

Plainfield Food Co-op
Special Board Meeting Minutes - Draft
January 16, 2018

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

Guest: Buzz Ferver

The meeting was called by Jean to discuss the financial situation of the Co-op, and the need to borrow funds in order to bring AP into current.

Action: Buzz and Sarah will connect with Jeanine for an exit interview.

Bob announced that he is stepping off the Board due to personal reasons; next Monday will be his last board meeting. Alicia is considering whether she is willing to be Treasurer.

Bob provided an updated review of the financial situation, and brought copies of the latest financial statements. This memo is attached, rather than repeated in the minutes.

The Co-op has been approved for a \$45,000 credit line with the Cooperative Fund of New England. Credit may be drawn in \$5,000 increments. The credit line is secured. Action: Alicia will review the loan agreements. There was discussion about whether to use this credit line to catch up on accounts payable. There was agreement that a deeper review of the payables and conversations with Naomi and staff may help identify the most strategic way to use credit at this time. Action: Jeanine will forward the AP report.

Current cash ratio may be a better measure for liquidity than what has been currently used, as the current measure includes inventory.

Jeanine has agreed to stay on payroll for ~4 hours/week to assist with review and processing of purchase orders (coding).

Bob has been working approximately 20 hours/week as financial controller at the Co-op. There was discussion about a need to identify capacity in this area from outside the staff/management as it's a current skill deficit. We discussed whether there was a member that might be able to provide this capacity, the board, augmenting the bookkeeper responsibilities and/or other ways to provide this capacity.

The Board discussed its governing role, and the possibility that the Board take on more direct management of the Co-op. There are some concerns about how to do this appropriately and shared agreement that we should continue this discussion at our next meeting.

There was a discussion that business planning and general organization are lacking in the current state, in combination with lack of resources. How might we improve the organization of work? There will be a need to support a management transition soon. This transition time will need strong board support. There's also a need for additional capacity to support supervision, hiring and training. The Board tabled

the conversation until Monday. Key question: How do we keep the Co-op operating while we also manage a transition?

Giordano: Suggests that we use Board-only basecamp to share ideas before our next meeting.

Chris: Suggests that we ID what staff know and what they are willing to do. Sarah will forward the Staff Inventory, which may provide this information.

Sarah: Suggests that each Board Member the by-laws and policies, so that we can name if/when we are departing from our by-laws, internal policies or just changing practice.

We reminded ourselves to keep “on message” about management transition – such as, *We don’t know what’s going to happen. Management is going to change. We want to keep what works, and change what doesn’t. We have a great team of people at the Co-op, and there will be an opportunity for all staff to continue to be employed at the Co-op.*

Actions: Bob will email the line of credit information from the Cooperative Fund of New England to the full Board for review. Jean will discuss with Naomi and Jeanine to try to identify a strategic amount/use

Financial situation as of 1/16/18

Year-end financial statements not available from the bookkeeper yet
There is a pending adjustment for Insurance reimbursement of \$2,260

2017 Sales = \$1,160,044 1.0% above budget 3.7% above 2016

2017 Profit = -\$7,244 as of 11/30/17 (after pending adjustment for Insurance reimbursement)

2017 COGS= \$722,859 as of 11/30/17 (after pending adjustment for Insurance reimbursement)
4.0% over budget 6.3% higher than 2016

2017 Gross Margin = 32.0% as of 11/30/17 (after pending adjustment for Insurance reimbursement)

2017 Expenses = \$348,105 as of 11/30/17 0.2% below budget 2.5% lower than 2016

2017 Wages = \$243,199 0.3% below budget 2.7% lower than 2016
Average 2017 hourly rate = \$12.38 Average hourly rate of current staff = \$11.86

As of 11/30/17:

Checking/savings less restricted funds = \$10,249

Restricted funds = \$34,433 (\$11,000 has been allocated by Board for Marketing Study)

Inventory = \$51,168

As of 1/12/18:

Total Accts Payable (not including credits) = \$49,602

Out-of-current = \$25,024 50% (includes \$15,448 with terms 15 days or less)

Out-of-current more than 14 days = \$9,738 20%

Out-of-current more than 30 days = \$949 2%

CFNE Line of Credit for \$45,000 has been approved. 6% interest