen, Alicia) presented the MRG proposal for management/staff restructure. Jean facilitated discussion at Sunday's meeting. The Board also reviewed a financial analysis, forwarded by email, which included new positions (with FTE), assigned wage levels and a proposed wage budget for the remainder of 2018. Short job descriptions, a full General Manager job description, and an organization chart was presented as part of Sunday's meeting.

Jean asked that each Board member identify any unresolved issues to discuss before the Board makes a decision on a new management structure.

Board members identified questions/areas to discuss as:

- Hiring/appointing process for new positions
- Consolidation of Buyers into fewer people
- Financial Analysis, including wages
- Adequate hours allocated for floor staff

With regards to hiring/transitioning staff into new or different positions: Giordano asked if the organizational chart/positions were created with specific staff in mind for positions? Alicia and Sarah confirmed "no", although, the MRG did understand existing staff interest and skills based on the staff inventory (context). There was acknowledgement that we have not yet established a clear process for current staff to identify whether they want to take on specific positions, or a process for evaluating which staff might be approached. There was some discussion about whether we will find ourselves in the difficult position of trying to hire for multiple positions from outside the Co-op. There was general agreement that there are ways to approach staffing and structural shifts through a phased, thoughtful hiring process.

With regards to the consolidation of Buying into fewer staff: There was a discussion about whether there were adequate hours allocated to buying (proposal: 80 hrs/week + General Manager (10 hrs?)). There was some agreement that this was a reasonable estimate, although it could be started lower and added to as needed. There was discussion about whether the General Manager (GM) would be able to support buying, and some discussion that this would be likely, at least initially. There was discussion about whether the proposed 2-3 buyers (+GM) would be enough people, whether potential buyers wanted to work more hours or full-time, and whether buyers could spend less time receiving. Chris spoke about past staffing structure at the Co-op, including a time when 3 buyers adequately supported this work, in addition to other duties. There was agreement that more understanding of the current allocation of hours and split between staff would be helpful. There was a discussion about the general

pros and cons of having a few staff buying, and a recognition that produce buying is a significant and unique position, supported by other staff. There was discussion about the opportunity to consolidate buying over time through a transition. There was agreement that more information and planning was needed to be done to make the best labor decisions for the Co-op on buying.

With regards to adequate hours allocated for floor staff: There was some concern and discussion about needing a better understanding of current staffing patterns at the Co-op. There was also agreement that adding the Administration Manager and the General Manager to the staffing pattern will mean that a senior manager is in the store during most open hours. With this in mind, the “floor manager” is really the 2nd and “senior” floor staff on duty. There was discussion about whether additional receiving hours should be allocated, and if this might reduce hours required for buyers. There was discussion about whether a floor manager position would be needed, and some agreement that this role could be important during opening and closing hours, and when a senior manager would not be onsite (but perhaps “on call”). There was some concern that the level of hours needed for general floor staff needed to be increased, perhaps in conjunction with decreasing floor manager or buyer hours. There was general agreement that strong job descriptions and operational policies would clarify a ‘floor manager’ role. It was agreed that additional information about current staffing patterns and labor hours would support refining the FTEs allocated for floor staffing/floor management.

With regards to the financial analysis: There was some discussion about whether the Board might approve the organization chart, positions, wages and wage budget for 2018, without having the final/revised financial analysis completed. There was concern about the need to make a decision in order to move forward planning, while also recognizing the need for prudent financial decision-making. The Board agreed that it would like to make a decision during the special meeting, and that the financial analysis could be further refined (within the confines of set wage levels and a total budget amount) and presented to the Board at the February meeting.

The Board discussed a number of issues related to the financial analysis. There was a discussion about the starting wage for floor staff (proposed \$12/hour), and whether this should be lowered and increased overtime or start at \$12/hour now. There was some confusion and discussion about whether there were wage caps for specific positions, and whether allowing for merit or tenure increases would address issues of wage inequity. Some Board members felt strongly that raising the starting wage for floor staff was an important value of the Co-op that membership would support. There was a discussion about starting wages at local retail and grocery outlets (e.g., Shaw’s starts at \$11/hour). Starting floor staff at \$10.75/hour would provide an increase for some staff and reduce the financial strain of the overall budget increase for wages. There was discussion about the wage gap between floor staff and senior management; the MRG did not come to agreement on specific wages, but did discuss wage levels and the need to be mindful of wage gaps when setting levels. The proposed wages were included in the packet: Floor Staff starting at \$12/hr; Mid-Management \$14-16/hr; Senior Managers at \$16-18/hr and \$18-20/hr. Ultimately, the Board agreed to stay with the proposed wage levels.

The Board recently approved a budget which invests approx. \$275k in wages for 2018; this is 14% more than in 2017. The budget relies on significant increase sales growth to achieve a net positive at year-end. The financial analysis for the management/staff restructure increases this high level to \$314,000. There was agreement that this level is untenable for the Co-op and places the business at too high a significant risk. Adjusting starting wage assumptions (e.g., not hiring into mid-wage level), changing assumptions about new staffing/personnel costs shifting later in the year (e.g., not March 1), and/or

reducing or shifting staff hours/FTEs between positions leads to a wage budget easily achieved near \$300,000. This is still \$23,000 more than the budget approved at the last Board meeting. There were issues raised about the impact of this investment on the ability of the Co-op to achieve its long-term goals; recognizing that approving this wage budget might lead the Co-op to end the year in the negative or acquire financing (debt). There was discussion about whether a management structure could be achieved with less. Some Board members asserted that it is healthier to take and acknowledge the risk rather than take a “half-hearted” risk which does not provide a significant enough investment in staffing to manage the Co-op effectively. The Board discussed the need to effectively communicate the financial challenges of the Co-op to the membership, and of the importance of investing in adequate staffing (with short-term losses) in order to achieve long-term financial viability, and hopefully move forward with strategic goals.

The Board approved the management restructure (org chart and job descriptions) as presented, and a wage budget for 2018 not to exceed \$300,000 (with the wage structure/levels proposed). The Board will review a revised financial analysis at the regular February meeting. The Board acknowledged that FTEs (hours allocated per position) may shift during the year, as the new General Manager and Administration Manager undertake operational leadership. The Admin Manager and General Manager were both approved as exempt positions.

Transition Planning

Key position points for transition, from Sunday’s meeting and newly added at the meeting:

- How to address interim management and staffing needs
- How to hire (hiring team/timeline)
- Finalize full job descriptions
- Revisions of Board Policies (C, B, etc) -Policy Review Group?
- Personnel Policy revisions
- Office Space needs for new/current staff
- General Timeframe for changes
- The integration of the GM and AM into operations (“newest” positions)
- New Management Support Plan/Review process

The Board charged the willing Management Review Group to develop a transition plan during February for Board review at the regular February Board meeting. The MRG will focus on how to organize the transition work, and delegate work/tasks to others.

Interim Management Decision

There was discussion about how to relieve current MC members from general management at the co-op; the “general management” areas identified were: staff organization and communication, Board accountability/reporting and making major business decisions. There was agreement that staff (and remaining MC members!) continue to do an amazing job at keeping the store operating. **Thank you staff for engaging in this planning process while maintaining (shifting and expanding) job duties in the store! We LOVE our staff.** There was agreement that staff/managers still need to be empowered/responsible for the management tasks (e.g., personnel, financial, buying) within their scope, while being relieved of “general management”. There was discussion about the need to support

staff in achieving aggressive sales goals/marketing, even during the transition – and discussion about how the Board may be able to provide some limited consulting to support this work.

Decision: The Board delegated general financial oversight to Jean (president) and Alicia (treasurer), with support from Bob, who is transitioning out of his role as financial coordinator. Jean and Alicia will receive financial reports from Naomi directly.

7:57pm Buzz left as the Board entered executive session to further discuss interim management and Buzz Ferver's management consultant contract.

8:17pm The Board exited executive session. The Board agreed to hire Buzz Ferver as Interim Manager. The Interim Manager is responsible for supporting staff organization and communication, Board reporting, and making business decisions (with the Board as consultant, as needed). Any decisions that impact the management transition require Board consultation. Any hiring, other than general floor staff, requires Board consultation.

The Board adjourned at 8:25pm.