

**Willimantic Food Co-op  
Meeting of the Board of Directors  
December 13, 2018**

**Directors Attending:** Kirk Begg, Linda Brock, Alice Rubin, Kathleen Krider, Nancy McMerriman, Raluca Mocanu, Joanne Todd

**Absent:** Charlotte Ross

**Others Attending:** Patty Smith, Roxana Mocanu (scribe)

**Call to Order:** 7:18 pm

Agenda Item	Resolution
<b>Members Speak Out</b>	
No new comments on the BOD Board	
<b>Approve Minutes &amp; Review Action items</b>	
October Board meeting minutes Discussion:	
<ul style="list-style-type: none"> <li>• reminder: when appropriate, add a timeline to action items (from October minutes, page 1: “each action item listed in the minutes should include a timeline”).</li> <li>• Review Action items from the October minutes:               <ul style="list-style-type: none"> <li>◦ Kirk to add “review action items” to the agenda for each Board meeting.                   <ul style="list-style-type: none"> <li>▪ <i>status: completed.</i></li> </ul> </li> <li>◦ Kirk to add “approving the Annual Retreat minutes” to the November Board meeting agenda.                   <ul style="list-style-type: none"> <li>▪ <i>status: completed</i> (in Dec)</li> </ul> </li> <li>◦ Kirk to add “generating a list of action items based on the Annual Retreat minutes” to the November Board meeting agenda.                   <ul style="list-style-type: none"> <li>▪ <i>status: postponed</i>, to be added to the January agenda</li> </ul> </li> <li>◦ Alice to discuss with C&amp;H the concerns that 6,000 ft<sup>2</sup> might not be enough retail space to accommodate future sales growth, and to explore the possibility of using some of the space in B1 for retail after B2 has been added on.                   <ul style="list-style-type: none"> <li>▪ <i>status: completed</i>, has been reflected in the November C&amp;H presentation.</li> </ul> </li> <li>◦ <i>Bylaws subcommittee</i> to consult with lawyer about removing the definitions of the officer’s role in the Bylaws (the definitions are also contained in Policy D.6)                   <ul style="list-style-type: none"> <li>▪ <i>status: pending</i> until we have a draft to forward to the lawyer.</li> </ul> </li> <li>◦ Kirk and Linda to provide a timeline (on adequate net income) at the January Board meeting                   <ul style="list-style-type: none"> <li>▪ <i>status: postponed</i>, to be added to the January agenda.</li> </ul> </li> <li>◦ Ends Policy: Kathleen to contact Kirk and</li> </ul> </li> </ul>	<p><i>October minutes approved</i> (moved:Linda; second: Kathleen; all in favor)</p> <p><i>Action: Kathleen</i> to add “generating a list of action items based on the Annual Retreat minutes” to the January Board meeting agenda</p> <p><i>Action</i> (carried over from the October minutes): <i>Bylaws subcommittee</i> to consult with lawyer about removing the definitions of the officer’s role in the Bylaws (the definitions are also contained in Policy D.6).</p> <p><i>Action</i> (carried over from the October minutes): Linda to provide a timeline (on adequate net income) at the January Board meeting.</p> <p><i>Action</i> (carried over from the October minutes): Alice to send Charlotte the draft version of the Conflict of Interest form.</p>

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<ul style="list-style-type: none"> <li>Linda to schedule a meeting             <ul style="list-style-type: none"> <li>▪ <i>status: completed</i></li> </ul> </li> <li>○ Kathleen, Kirk and Linda to provide a timeline (on Ends Policy) at the November Board meeting             <ul style="list-style-type: none"> <li>▪ <i>status: postponed</i> to the Dec meeting, see the “Ends Policy” section below.</li> </ul> </li> <li>○ Cooperative Status Memo: Kathleen and Joanne to continue this work with Erbin and Fiddleheads.             <ul style="list-style-type: none"> <li>▪ <i>status: in progress</i>, will report later during this meeting (see “CT Cooperative Statute” section below).</li> </ul> </li> <li>○ Alice to send Charlotte the draft version of the Conflict of Interest form             <ul style="list-style-type: none"> <li>▪ <i>status: incomplete</i> - will be added to the December meeting action items</li> </ul> </li> <li>○ Kirk and Joanne to send Kathleen a sample Conflict of Interest form used in their organizations.             <ul style="list-style-type: none"> <li>▪ <i>status: completed</i></li> </ul> </li> </ul>	
<p>November Board meeting minutes</p> <p>Discussion:</p> <ul style="list-style-type: none"> <li>• we will postpone approving the November minutes until the January 3 Board meeting</li> </ul>	<p><i>Motion to approve the November meeting minutes, moved: Kathleen, second: Joanne; Kathleen withdrew the motion.</i></p> <p><i>Motion to postpone approving the minutes until after we’ve communicated with the members, moved: Linda, second: Joanne; motion approved.</i></p> <p><i>Action: Alice to put together a brief presentation to members summarizing the status of the expansion plans and listing next steps, and email to the Board prior to the Jan 3 meeting.</i></p>
<p>Annual Retreat meeting minutes (Sept 23)</p> <p>Discussion:</p> <ul style="list-style-type: none"> <li>• reminder: the Annual Retreat is an internal Board meeting, the minutes need to be approved by the Board but they do not get posted on the Coop’s website.</li> <li>• Action items:             <ul style="list-style-type: none"> <li>○ page 2: “Kathleen, Kirk and Linda to write a draft Ends Policy and present to the Board for review”                 <ul style="list-style-type: none"> <li>▪ <i>status: in progress</i></li> </ul> </li> </ul> </li> <li>• Page 5 of the Annual Retreat minutes, Todd’s</li> </ul>	<p><i>Motion to approve the Annual Retreat meeting minutes: motion: Joanne, second: Kathleen; motion approved.</i></p> <p><i>Action: Alice to gather all the member input on the expansion we have collected so far, and forward to Linda. Alice and Linda will summarize the members’ input into a reference</i></p>

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<p>input on possible next steps: "Go back to review member input we have collected at the start of the expansion planning process (e.g. through the "leaf tree")." Member input has been summarized in the 2016 Annual Meeting presentation and in various other documents (member surveys, the leaves of the tree, etc). We need to collect all the member input from the various sources into a reference document which will be used throughout the expansion planning to ensure that we are meeting members' needs.</p>	<p>document.</p>
<p><b>Expansion Update</b></p>	
<ul style="list-style-type: none"> <li>• The market study has been updated. It includes sales growth projections for both expansion scenarios presented by C&amp;H on November 8 (scenario 1 is the full project, scenario 2 is the phased project). The updated market study needs to be incorporated into the pro forma document.</li> <li>• Bill Gessner (CDS) is working on the pro forma document. He is currently recovering from a stroke. Alice will ask CDS to advise us on ways to move forward with the pro forma.</li> <li>• Board members were asked to comment on Jesse Selman's presentation (on behalf of C&amp;H Architects) from Nov 8:             <ul style="list-style-type: none"> <li>○ parking lot issue needs to be resolved before we can proceed</li> <li>○ we need to carefully identify what the roles are (who's doing what):                 <ul style="list-style-type: none"> <li>▪ The expansion project is run by the GM.</li> <li>▪ The Board is responsible for approving the final budget.</li> <li>▪ The Board brings up concerns to the GM, and the GM is responsible for addressing them.</li> <li>▪ The Board is <i>not</i> responsible for finding solutions to issues (like the parking lot issue), or making decisions on how to proceed with the expansion.</li> </ul> </li> <li>○ At this point in the preliminary design, the Board needs to be cautious to not get locked into a certain direction. We need to make sure this is a viable project before we proceed any further.</li> <li>○ The updated market study is based on C&amp;H's plans as presented to the Board on Nov 8. Thus, the market study takes into account the limited number of parking spaces; this information has been incorporated into the sales projection.</li> <li>○ The conceptual design study completed by C&amp;H and presented to the Board by Jesse on Nov 8 was successful in moving the expansion project</li> </ul> </li> </ul>	<p><i>Action: Alice to contact CDS to find out who will cover for Bill Gessner while he is recovering.</i></p>

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<p>forward. It served the purpose of collecting many abstract ideas and incorporating them into a plan that helps us visualize one version of what the store might look like. The final design may end up looking very different, but Jesse's presentation was helpful in visualizing what is possible. Members appreciated the level of detail in Jesse's presentation and in the materials he handed out.</p> <ul style="list-style-type: none"> <li>○ The design presented by Jesse on Nov 8 seems to be constrained by the footprint of the existing building (even though the plan is to tear down the building). Without that constraint, might we come up with a more optimal design?</li> <li>○ Board members felt that Jesse has a good understanding and appreciation for the Coop's culture, and this was reflected in the design he presented (it's not just another grocery store).</li> <li>○ The current design reflects the value we place on community connection (the store front is right by the sidewalk and the parking lot is in the back).</li> <li>○ The relationship between the designers at C&amp;H and the project manager (the GM) has been very positive.</li> <li>○ The Town's plans for the Community Center adjacent to 87 Church St are fluctuating, which may impact the municipal parking lot.</li> <li>○ What is our level of engagement with the Town? We are not assuming any help from the Town; the municipal parking lot will not have any spaces specifically designated to the Coop.</li> </ul>	
<p><b>Staff Bonus</b></p> <ul style="list-style-type: none"> <li>• This topic was added to the agenda at the request of the GM</li> <li>• Management team met with the Board Treasurer and the Accountant to discuss the net income.</li> <li>• 2018 income exceeds the budgeted amount. At this time, the projected "bottom line" is \$130K.</li> <li>• Proposed actions to reduce the "bottom line": <ul style="list-style-type: none"> <li>○ additional \$11K in donations (bringing the total donations for 2018 to \$20K). Susan Oldershaw (our accountant) cautions that we may not be able to get tax credits for the full donation amount.</li> <li>○ Staff bonus not to exceed \$60K. The staff bonuses are crucial to our ability to legally reduce the income and thus lower our tax liability.</li> </ul> </li> <li>• As a result of the proposed actions listed above, our reduced net income will be approx. \$50K, which is equivalent to 2.4% EBITDAP. This is deemed to be a "healthy bottom line".</li> </ul>	<p><i>Motion to approve staff bonuses not to exceed \$60K, moved: Joanne, second: Linda, abstain: Alice, Nancy. Motion approved.</i></p>

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<ul style="list-style-type: none"> <li>A new tax law has come into effect this year, which will likely result in an increase in the taxes paid by the Coop.</li> </ul>	
<b>Monitoring Reports</b>	
<p><b>GM Reports:</b></p> <ul style="list-style-type: none"> <li>B.3 Financial Condition and Activities (from Nov) <ul style="list-style-type: none"> <li>discussion: the Management team (Alice and Patty) is currently investigating the possible causes for the lower margin reported, and looking for possible mistakes. It may be that once the financial information for the next quarter is released, the average of the two quarters may even out. Produce is a huge contributor to the margin; need to better understand the produce margin, and ensure that things are done consistently.</li> </ul> </li> <li>B.9 Board Logistical Support (from Oct) <ul style="list-style-type: none"> <li>discussion: What is our plan to communicate the updated Ends policy and the net income information will be incorporated into the Policy Governance Manual, which is available on the website. The Ends Policy will also be communicated in the newsletter.</li> </ul> </li> <li>B.5 Communication and Counsel to the Board (from Oct) <ul style="list-style-type: none"> <li>discussion: <ul style="list-style-type: none"> <li>communication with the members regarding events needs to be improved. Alice to look into adding an events calendar to the website.</li> <li>B.5 item 4: the GM may not fail to “advise the Board if, in the GM’s opinion, the Board or one of its members is not in compliance with the Board’s policies on Board process and Board/GM relationship.” This is an important issue, as well as a difficult one. Need further discussion such that new Board members understand the background.</li> <li>Can we get space allocated on the website for storing Board-related documents (for internal Board use)?</li> </ul> </li> </ul> </li> </ul> <p><b>Board Policy</b></p> <ul style="list-style-type: none"> <li>D.7 Board Committee Principles (from Nov) <ul style="list-style-type: none"> <li>discussion: none</li> </ul> </li> <li>D.8 Governance Investment <ul style="list-style-type: none"> <li>discussion: <ul style="list-style-type: none"> <li>D.8 item #2a: “We will use training and retraining liberally to orient new</li> </ul> </li> </ul> </li> </ul>	<p><i>GM Report B.3: In Compliance</i> (moved: Joanne, second: Kathleen, abstained: Alice). Motion approved.</p> <p><i>GM Report B.9: In Compliance</i> (moved: Linda, second: Kathleen, abstained: Alice). Motion approved.</p> <p><i>GM Report B.5: In Compliance</i> (moved: Joanne, second: Kathleen, abstained: Alice). Motion approved.</p> <p><i>Action: Alice</i> to look into adding an event calendar to the website.</p> <p><i>Action: Joanne and Linda</i> to work with Steve Murphy to allocate space on the website for Board-related documents (for internal Board use).</p> <p><i>Policy D.7: In Compliance</i> (moved: Linda, second: Raluca, all in favor)</p> <p><i>Policy D.8: In Partial Compliance</i> (moved: Kathleen, second: Joanne, opposed: Kirk, Raluca)</p>

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<p>directors and candidates for membership, as well as to maintain and increase existing directors' skills and understanding." Need to establish a process for cross-educating and reporting to the entire Board on issues discussed during training events, which are typically only attended by a few Board members.</p> <ul style="list-style-type: none"> <li>• D.8 item #2c: "We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values". Needs further work; Board needs to commit to publishing a quarterly newsletter article.</li> </ul>	<p><i>Action: Kathleen</i> to add to January agenda "Create a plan to reach full compliance on policy D.8." The plan must include a process for cross-educating and reporting to the entire Board on issues discussed during training events.</p>
<p><b>CT Cooperative Statute</b></p>	
<ul style="list-style-type: none"> <li>• Joanne and Alice met with Mae Flexer and Kathy Austin to further discuss the proposed bill written by David Swanson, and to decide on the next steps needed to gather public support.</li> <li>• Susan Zimmerman, Fiddleheads Board of Directors, suggested hiring a lobbyist.</li> </ul>	<p><i>Action: Joanne</i> to contact Mae Flexer and Kathy Austin to get an update.</p> <p><i>Action: Joanne</i> to contact Erbin, Kathy Austin, and Susan Zimmerman to discuss the possibility of hiring a lobbyist</p> <p><i>Action: Alice</i> to update Susan Johnson on the current status</p>
<p><b>New Business</b></p>	
<p>Annual meeting</p> <ul style="list-style-type: none"> <li>• Proposed date: Sunday April 28</li> </ul>	<p><i>Action: Alice</i> to start the preliminary planning for the Annual Meeting and report to the Board at the Jan meeting</p>
<p>Adequate Net Income:</p> <ul style="list-style-type: none"> <li>• Linda and Kirk are working on a draft statement of understanding (based on the statement that Patty suggested), and including definitions and other supporting documentation.</li> </ul>	<p><i>Action: Linda</i> to email the adequate net income statement to the Board prior to the Jan 3 meeting</p> <p><i>Action: Linda</i> to provide a timeline at the January Board meeting</p>
<p>Ends Policy:</p> <ul style="list-style-type: none"> <li>• Linda and Kathleen each drafted an ends statement</li> <li>• Linda and Kathleen will provide a timeline at the next Board meeting</li> </ul>	<p><i>Action: Kathleen and Linda</i> to send out their draft ends statement prior to the Jan meeting (it will be included in the agenda package)</p> <p><i>Action: Kathleen and Linda</i> to provide a timeline at the Jan Board meeting</p>

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<b>Store and Operations Update</b>	
Postponed to next meeting due to time limitations	
<b>Board President Announcement</b>	
Kirk announced his resignation from the Board due to personal time limitations, effective immediately. Kathleen will temporarily take over the duties of the Board chair.	Action: set up a separate meeting in January to discuss Board recruitment
<b>Executive Session</b>	None
<b>Meeting adjourned</b>	9:09 pm