

Plainfield Co-op Board Meeting Agenda

January 28, 2019, 6:15-8:00 pm

in the Community Center

Attendees: Sarah, Jean, Giordano, Bram, Jay, Chris

Regrets: Pete

Staff: Kevin, Rosemond, Charlotte, Margie

The meeting began at 6:20 with check ins. Bram let folks know that he needed to step out for a presentation at town meeting at 7:30. Kevin stepped out for a phone call.

6:30pm, the Board paused to review the F5 report. Jay arrived which provided a quorum. Chris arrived.

Update on CFNE Loan

- Jean reported that there was \$30,000 loan taken on the line of credit.
- In 2018, there were regular payments made (interest & principle) based on a 5 year term.
- We are currently making payments at \$680/month (normal payment would be ~\$850) – with the expectation of a balloon payment in 2023, or sooner.
- The budget proposed tonight accounts for making payments on this loan during 2019.
- The Board discussed whether increasing the loan payment or paying off the loan was a high priority, in comparison with other Co-op priorities for investment. There was discussion about the need for cash flow projections, as part of normal Co-op financial management. The Board discussed whether/how we would be able to get to better cash flow planning. There was discussion about how this is priority within all the priorities – e.g. cost control and revenue increases. The Board agreed it is one priority, and then discussed how to support it.
Action: Finance Committee will work on developing cash flow projections.
- **Decision:** The Board wants management to prioritize increasing monthly loan payments from the reduced amount to the normal payment amount (to avoid a balloon payment), as allowed by cashflow.

Brief Committee Updates

- Expansion Finance – On Hold
- *Newsletter Committee*
The next newsletter will be asking for feedback about no more mailed newsletter. The next newsletter will be mailed.
- *Building Committee*
Continue to work on produce area
- *Marketing Committee*
New committee – The Board will discuss further.
- *Membership*
 - Community Supper planning – Get it on your calendar! Action: Jean will follow up with Board members about volunteer roles. Margie mentioned that Michael pulls in a lot of volunteers as well.

- Pete and Charlotte were unable to meet due to the weather. **Action:** Pete & Charlotte are rescheduling the membership committee meeting.
- *Finance Committee*
 - **Action:** Finance committee will set a regular schedule for a monthly meeting.

Action: Staff/Management will work on providing more clarity on whether/when staff are participating in committee meetings as paid staff or member volunteers.

Action Items Check-in

- Advancing ATM/credit card ideas in terms of store policy and logistics –
 - Bram did additional research on having an ATM. **Action item:** Bram will send ATM info to Kevin.
 - The Board agreed that moving forward with an ATM is a decision of Management – If Management does some analysis and decides to move forward, there are board members able to provide support, including membership communication.

Jean asked the Board how the Board wants to support advancing the revenue generating ideas from the last special meeting. There was a suggestion that these items be on the next Board meeting agenda. There was a discussion about Board members' role in supporting revenue generating ideas that Management owns. This conversation was put on pause until Kevin was able to join – **Action:** Discuss - how would management want the Board to support moving revenue agenda items forward?

There was a discussion about how to move forward with a marketing plan. No decisions were made. Board members agree that this is a key priority for the year and there was some desire to support putting together a marketing plan.

- Personnel Policies –
 - Sarah and Rosemond have a plan for drafting the revisions that management is proposing. The revisions are small, even if the impact is significant.
 - Rosemond and Kevin want to review changes with staff and gain feedback prior to the next Regular board meeting where there is a vote.
- Finance Committee Items
 - Finance Committee meeting was proposed for Thursday, Feb 7th at 4pm. **Action:** Giordano will confirm with Kevin and the Board.

Bram stepped out at 7:30pm.

Charlotte asked about board participation in management changes to personnel. The Board approves the budget. The Board approves personnel policies. Management is responsible for developing a budget, writing personnel policies and makes putting policies (budget, personnel) in action. Board members provided administrative support to managers in preparing the budget, including management's narrative analysis on the impact of personnel changes. Management reviewed these changes with the Board.

Action Item: Jean will talk with the Newsletter committee about requesting feedback from Membership on how to get new people into the Co-op.

Consent Agenda – Decision: The Board approved meeting minutes for December regular meeting, special meeting January 3 and January 13.

Monitoring Reports - F5 - Staff Treatment and Compensation

Was the interpretation of the policy reasonable?

- Charlotte asked if #6, staff grievances records, refers to just grievances about the GM? The Board clarified that this refers to all formal grievances (per personnel policies).

Does the data support/demonstrate compliance?

- Compliance responses in this report should be moved into “data section”
- #1 – fine.
- #2 – Would be improved with greater documentation/evidence on how personnel policies were made available and how staff were informed
- #3 – Would be improved with information about who has access, what records have been retained according to procedure, what records are complete (per HR procedures)
- #4 – Would be improved with some comparison benchmark internally and externally.
- #5 – The Board disagreed with the conclusion regarding financial integrity based on current finances. – Out of compliance
- #6 – Information should include information about when how staff grievances are kept. There is some concern that this may not be accurate. – Out of compliance.

Decision: The Board accepted #1-4 – and asked for a plan for compliance on #5 and #6.

Manager’s update from Kevin – Kevin was addressing challenges with the credit card machines and not able to provide his report in person. **Action/Decision:** The Board asked Kevin to provide this update in writing (no discussion by email, will be added to next meeting’s minutes).

The Board agreed to call a Special meeting for the Treasurer & Manager’s Financial Report

- F1 –Financial Conditions (postpone until next meeting due to late arrival of reports from bookkeeper)
- F2- [Business Planning and Budgeting – \(budget attached below\)](#)

Special Meeting: Thursday, February 7th, 5:30-7:00pm for review of the Treasurer and Manager’s Financial Report – including financial conditions and budget.

Action Item: Sarah will update the action item list.

The meeting adjourned at 8:10pm.

2019 Proposed budget

	2018 Budget	2018 Estimated Actual	2019 budget	Var to 2018 actual	Var to 2019 budget	Notes
Sales						2019 Margin Targets
Bakery Sales	79,341	69,080	\$ 71,843.20	104%	91%	26.7%
Beer & Wine Sales (6% tax)	119,621	118,436	\$ 121,764.56	103%	102%	24.8%
Body Care Sales (6% tax)	24,153	23,403	\$ 24,105.09	103%	100%	44.3%
Bulk Goods Sales	92,159	81,339	\$ 85,405.95	105%	93%	41.2%
Bulk Herbs Sales	24,465	19,612	\$ 19,808.12	101%	81%	40.9%
Cheese Sales	63,225	58,373	\$ 59,832.33	103%	95%	34.2%
Coffee (Sales)	32,164	30,866	\$ 33,643.94	109%	105%	39.5%
Dairy Sales (Formerly Deli)	28,246	24,718	\$ 52,028.00	210%	184%	23.1%
Frozen Sales	67,481	61,226	\$ 62,450.52	102%	93%	36.6%
Gifts Sales (6% tax)	14,164	12,835	\$ 13,497.00	105%	95%	39.0%
Grocery Sales	199,568	197,262	\$ 216,790.94	110%	109%	37.3%
Household Sales (6% tax)	28,869	24,944	\$ 26,166.26	105%	91%	39.8%
Meat/Fish Sales	126,128	115,537	\$ 120,158.48	104%	95%	32.0%
Other (Sales)	1,943	1,654	\$ 1,720.16	104%	89%	80.0%
Produce Sales	196,257	175,506	\$ 182,526.24	104%	93%	40.6%
Refrigerated Sales	147,838	139,217	\$ 98,207.00	71%	66%	37.9%
Supplements Sales	29,229	36,628	\$ 36,261.72	99%	124%	41.2%
Sales Sub-total	1,274,851	1,190,636	1,226,209	103%	96%	35.4%
			35,573	3%		
COGS						
Bakery (COGS) Adjusted	57,440	51,437	52,300	102%	91%	
Bakery Delivery			364			
Beer & Wine (COGS) Adjusted	90,314	87,785	91,552	104%	101%	
Beer & Wine Delivery			0			
Body Care (COGS) Adjusted	14,492	13,128	13,430	102%	93%	
Body Care Delivery			0			
Bulk (COGS) Adjusted	54,558	47,601	50,239	106%	92%	
Bulk Delivery			0			
Bulk Herb (COGS) Adjusted	13,309	10,955	11,420	104%	86%	
Bulk Herb Delivery			296			MNTN Rose + VT TEa
Cheese (COGS) Adjusted	41,918	37,066	39,363	106%	94%	
Cheese Delivery			0			
Coffee (COGS) Adjusted	19,877	19,295	20,165	105%	101%	
Coffee Delivery			186			
Dairy (COGS Adjusted) Formerly D	21,410	15,296	40,022	262%	187%	
Dairy Delivery			222			Butterworks

2019 Proposed budget

	2018 Budget	2018 Estimated Actual	2019 budget	Var to 2018 actual	Var to 2019 budget	Notes
Frozen (COGS) Adjusted	45,415	38,367	39,526	103%	87%	
Frozen Delivery			53			Wilcox
Gifts (COGS) Adjusted	8,597	7,552	7,818	104%	91%	
Gifts Delivery			415			Subbeam, Mole Hollow, Way out Wax, us sherpa, etsy
Groceries (COGS) Adjusted	124,331	118,279	133,822	113%	108%	
Groceries Delivery			2,120			
Household (COGS) Adjusted	18,043	15,032	15,763	105%	87%	
Household Delivery			0			
Meat/Fish (COGS) Adjusted	81,731	74,293	81,188	109%	99%	
MEat/Fish Delivery			520			McKnight
Other (COGS) Adjusted	1,405	1,310	344	26%	24%	
Other Delivery			0			
Produce (COGS) Adjusted	123,642	106,113	108,473	102%	88%	
Produce Delivery			0			
Refrigerated (COGS) Adjusted	102,304	91,512	60,998	67%	60%	
Refrigerated Delivery			0			
Supplements (COGS) Adjusted	16,602	21,022	21,330	101%	128%	
Supplements Delivery			74			
COGS Sub-total	835,388	779,104	792,003	102%	95%	
Gross Profit	439,463	411,532	434,207	106%	99%	Projecting 34.2% margin. Potential to start low with new delivery COGS, markups may need updating post Q1 Inventory,
Expenses						
Advertising & Outreach	4,000	505	650	129%	16%	
Charitable Contributions	500	125	150	120%	30%	\$75 NOFA.
Coupons	2,805	2,821	2,820	100%	101%	0.23% of sales
Delivery	540	637	25	4%		COPOS Deliveries
Dues & Subscriptions	2,008	1,654	1,689	102%	84%	2018 actual plus 2.1% for inflation. \$1000 NFCA
Equipment	1,000	705	2,230	316%	223%	2018 actual includes \$1230 for COPOS. Leaves actual of \$388. Budgeted same as 2018 at \$1000
Financial Management	19,673	19,445	18,943	97%	96%	actual credit card fees =1.5% of sales. plus \$550 in service fees.

2019 Proposed budget	2018 Budget	2018 Estimated Actual	2019 budget	Var to 2018 actual	Var to 2019 budget	Notes
Fuel Surcharge & Shipping	3,287	4,857	0	0%	0%	Moved expenses into delivery COGS accounts.
Insurance	14,047	15,800	11,647	74%	83%	Liability, D&O, Worker's Comp, volunteer ins. Projecting cost savings due to new insurance bid.
Laundry Linen & Uniforms	4,717	4,639	2,500	54%	53%	Savings projected due to reducing service to every other week.
Licenses & Permits	270	267	267	100%	99%	same as 2018
Loan Fee (\$35k @ 6%)			8,160			\$30k drawn in Jan 2019 adds to \$5k drawn in 2018. Interest and principal payments at \$680/month
Member Discounts	11,439	4,134	7,660	185%	67%	Savings projected due to reducing working member +1 discounts for family members.
Postage & Delivery	1,300	1,560	1,560	100%	120%	same as 2018
Printing & Reproduction	800	1,775	750	42%	94%	Updated cost (Symquest Contract) - newsletter printing (has its own expense line)
Professional Fees	19,035	21,420	10,000	47%	53%	actual from 2018 plus 20 hours for chart of accounts and other changes 20x\$47. minus \$7k for Buzz. Possible additional savings achievable by brining bookkeeping in house.
Property Tax	3,039	2,276	2,344	103%	77%	2018 Actual +3%
Repairs	1,953	2,597	3,116	120%	160%	2018 plus 20%. Equipment is aging and failing more often
Staff Development	500	1	500	50000%	100%	more dev/training for revised org.
Staff Discount	21,035	21,817	24,380	112%	116%	Removal of +1 discount as of 3/1/2019
Store Supplies	10,940	12,382	10,100	82%	92%	All supplies now require approval.
Subcontractors	200	109	200	183%	100%	\$200 estimate
Travel Expenses	581	388	396	102%	68%	added 1.9% for increased mileage allowance (3)
Utilities	26,310	24,433	24,922	102%	95%	Adjusted for Inflation
Wages	277,329	300,000	296,000	99%	107%	See wage budget.
Worker Discount		7,305				
Expense Sub-total	426,578	451,652	431,009	95%	101%	
Net Ordinary Income	5,662	-40,120	3,198	-8%	56%	

2019 Proposed budget

	2018 Budget	2018 Estimated Actual	2019 budget	Var to 2018 actual	Var to 2019 budget	Notes
Other Income						
community center	2,000	2,032	2,000	98%	100%	estimate
dividends	1,400	1,508	1,400	93%	100%	Need to understand this account.
newsletter advertising	480	611	480	79%	100%	3 half page ads each newsletter x 4
donations	500	371	150	40%		\$25 Senior Center Raffle. \$50 Candy for Old Home Days
Other Income Sub-total	4,380	4,522	4,030	89%	92%	
Other Expense						
community center expense	400	394	400	102%	100%	estimate see Board budget worksheet tab (less insurance and member communications. They occur in other places)
Board spending	4,350	1,319	5,900	447%	136%	
Federal Income Tax	0		0			
State Income Tax			300			
membership communications	750	802	0	0%	0%	2019 Zeroed out due to switching from Constant Contact to Mailchimp in 2019 moving newsletter postage and printing to this account from operating Printing cost
newsletter expense	370	406	1,028	253%		
Other Expense Sub-total	5,870	2,920	7,628	261%	130%	
Net Other Income	-1,490	1,601	-3,598	-225%	241%	
Net Profit	4,172	-38,519	-400	1%	-10%	2018 loss is on track to be more like -\$40k. need to identify where the additional \$10k loss is coming from so that 2019 projections can be adjusted appropriately.
Line of Credit Principal (at \$35k)			0			\$30k drawn in Jan 2019 adds to \$5k drawn in 2018. 2018 payments were interest only?

Notes:

1. Energy inflation forecasts from <https://www.eia.gov/analysis/>
2. Inflation forecast from <https://www.kiplinger.com/article/business/T019-C000-S010-inflation-rate-forecast.html>
3. mileage allowance increase from <https://www.irs.gov/newsroom/standard-mileage-rates-for-2018-up-from-rates-for-2017> 54.5/53.5 = 1.019