

Plainfield Co-op Board Meeting Minutes

January 13, 2019, 12:45 - 3:45 pm
in the Community Center

Special Meeting to develop near terms actions to address Coop's financial position

Attendees: Bram, Jean, Sarah, Pete, Giordano

Staff: Kevin, Rosemond

Absent: Jay, Chris

Meeting started at 1:05pm

Sarah described the process that Rosemond, Kevin and Sarah took when looking at the personnel budget. Bram asked that the Board consider setting goals for management, and then supporting management in achieving its goals. There was agreement that this is the Board's role – as well as understanding the financial and personnel impact of management decisions.

The Board entered executive session at 1:10pm in order to hear management propose the personnel budget and related changes. The Board exited executive session.

Decision: The Board supports the senior management proposal for the personnel budget, and related changes.

There are some changes to the personnel budget that management can implement without Board approval, and others that include changes to personnel policies. Management wants to present/discuss schedule changes with staff so that they can be implemented 2/1. (two week notice)

Senior managers discussed a desire for the Board to hold management accountable. Board members discussed a desire to consider applying applying line of credit funds to areas besides "filling holes".

Board members expressed a desire to get to a breakeven budget – expense control is just one lever to pull. Board members also discussed the personnel policy regarding a two week notice on schedule changes. Many Board members expressed that this two week notice on schedule changes is within the spirit of the Co-op, and an important personnel policy. In the end, the delay is not a major expense. Board members also expressed a desire to give management the authority needed to operate the Co-op effectively.

Board members expressed a concern about impact on personnel. Important to know and understand staff perspectives.

Would management like the board to support communications to staff? Jean offered to provide support in this area, and in communicating financial situation to the Co-op.

The Board asked Kevin and Rosemond to finalize the narrative (with financial and staff impact), and put together a timeline. Personnel policy changes can be brought to the Board at the next meeting and circulated with staff (for transparency and feedback).

Action: Kevin and Rosemond will update the Personnel Budget spreadsheet and reductions narrative for the next regular board meeting.

Action: Sarah will email Kevin and Rosemond about helping prepare personnel policy revisions.

Review the Revised/Updated Budget

- Kevin distributed copies of the updated budget, with the new personnel budget (“wages” line) and other changes since the last meeting.
- There was a discussion about adding delivery related charges – with this moved to COGS, there is a \$25,000 budget gap (deficit).

Revenue Generation and Cost Controls

Discuss proposals for improving financial position through new revenue generation or cost controls. All proposals should include

- Timeline for action
- Resources needed to complete action
- Estimate impact on the Co-ops profitability

1) \$16k for credit card merchant fees –

- Spend \$2,500 to get a cash machine; needs a dedicated phone line, cash management policies, no longer accept credit/debit cards. There has to be a fee set. How would this impact consumer spending?
- Legality within the credit card contract to add a surcharge?
- Raise the minimum purchase for use of credit/debit card?
- What is the impact on consumer behavior?
- Talk with small businesses that have an ATM onsite and how they manage/mitigate risks?
- Is there a value to having a cash machine onsite, and still allowing credit cards?

Action: Bram and Kevin will work on advancing these ideas in terms of store policy and logistics

2) +1 for staff and working member discounts

- Change for staff would require personnel policies
- Change for working members is a board decision.
- Potential to save \$5k? Hard to measure.
- The Board discussed implementing these changes as of March 1st. Staff discussed minimal impact on current working members (many are new).

Decision: Board voted to remove the +1 for working members effective March 1st.

Action: Senior managers will bring forward proposal to January meeting for Staff discount +1

3) Bookkeeping

- pays invoices, bookkeeping, cuts checks, generates monthly and annual financial reports
 - o budget includes updating the chart of accounts
- Bring bookkeeping costs inhouse?
- Transition costs (hiring, transition time)
- Pursue hiring someone with knowledge from our membership
- Online QBks vs. Desktop version are different.

- Important to maintain segregation of duties with
- Senior management may cut out weekly reporting now, there isn't a lot of significance to the weekly reports – and it's not clear how much is costs for these reports.
- \$5,500 net savings

Action: Jean will meet with Kevin and Rosemond

4) Foley Services – rags & rugs

- Switching to bi-weekly immediately – anticipate saving \$2,025
- Seek a working member who is willing to wash rags weekly
 - o Purchase cost for a bunch of rags
- Down the road, could consider getting a wet-dry vac that can clean our rugs in-house

Action: Management will move forward ideas

5) Supplies

- Now all going through approval – should provide cost control
- St. J Paper – brings paper bags, plastic containers for repack, toilet paper, paper towels, etc.
- Some accounting adjustment
- Board affirmed its desire to purchase from local businesses
- Amazon membership will not be renewed.

Action: Management will move forward ideas

6) Newsletter

- Discussing at the next committee meeting
- \$1000 per year for print and postage
- Anticipate saving \$100 in postage
- What about asking members to change to email?
- The Board agreed that it would be fine to only print for pick-up and ask all members who want to read a hard copy to pick it up in the store
 - o Would need staff to encourage people to pick up the newsletter
- The newsletter is an important part of membership communication – our sense of community.

Action: Newsletter Committee will discuss and Management will move forward committee's decision

7) Café/Window

- Have a staff person from 7am-9am
 - o Coffee, baked goods, etc.
 - o Espresso? Or just regular coffee
 - o Rollaway product carts to corner opposite kids area?
 - o Rollaway coffee cart?
- Is 7am too late to get the morning traffic?
- How many people drive by during the morning commute?

- Management's take was that starting a café takes some experience and investment to be successful
- What about renting out a corner or the upstairs of the store to someone who wants to run a café or coffee corner?

Deli

- Pete circulated a couple articles on delis
- Can do a lot with a panini press
- Build a station with used equipment (\$15k start-up) – 250 square feet
- Minimal additional staffing?
- Soups, chili
- 5 sandwiches @ \$5 profit each

Action: Pete will work up a proposal with specific start-up and operating costs

8) Opening earlier?

- Have we looked at our sales from 9am-10am?
- How many customers would we need? Sales would we need? **to make opening from 8am-9am**
- Sandwich board/signage on street is essential

Action: Management will explore and may move forward

9) Community Center

- Rent out the Community-Center full-time to a Business Owner or giving a priority rental to a regular business
- Have community center scheduling be given to a committee of volunteers

Action: Management will explore ideas – major changes in community center need Board review (i.e., renting out the space to a single business).

10) Store Reset

- Redo the microwave/gift corner – move bakery, add more grocery and/or wine/beer
- Management is planning to work on this

Action: Management will move forward ideas

11) Marketing

- Twinfield – targeted discounts/marketing
- Goddard – better marketing/flyers
- “Food for All” programs – The was support for this idea, but there was concern that these may not be revenue generating
- Suggestion to implement a Marketing Committee with a small budget to make it happen

Action: Pete is meeting Charlotte about membership committee work. Management will move forward marketing ideas.

Action: This item could benefit from committee support.

Long Term Proposals from Giordano

- Jean asked that we briefly review these proposals b/c the purpose of today's meeting was short-term proposals.
- Giordano proposes looking at two properties on Rte 2 – Self-serve café and grocery
- The Maple Valley building is very limited due to parking, the other property may have more potential
- Are we able to take advantage of an opportunity? There wasn't agreement that this was feasible in the next year. There was interest by some Board members.

Action: Reconnaissance on the Rte 2 building by Giordano and Jean

Line of Credit Decision

Jean proposed \$30,000 on the line of credit.

The Board discussed and agreed that there is a clear need to pay vendors to keep the store operational.

Action: At next board meeting, Small group appointed to develop a “drastic measures plan” which could be implemented in April if the Co-op hasn't achieved breakeven by this time.

Action: Small group to develop a long term plan to propose to the Board at the June meeting

Decision: The Board approved a line of credit draw down of \$30,000.

NEXT BOARD MEETING: Regular Meeting on Monday, January 28, 6:15pm

Review and approve personnel policies changes

Review and approve budget

Assign committee work

[Community Supper – Tuesday, February 26](#)

Action Item: Jean and Kevin will meet to prepare January Board Meeting