

**Plainfield Co-op Board Special Meeting Agenda**  
**April 2, 2018**  
**6:00 pm at Community Center**

**Attendees:** Sarah Phillips, Chris Jackson, Alicia White, Giordano Checchi, Jean Hamilton

**Absent:** Pete Boyle, Jay Hebert

**Guests:** Rosemond London (staff), Gail Falk (member), Buffy Grosbeak

**Need for Special Meeting:** Discuss financial position and staff transition plan.

Called by: Jean Hamilton, President

**Discussion of Co-op financial position and actions**

Jean and Alicia presented the financial statements. The inventory is currently represented in COGS, and has been adjusted quarterly and now it will be adjusted monthly – which may improve the value of the financial statements moving forward. After conducting monthly inventory adjustments, the plan is to assess whether the added staff time adds value for financial analysis. It is expected that if the inventory adjustment will prove that the financial situation is less dire.

Sales are slightly up over last year, but the margins are down – mostly due to the inventory. Wages are under budget, but more than last year. The other major expense item is the “professional fees” which includes both the contractor fees for interim manager and the deposit towards the market study. **Action:** Move the market study expense out of “ordinary expenses” to “other expenses”.

40% out of current, and 13% more than 15 days out of current (approximately \$6,500). Jean met with the Buyers, and no specific vendors were identified as requiring urgent action. Rosemond shared that she also does not know of any vendors requiring urgent action. There was a question of whether we should tap the line of credit again. Giordano asked when we would have a better understanding of the P & L. There was a suggestion whether we could wait until the March financial statements were completed. Jean suggested that sales were increasing.

Produce, bulk and bakery have shown declines, but grocery, refrigerated are increasing. There was a question about why produce would be declining. Jean and Alicia met with the Buyers last Friday in their role as joint Financial Controller. Jean will forward the report she shared with the Buyer team (developed in partnership with Jeanine). They provided some training on how to review the financial statements and had a dialogue on strategies to improve the financial transition. The group discussed some short-term actions and how to improve analysis of departments.

Summary – We are not in a good position on the year; however, it may not be as bad as it looks after the March adjustment. Considering the major staff transitions that have occurred in the past five months; it does not seem like a surprise. We are celebrating that the store continues to open and operate every day! And that the Co-op continues to be a great resource for our community – thanks to a deeply dedicated and amazing staff!

Rosemond thanked the Board for attending meetings and being available for conversations with staff.

Jean mentioned that the financial and accounting systems continue to need work. The bookkeeper made adjustments to the FY2017 financial statements that the Board understood to be closed out. The Board discussed the need to improve bookkeeping oversight and financial policies/procedures; there is hope that the new management team will provide this oversight. Jean recognized the added support from Jeanine in the past month.

At this time, the Board awaits March financial statements. Jean and Alicia will continue to act as joint Financial Controller, and provide oversight and direction to staff on financial matters. Jean and Alicia shared the Financial Controller Responsibilities (dated 3.30.18) that was updated from Bob's tenure as financial controller. Giordano asked with Jean and Alicia felt confident in this role and they both replied "yes". Alicia is acting as liaison with the CPA. Payroll and invoice processing needs additional support. The Board reviewed and accepted the Financial Controller Responsibilities (see Appendix).

**Discuss delegation of executive authority in next phase of our transition. Resources, ideas, etc.**

At last week's meeting, the Board approved an extension to Buzz's interim manager contract, which will end in the near future. Buzz has recommended that the Board appoint another interim manager. Jean reminded Board members to review the resumes for the management positions. Although we are still working towards early May for hire, it's very possible that we have another 6 weeks until we have senior managers in place.

There was a question about what gaps we would need to have filled by an interim manager. A couple key pieces are communications, executive decision-making, problem solving, HR, conflict resolution. Building projects was identified, but all agreed not to be key at this moment. Financial oversight is covered by Alicia/Jean as Financial Controller.

Alicia asked whether we had a final report from Buzz yet; we do not. Gail asked what work Buzz (as interim manager) has been doing – in the spirit of understanding what gap will exist in his absence. We agreed that the key pieces already discussed are the areas of work that Buzz has covered.

Some possible ideas in the near future:

- Board leans in more and fills in some of these roles
- Another Co-op provides some temporary management

- Roles could be delegated on an interim way to staff
- We could look to our Members to fill one or more role

Jean had an exploratory inquiry with HMC about whether they might be able to provide some support (no details) and there was some interest. There was discussion that HMC is a very different organization, and may not be a good fit. Buffalo Mtn Co-op or Adamant might be other possibilities. There was discussion that operational knowledge of the store might not be necessary – just oversight/leadership of specific roles.

There was discussion of whether conflict resolution/HR might need additional outside support and whether some tasks could be delegated out vs delegated in. There was discussion about possible Members that might be willing/able to participate. Buffy and Rosemond offered to provide some additional support.

Gail suggested that someone from another Co-op could be a good idea for the interim, perhaps over an existing staff.

Jean suggested that time sheet and leave approvals could be delegated to Jean or Alicia as Financial Controller. Sarah raised the issue that all staff need a supportive supervisor in order to do be effective.

No decisions were made; tabled until after discussion of interim manager contract.

### **Discuss any necessary adjustments to policy governance.**

A proposal was made that the Board official suspending the Board's policies (e.g., Policy Governance). Jean asked each Board to speak whether/why the Board should suspend policies right now. Sarah suggested that it could eliminate confusion amongst staff during the interim; the

Chris agreed that it was a good idea; we've already suspended reports. Chris suggested that we make sure to ask future managers about policy governance/reporting to the Board.

Jean added that she has felt comfortable with the Board's process thus far, and our acknowledgement when/if we have stepped outside of our existing policies. She thought the only reason to suspend policies/PG would be to provide clarity to staff during the transition; and that it has created some confusion/concern with some staff. Giordano agreed that it made sense to suspend and is looking forward to making revisions to policies. Pausing policies/PG

Alicia agreed that we have already suspended reporting, and identified other areas that we Gail raised the issue that there are a number of policies that are not about the management-board relationship that would not be paused.

**Decision:** The Board agreed to pause Board B and C Policies (<http://www.plainfieldcoop.com/documents/PoliciesMar2017.pdf>), and is committed to moving forward with Policy Revisions and Policy Governance in the future.

**Decision:** The Board cancelled it's April meeting due to scheduling conflicts. **Action:** A meeting was scheduled for Monday, May 7.

Gail is chairing the Policy Revision Committee which will begin revisions. There was discussion about how many and what kind of revisions will need to be occur.

### **Annual Meeting needs**

Meeting starts at 3:30pm; Snack potluck starts at 2:30pm.

Jean has scheduled music.

Set Up Crew: Gail and Chris. The church as coffee urns. Gail will get the key and work on signage.

Rosemond is available to support the Board with annual meeting.

Clean Up Crew: Jean and working members (Rosemond will help organize working member helpers)

**Action:** Jean will have Chloe run the membership report

Jean will review voting rules/tools (by-laws).

Agenda:

- Presidents Report: Jean (includes strategic plan update)
- Treasurers Report: Alicia, with support from Bob
- Management Transition: Sarah, will invite Anji and Karen to co-present
  - Process
  - New Plan

**Action:** Reports will be sent to the full Board by 4/20 for review and feedback.

**Action:** Jean will find out how staff have been included in the past and engage staff in coming to the meeting.

### **Market Study**

Thank you, Gail, for the market study data entry!! Jean and Buzz reported that the market study successfully concluded thanks to the work of staff. More discussion on this topic was postponed to the next meeting. The next step is to conclude data entry and share with the consultant.

### **Executive Session**

The Board entered executive session to discuss interim management at 8.02pm. Exited Executive Session at 8:18pm.

**Decisions & Next Steps:**

Jean will check in with Karen about payroll processing.

Jean will check in with Chloe about schedules/hours.

**Decision:** The Board agreed to offer to extend Buzz's interim management contract through the end of April, with 5 hours per week (additional hours on request).

The Board Approved Minutes from March – regular and special board meeting minutes were approved.

Anyone disapproving of February Regular Minutes should call Jean by 4/6 (Friday).

**Action:** Jean will follow up with Buffy about ways she can support the Co-op during transition.

## **Attachment:**

### Plainfield Co-op Financial Controller Responsibilities - 3/30/18

Overview: Bob Fancher was appointed Financial Controller to fill the critical lack in existing staff resources (December 7, 2017). When Bob left, Jean and Alicia were delegated the responsibilities of financial controller (Feb 2, 2018) as detailed below. This is a temporary role for board members, that will be replaced by staff members when there is proven capacity with the staff.

#### Responsibilities:

- Assess financial position based on weekly and monthly financial reports (A/P aging, P&L, transaction detail).
- Communicate financial position to Board (monthly and as needed) and to staff as needed via:
  - Monitoring reports (B1, B2, B3)
  - Written monthly report to Board and Staff
  - Operational communications with staff as necessary
- Provide recommendations on strategies (cost saving and revenue generating) that promote a long-term, healthy financial position for the co-op.
- Make critical decisions that impact the Co-op's financial performance.
- Provide assistance to staff when they have questions or seek professional development regarding the financial performance of the store.
- Coordinate with the Bookkeeper and Tax CPA's
- Monitor/assist staff with 1) payroll entry and 2) invoice entry