

## Plainfield Co-op Board Meeting Minutes

Oct 29 2018, 6:15 pm  
in the Community Center

**Attendees:** Sarah Phillips, Jean Hamilton, Chris Jackson, Jay Hebert

**Absent:** Giordano Checchi, Pete Boyle

**Staff:** Kevin

The meeting began at 6:25pm.

### Manager's update from Kevin

Kayla is leaving (buyer for bakery, deli, bulk...) for a new opportunity through school. Stephanie (lead receiver) is going to take on buying for bakery and bulk. Chloe will take Deli. Deli will merge into Refrigerated; Dairy will be pulled out. This will allow for some focused work on Dairy. COPOS can auto update invoices from UNFI. Test driving now. Highly efficient; used by Buffalo Mtn. Frees up time for Stephanie. Net reduction in staffing hours (good).

Working Members really help with repack and saving labor – stockers, repack and filing. Going to do some working member recruitment. Charlotte has taken on membership coordination. She is going to put together some e-communication to members in between the newsletter.

Switching credit card companies – and it will be linked to COPOS. Will help minimize errors.

### Monitoring

Kevin and Jean met to start mapping out new monitoring reports. Focused on creating template for F1 for this meeting. The Board discussed the new format and agreed that it was clear and workable.

F5 - Staff Treatment and Compensation – **Decision**: The Board agreed with postponing the F5 report to November's Board Meeting.

F1 – Financial Conditions (report attached)

### **A1 – Sales**

Interpretation – The board discussed whether this was enough. The Board asked that a YTD comparison of current year to last year be added to the A1 Interpretation and data. A1 information was not complete, as it needed to include two years.

**Decision:** The Board accepted A1, and asked that the next F1 include two years for comparison, a revised interpretation (YTD comparison of current year to last year) and the additional data for this interpretation.

YTD comparison to budget and past year have been looked at monthly in the treasurer's report. There was generally a desire for improved financial reporting – either in the F1 or in the monthly treasurer's report. There was agreement that the F1 report process seems like the venue for reviewing and discussing this information. Treasurer can support F1 process.

### **A2 – Income**

Interpretation? Add YTD performance (net income) and compared to budget

Data – Good data points – looks at quarter, add a look at YTD (YTD is -\$24,000)

The action plan (plan for compliance) seems like good steps, but the Board discussed whether this was adequate given the significant YTD loss. Some of the YTD loss will be reduced by allocating capital project expenses to CAPEX. The Board discussed a desire for more information about the estimated financial impact in the action plan. This would give the Board better information to understand if the action plan was adequate to bring management back into compliance. **Decision:** The Board asked that any future F1 plans for compliance include a financial estimate so that plans can be better evaluated.

**Action:** The Board does not accept the A2 report and requests a revised action plan.

A3 – Liquidity. The Board accepted the interpretation.

There was discussion about the action plan for compliance. Generally, Board members felt this was adequate, although additional action items to increase cash (not just decrease expenses) would be reasonable to consider. **Decision:** A3 accepted

A4 – Debt to Income Ratio

Interpretation and Data were accepted as presented - in compliance. **Decision:** A4 accepted.

## A5 – Out of Current Accounts Payable

Interpretation and Data were accepted as presented. There was some discussion about the Accounts Payable spreadsheet, and whether the data was accurate. It was agreed that it was accurate as presented. There was a renewed discussion about how it is decided which vendor payments come first. The bookkeeper has a priority list. It was discussed that vendor payment policies and procedures could have additional oversight.

There was discussion about whether or not to further use the line of credit in order to catch up on out of current accounts payable. There was agreement that using the line of credit is appropriate, and in conjunction with other plans improvement makes good sense. There was hesitance to take on additional debt, but it was agreed that this was an appropriate moment in time. Keeping accounts current adds to the Co-op's integrity.

**Decision:** The Board did not accept the A5 action plan for compliance.

**Action:** Kevin meet with Lane at CFNE to better understand the current terms of the line of credit, and update the lender on the current situation. Kevin will bring back a revised plan in conjunction with revised A2.

## Committee Updates

Treasurer's Report – See Board Budget Development

Expansion Finance – none at this time.

Newsletter (report attached) - Focus on dairy. Deadline for submissions 11/14. Working on better integration with staff.

Building Committee (report attached)

There was a question about whether the capital improvement project for the sink should move forward. The project addresses some health and safety concerns. The funds for the project were approved by the Board to be paid from the CAPEX fund. **Decision:** The Board agreed that the project should move forward, so long as the previously board-approved capital project budget still has funds available.

**Action:** Jean will forward email to Kevin. Kevin will work on identifying how much of the original budget remains available for this project.

## Other Business

### Board Development discussions

**Action:** Sarah is meeting with Bram.

**Action:** Jean will follow up with Jim.

Both should be invited to the next Board meeting.

**Action:** Jean will reach out to Pete and Giordano about their Board membership.

Sarah agreed to take on Board meeting agenda and material preparation. This will hopefully free up some of Jean's time to work on improvement of financial reporting and board monitoring.

**Action:** Sarah will prepare November's Board Packet.

**Action:** Jean will send Sarah the Board Calendar.

**Action:** Giordano will prepare a board budget for the November meeting.

### GM and AM performance Review process

**Action:** Sarah will meet with Kevin to review the Survey Summary. Kevin will prepare a self-assessment. Sarah will share a summary of the meeting with the Board for discussion at the November meeting.

**Action:** Jean will send Rosemond's email about performance review to Kevin. Kevin and Sarah will discuss.

### BDS Israel Boycott Update

The Board reviewed the additional input from members. The Board reviewed it's past discussion. Previously, the Board agreed to draft a letter about why the Board has not decided to move forward at this time.

**Action:** Sarah will draft the letter and send draft to the Board for review.

### Holiday planning - staff, neighbors, etc.

**Action:** Jean will pick up a card for Laura. Board members can contact Kevin for meal train info for Laura.

**Consent Agenda – September minutes were approved.**

The meeting adjourned.

F1 - Financial Condition

**Quarter: 2018 Q3**

**Prepared by: Kevin Levesque & Jean Hamilton**

**Prepared on: 10/16**

**Attachments: July, August, and September P&L**

With respect to the actual, ongoing financial conditions and activities, the General Manager shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies. Further, without limiting the scope of the previous statement, the General Manager will not - (refer to specific articles in below table).

Material for this report is taken from: - Profit & Loss statement - Balance Sheet - Account information from our financial institutions - Information from the COPOS system - Accounts Payable aging statement from the bookkeeper - Inflation index.

A	To be monitored quarterly			
	Policy	Interpretation	Data	Compliance?
1	Allow sales to decline or be stagnant.	The monthly sales for the Co-op: Should not, for three or more consecutive months, be lower than the corresponding month of the previous year, after adjusting for inflation. - Should show an overall increasing trend relative to the prior two years.	Current quarter sales (by month) vs.comparison with prior year for P&L report.	Compliant.
2	Allow operations to generate an inadequate net income.	Net Income will be 2% or more of sales for the quarter, before member equity payment income. To support this level of net income, the Co-op will maintain a Gross Margin of at least 33%.	Revenue , COGS, Gross Margin, and Net Income/Loss for quarter from P&L report.	Not Compliant
3	Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.	The Manager will operate the co-op in such a way as to be able to pay its accounts. The "Current Ratio" (Current Assets [unrestricted] divided by Current Liabilities) will be no lower than 1.3	Current Ratio for end of quarter from Balance Sheet.	Not Compliant
4	Allow solvency, or the relationship of	The Debt to Equity ratio (total liabilities divided by total	Debt to equity ratio for end of quarter from	Compliant

	debt to member/owners' equity, to be insufficient.	equity) will be no higher than 1.5.	Balance Sheet.	
5	Allow late payment of contracts, payroll, loans or other financial obligations.	<p>The Manager must make sure that all contracts, payroll, loans, and other financial obligations are paid when due and inside their scheduled time frame.</p> <p>The co-op will not have more than:</p> <ul style="list-style-type: none"> <li>• 25% of its accounts payable dollars past 'current' on average for the quarter</li> <li>• 2%, of its accounts payable dollars 15 days past 'current' on average for the quarter</li> </ul>	<p>A/P Report by amount, Report on vendor communications.</p> <p>Out of current payments of</p> <ul style="list-style-type: none"> <li>- Payroll liabilities</li> <li>- Line of Credit</li> <li>- Loan payments</li> <li>- Other liabilities</li> </ul>	Not compliant

A1

Revenue	July	Aug	Sept	TOTAL
2017	106,189.91	104,435.81	97,781.90	308,407.62
2018	111,404.70	110,981.19	100,612.73	322,998.62
% Change	4.91%	6.27%	2.9%	4.73%

A2

Revenue: 322,998.62  
COGS: 217,941.65  
Gross Margin: 105,056.97  
Margin % (target 33%): 32.5%  
Expenses: 121,949.09  
Net Income/(Loss) : -16,892.12  
Net Income % (target 2%): -5.2%

Actions

**(Margin)** - Review department margins and markups and compare to BMC and HMC. Eliminate Deli as a department and replace with “dairy” department. Most likely lower margin in dairy, with an increased margin in “refrigerated.”

**Accounts payable** needs to be roped in. To help with this, we are trying to move UNFI to 2 or 3 deliveries a week to better help with rotation of product and keep less in back stock (this probably should have been done years ago). We have also created a produce PAR level sheet in an effort to cut down on extra ordering and to hopefully cut spoilage/items sold at discount.

**Expenses** - We are installing new card readers with Gravity, and leaving Dharma processing. This is estimated to save the co-op ~\$650 a year and should greatly reduce cashier errors and speed up the transaction. We are also cutting down one buyer, Kayla. We will not be replacing her hours, per se. Stephanie will be learning some buying. There are some steps in place to improve receiving efficiency and hopefully cut down wasted hours in the process (10+ labor hours). Lastly, we are looking at removing monthly inventory and moving to quarterly, which should save an additional 5-8 labor hours.

A3. Current Ratio: .42

#### Actions

Reduce inventory on hand by focus on UNFI being delivered multiple days. Increase efficiency of receiving UNFI & KEHE to reduce expenses (and increase cash on hand). Cut down on produce back stock, spoilage, and evaluate department margins. Inventory DOH needs to be reviewed for grocery.

A4. Debt to Equity: .86

A5. 44% out of current, 36% >15 days out of current.

Compliance Plan: No alarming requests from vendors. Do not recommend drawing on Line of Credit at this. Generally, working to increase profits through revenue growth, cost savings, and margin control. Along with UNFI, we will continue to monitor cutting down order size from vendors if items are not on promo. Small vendors beginning to notice late payments, have heard from 3-4.

## COOP NEWSLETTER COMMITTEE MINUTES – 10/11/18

Present: Jean, Debra, Sarah, Glenda, Gail

Alan Taplow doesn't want to be ad co-ordinator. Got discouraged by lack of response. Jean will ask Kevin if someone on staff will do it and otherwise she will do it.

We don't yet have a newsletter staff liaison. Maybe Charlotte Domino. It would be good to have more connection between the newsletter and products on the shelf. E.g., post article next to product on the shelf. Jean will talk to Kevin about strengthening the connection. Articles should not be trying to influence what the co-op sells but rather highlighting products. Speak to the buyer when writing an article about a product.

Review of fall issue. General feeling it was good and appreciated.

Winter issue. Deadline is November 15. Theme will be dairy. Jean has an article from NOFA – an overview of dairy market – and thinks it is strong. They give us permission to reprint it. Jean will send it to Glenda and we will use it.

Glenda will do an article on dairy, using info from Cornucopia, with perhaps a sidebar about local dairies whose products we carry.

(We thought that climate change would be a good theme for the spring issue, and Glenda would like to have an article in that issue about the methane aspects of dairy and beef).

Debra will write a short article about Migrant Justice.



We will also have an article about pet food, using info from Cornucopia. Will include a box with info about pet food products we carry. Also mention being able to special order chicken parts. Glenda will write it and will connect with Kevin.

Recipes: Deb will do dairy recipes. (spicy corn chowder, yogurt dressing). Debra will contact Anne Miller to see if she has a recipe for making your own pet food. Sarah will look for pet food recipes. If she doesn't come up with anything, Glenda has a recipe for dog biscuits.

Other articles for the winter issue: President's Report. Treasurer's report (Giordano is now treasurer). Mike Brosky may do a Building Report. Report from Kevin.

Jean will do article on new products and will talk to Kevin about having someone on staff put together the Suggestion Box.

Gail will do a local producer profile on Rogers Family Farm.

Still need a title (Deb sent an email after the meeting with a bunch of suggestions).

## Plainfield Co-Op Building Committee

### Meeting Minutes

10/2/2018

- Welcome to new member Chris Thompson! Chris recently accepted a position as Co-Op maintenance coordinator, taking over from Kathleen.
- Discussed unfinished items from hand wash sink project
  - All physical work complete
  - Call plumber schedule work to connect sink and drain– **Kevin**
  - Looks great!
- Vegetable Prep sink re-build (new SS counter) – next steps, info from Kathleen, etc.
  - Legs to the existing sink were found in the back!
  - Counters underneath will need to be fully ripped out, sink to be supported by legs (vs. counter)
  - Replacement counter and shelves underneath will be full SS
  - Decided to source counters from kitchen supply store
    - All Kitchens of New Hampshire – local (sort of) in Lebanon
  - Measure existing counters – **Kevin**
  - Call All Kitchens, get quote – **Mike**
- Financial record keeping on recent projects
  - Kevin mentioned that the book keeper needs info on what \$ was spent on the office re-model and the handwashing sink
  - No one on committee was keeping track
  - Sort through old minutes and provide probable dates for when spending occurred - **Mike**
- Other items we want to tackle in the future
  - Backroom floor
    - In very bad shape, tiles popping all over
    - Decided best option was to re-tile (vs. totally new floor) due to unevenness of plywood subfloor
    - Extra tiles on-hand, not enough to do full job
    - Ask Country Floors if they have discount tiles available – **Chris**
  - Entryway roof
    - Snow and ice shed onto stairs parallel to Town Offices forcing closure in the winter
    - Solutions have been explored, including extending roof line, or adding a cricket
    - Survey existing structure, propose plan and get quote for improvement (can be coordinated via email) – **Jason**
  - Beam jacking project
    - Is this complete?

- Extra jack in the back closet
- Check with Doni on status – **Mike**