

Approved 9/1/2011

**Willimantic Food Co-op
Board of Directors' Meeting
August 4, 2011**

Call to Order:

The meeting was called to order at 7:13

In Attendance Were:

* Alice Rubin	* Bryan O'Hara	* Joanne Todd	* Johnnie Walker
* Kathleen Krider	* Kirk Begg	* Maiga Doocy	Maria Boekels Gogarten
* Matthew Kryer	* Stephanie Golaski		

Scribe: Susan Chasin

* = Present

Guest / Member: Bruce Oscar

Member Speak Out: No one spoke out.

Approve the July 7, 2011 Board Meeting Minutes:

It was noted that Maria's term ends in 2013, not Maiga's, which ends in 2012. It was suggested and agreed upon that the Staff Representative's term should begin and end when the Board members' terms do for ease of training.

Information about the survey will be in the newsletter.

In the third paragraph of the Customer Service and Value Report the minutes stated that the markups were straight. They actually are variable.

Bryan was the person who mentioned "bean counting", not Kathleen and he is sorry that she was willing to let it go on his behalf.

Matthew made a motion to accept the minutes with the noted changes. Joanne seconded the motion. It passed unanimously.

Update BOD Contact List:

Since Dan and Maria have left the Board, they will be removed from the list. The contact list was passed around at the meeting for people to make changes. It will be revised and sent out.

Accept Resignation of Maria Gogarten:

Maria sent an email to the Board stating that she is resigning due to time issues.

CDS Retreat:

There is a link in the email to the training event in Brattleboro. It gives information about it. The cost is included as part of the fee we pay to CDS. Joanne, Kirk, and Kathleen are planning on attending. The dates on the website are for 2011, not 2012. The training will be held on Saturday rather than Sunday as indicated.

D.3 Agenda Planning:

At this time it is felt that we are not in compliance but are working on it.

Expected process for monitoring reports is to read the report and email discussions / questions before the meeting. Unless the issue really requires additional discussion at the meeting, only the compliance / non-compliance vote should occur at the Board meeting.

The Board calendar will be reformatted. Kathleen and Alice met and discussed the Board calendar. It was felt that what is needed is a list of the policies that the Board needs to monitor for the month, those that Alice needs to monitor, and activities that happen in each month. A possible template was sent around for discussion.

Matthew will set up the schedule for the monitoring of policies on the calendar. Alice will send her schedule for monitoring her policies to him. Shandra will send newsletter dates and other Co-op related activities. Everyone was asked to send Matthew items that they feel need to be on the calendar. He will send out an example of the calendar for comment and it will be decided on at the next meeting.

The breakdown of D.3 monitoring is that we are working on D.3.1, it was felt we might want to change the word “expeditiously” in D.3.2, and we are in compliance with D.3.3 because it hasn’t come up.

It was asked what executive session is. It is a time during a normally scheduled meeting when Board members meet separately to discuss confidential issues such as personnel matters. Normally minutes are kept but only distributed to Board members. It could be indicated on the agenda or added if something comes up in the meeting.

Stephanie made a motion that we are not in compliance on D.3 Agenda Planning. Kirk seconded the motion. It passed unanimously. Ab. - Johnnie.

Minutes reflect the action needed to fix non-compliance. We should refer to them for future monitoring.

B.3 Financial Condition and Activities:

It was asked what Alice felt constituted “insufficient” in B.3.4. The old policy governance manual had a specific ratio and she was always in compliance. Her feeling is that it means we owe less than we have in equity.

Alice was asked how she approaches improvement (B.3.5). The old policy gave Alice a dollar limit (\$8,000 – 10,000) to make improvements. Anything over that had to be approved by the Board. Her feeling is that we must have the money for the improvement available to proceed.

Do we have restricted funds? Yes, a CD that includes some of the equity that is due to members to pay for member loans. The Board decided years ago to keep the restricted funds. Equity also belongs in a separate account.

GAAP = Generally accepted accounting principals. Alice feels we are in compliance with it because our accountant is fine with how we are doing things.

Part of the 2.5% sales growth is probably inflation because that is roughly what the inflation rate is. Food prices are up which reflects in the amount of markup.

Matthew made a motion to accept B.3 Financial Condition and Activities as in compliance. Joanne seconded it; unanimously passed. Ab. - Alice.

Financial Report:

On the balance sheet, assets equal liabilities plus equity. This is a standard accounting procedure. The balance sheet is a snapshot of how things are on a specific day. Equity is held in assets and cash.

Retained earnings is the money that has accumulated from the money that the Co-op has earned over the years. If you sold all of the assets and paid off the liabilities but did not have enough to pay off the member equity, you could use retained earnings to pay off the members. It is “rainy day” money.

The cash under Assets is not earning much interest. Some of it could be used to pay off some of the member loans, which are at a higher interest rate. Some could be invested in the Co-op Funds of New England because it would be loaned out to other Co-ops, which carries out our mission. This is a discussion for a future meeting.

Fixed assets are assets that are recorded at cost and depreciated over their useful life. The assets are listed and then the depreciation for the year is shown. This only plays a role if we are going to move in the future because you could not sell the items for as much as they are on the books. Depreciation could be accelerated if we know that we are relocating in the future. Example – If \$10,000 is invested in sheet rock (which can not be moved) and you will be there for 10 years, you would depreciate \$1,000 per year, which is a reasonable depreciation. It will not tell the actual market value, it is just a way of keeping the books.

The Statement of Income and Budget for 6 Periods shows the numbers over a time period, which was the first six months of 2011.

Cost of goods sold equals the cost of the beginning inventory plus stock brought in minus the ending inventory. It reflects what we actually pay for those goods, including freight.

“% Markup” is the difference between what we paid for an item and what we sold it for.

Inventory change equals net adjustment because inventory was not taken at the end of June.

The largest expense is salary and wages. The second largest expense is workers discounts (this includes all discounts for seniors / staff / workers).

Other income includes the non-member surcharge, which is largest part of it, but there are exceptions such as first time shoppers. Members tend to spend more. We do sell a lot in non-member sales, but it doesn't have a large impact on income.

It is very hard to get a net income that close to zero without it being a negative number.

A budget is a plan for the coming year. It gives Alice a tool and a way to determine if an expense is way off. It makes it easier for her to look into discrepancies. On the sheet, the “Budget for Year” is for the 6 months that the expenses and income relates to. At this time, we are almost \$6,000 over the budgeted profit.

We can tell each department their margin, which is the percentage of what they make based on sales and cost of goods. We are working on determining the number of hours put towards each department and the square footage for each department. We have gotten software that allows us to put this information in and compare where we are with other Co-ops.

Grocery subsidizes bulk and produce.

We are trying to find ways to reduce hours because we have to keep prices reasonable.

Bryan has volunteered to count beans at the next inventory.

It was felt that this was a fantastic financial report explanation. Everyone thanked Joanne for the report.

Store Update:

The big rearranging of the store is almost complete. The main exception is the bulk section, which will hopefully be done by the end of August. Aisle signs will be put up later on. There was a discussion about the signs today regarding placement, how they should look, and how to deal with divided aisles. There will be a meeting in 2-3 weeks to continue the discussion.

Some members of the staff are taking Spanish lessons. One teacher started them and a different person is now teaching it. It is nice having the two perspectives.

The newsletter deadline passed and it is in progress. It should be out by the end of August.

Alice attended a meeting in Massachusetts regarding a farm bill. It was very interesting. She wonders how to engage our members into caring about farm bills and getting involved.

Sales numbers were not available.

Board Perpetuation:

There are 2 open seats on the Board now. This gives us an opportunity to look at how we recruit and train new members. Thane will work with us on this. She will send us information from other Co-ops that have dealt with this well. A small subcommittee will be created to work with Thane and go over the information. The goal is to create a format for the next step, which is to determine whether we want to add two members to the Board and if so, how do we do it. It is not an issue if we don't replace them because only a maximum number is discussed in the By-Laws. If we do replace them, there would probably be an application, they would attend several meetings, and we would decide how we would train them since they would be coming in mid-term.

Stephanie and Kathleen will work with Thane. Joanne has some thoughts that she will share with them. All Board members are encouraged to give input.

It is felt that we have a healthy Board right now. Everyone is participating, coming to meetings, and were at the retreat. We don't have to rush into replacing members. The committee probably will not report back to the Board until the October meeting. Dan and Maria will be contacted about returning their binders.

General Manager Review:

The officers need to work on this. They need to come up with a date to work on it and then a date to present it to Alice. Stephanie will send out an email to start the discussion of when to meet. They plan on using the template that Dan created.

Board Calendar:

As discussed earlier, Matthew will start working on it and others will add to it. It will be presented to the Board at the next meeting.

Website Update:

The website needs updated. Everyone needs to take a look at it and come back with their thoughts about what should be on it. We need to find a new person to manage the website. Shandra has the information to access the website. Stephanie will talk with Shandra about working on it because that was discussed as being part of the secretary position.

We need someone to update the whole website. It is felt that it could be a part time paid position because the time involved goes beyond a working member position. We want to add the survey to it.

Review Board Retreat:

The following are comments regarding the retreat.

It was very interesting and informative to the Board.

The framework explained everyone's responsibility to the Board and the Co-op. It caught people up to speed and got everyone on the same page.

Parts were redundant for those who have gone through it many times.

We could use this feeling to drive the agenda for future retreats because with elections in April, the orientation / training could be separate from the retreat.

Disappointed didn't get enough done on next steps of where the Co-op is going. Separate the retreat from training to focus on vision – it got diluted.

Appreciated Thane's offer of help with mentoring for the role of the Staff Representative.

Interesting as a new Board member – vision / focus was a bit of a let down because of short time allotted to it.

More cohesive – got us all together. Getting to know each other better outside of Board meetings helps us work better as a group.

Learned a lot and came away grateful for the day and what Thane offered. Feel it clarified the role of a Board member. It was great being outside. Really appreciated all of the Board members.

Learned a lot. It was great getting to know people. Helped in understanding what we all are doing here. Everyone has something unique to offer. Didn't have a lot of expectations so was happy.

Agrees with everything everyone has said. Have heard it before but it is nice to have a refresher. Didn't care for the spaghetti movie.

Did a much better job this year. Thane tried hard and did great. Didn't have big expectations for the retreat. Low blood sugar hits in the second half so serious work needs to be done in the morning. Thanks to Kathleen for hosting the retreat.

The second part of the review will be on the next agenda for the September meeting. Maybe we should set up a meeting to discuss the visions. We will set a date in September for that. Thane is available to all of us to discuss things. Kathleen talks with her once a month so questions / comments can be passed on. Thane felt the retreat was great. Their website has a lot of information, not all of it applies to us but a lot of it could.

The meeting adjourned at 9:09 p.m.