

SRFC Board of Directors Meeting Minutes 6-28-2016

submitted by Debra Lee Gertz

Meeting commenced at 6:07pm

Present: Larry, Andy, John, Meagan, Deb, Tom (arrived after Minutes), Steve (arrived after FYI report), Jeremy

Absent: Abigail (with notice), Brianna

Preliminaries

Ends Statement - read by Andy

Groundrules - Waived

Agenda Review - Board will review and discuss the Decision Tree for acting on monitoring reports as part of the GM Monitoring agenda section.

May Minutes

John motions to accept minutes, Andy seconds, all present in favor. Note: Tom and Steve were not present to vote on this motion.

GM Reporting

A. FYI Report:

- Improvement in new equity for the month, with 13 new members. At this point we are very close to reaching our annual goal for new equity, despite a slow down in new memberships for a few months after the member discount was discontinued.
- Small group including John, Damian and Jeremy met regarding the rebranding initiative. A committee will be formed; John plans to present charter proposal at the next Board meeting. Damian plans to present at the Board retreat in August. Plans include conducting a survey, focus groups, etc. to obtain member input regarding the process and outcome. More in Committee Reports, below.
- Jeremy is beginning to work with architects to consider work on the Kensington store. Repairs are required on the siding and roof.
- Rosie delivery service is plugging along. The Tech Garden put in a business order and is considering a regular commissary order. Shall try and expand on that market. Board members suggested a few employers that can be targeted for business/development outreach, and offered to make introductions.
- Jeremy continues to work with Peg Nolan from NCG. The business plan is almost done. It may be complete next month.
- We will put a deposit down for the market study after having checked into various options. Decided on Debbie with CDS. The market study will begin after

the staff conducts a Customer Area Transaction Survey, an in-store survey conducted for a full week. Planning on doing this September 8-11. This will be followed by 2 weeks of field work.

- Department margins are all trending positive or flat.
- Ratios look good: improvements in each measure in May over April. We remain below the new, more stringent benchmarks for Current and Quick ratio, but this is the first time in known memory that the Quick ratio is above 0.8.
- Operating trends look good, with sales growth continuing and labor being carefully managed. Growth is expected to slow down in the coming weeks. The biggest issue is the overall sales margin and net income. Management is experimenting with movement and margin, looking to add/change “premium” items in order to compensate for recent growth in lower cost “basics” product line.
- The Coop share is doing well and bolstering sales during traditionally slow months. It offers many advantages such as the long season, flexibility of payment and variations in orders including the ability to purchase a single week if desired.
- Center store sales have been declining; working to improve. Meanwhile produce sales are doing great.
- Year End inventory observation is taking place July 5. Vendors have been engaged for the count and the observation.

The Board then reviewed the CDS Decision Tree for acting on Monitoring reports from the GM. The following reports were discussed using the Decision Tree as a model.

B. GM Monitoring B1 - Financial Condition:

- John motions to accept B1 noting partial non-compliance, Andy seconds.
- Jeremy acknowledges and explains non-compliance with sub policies 2 and 5, noting there was a double inventory adjustment in Q3 (due to a scheduling error by the vendor) which also impacted net margin. Sub policy 3 shows partial compliance. Considering recent trends, Jeremy’s plans, and improvement work underway, Board deems this report to be acceptable. Board notes great progress with sales growth.
- Accepted with all in favor.

C. GM Monitoring B4 - Communication to the Board:

Steve motions to approve, Meagan seconds. All in favor with no abstentions.

[side note: not on agenda]

GM Monitoring B2 - Planning:

Development is ongoing. An updated draft will be circulated by email.

D. GM Monitoring A - Ends:

Board reviews and expresses satisfaction with the framework for the annual Ends report, which will be presented in July.

Board Admin & Planning

A. Retreat Planning:

Sunday August 14 at 9am-4:30pm.

- Rose Marie (CBLD consultant), John, Meagan are planning the retreat. There is the possibility of adding another consultant.
- The location will be at John's house, if the weather is good and at the SU Warehouse downtown if not.
- Discussed some topics for the agenda such as orienting new board members and developing a stronger board training and perpetuation process.
- Inviting Damian to guide the board through an exploration around the rebranding process. Consider- What is the Coop, Why do we care, What does our visual identity embody, What are our core concepts regarding our presentation in the community?
- Engage in strategic planning in the afternoon with staff. Lexington and Wheatsville center their planning around a vision statement they call "The Big Direction" - used to clarify and focus on next steps by defining a concrete and actionable direction. Make our ends easily understandable and connect everything we do back to that.

B. Committee Reports:

Branding Committee-

Ideas are to create a committee by August with members both new and old, board members, Jeremy plus front line staff members. John has volunteered to chair the committee and will propose a charter. Committee will hold 2 forums in September. Beginning now to have meetings with Damian, graphic design consultant. Roll out a proposal at annual meeting, and begin transition in spring.

Board Perpetuation and Development-

- Andy motions to approve the proposed charter. Deb seconds.
- Discussion - John will chair the committee, including board members Andy and Meagan and board alums Julie and Thane. Charter includes a conflict of interest clause regarding candidates for reelection serving on the committee. John suggested modifying the charter to include a specific time frame, consistent

with Board policy. Proposed for the fiscal year of 2017 which is July 1, 2016 thru June 30, 2017. Meagan suggested modifying Section 4 under Duties, add the word "QUALIFIED" before nominees.

- Andy and Deb reaffirm motion with these two modifications.
- All in favor.
- Went around the room questioning our intentions regarding continuing with board work. Tom announced that he will be leaving the board at the end of the year. Meagan plans to seek reelection but turn over the President role, Andy intends to continue and Deb is on the fence.
- Brianna and Abigail were not in attendance to share their intentions. Committee will follow up with them individually to confirm.

Garden Committee-

Meagan to develop a charter proposal. At this time volunteers are encouraged to visit the garden at the Co-op and pull weeds, push mower.

C. Upcoming Dates:

- Saturday July 9th in Buffalo- CBLD 101 and Leadership Training.
- Monthly CBLD call scheduled for July 18. To participate, contact Meagan.
- Next meeting will be on July 26. Larry will report on Committee principles.
- Retreat coming up on Sunday 8/14.

Board Education and Outreach

A. Fall Meeting:

- Annual meeting planned for early November with a possible change in location.
- Based on a tentative date in the first week of November, the board application deadline will be at the end of August and the Annual Meeting newsletter copy deadline will be at the beginning of September.

B. *New Leaf*:

- Fall edition of newsletter will include profiles of people running.
- Board column suggestion: Several Board members writing a paragraph about what they are excited about and why members should come to the annual meeting. Draft blurbs before the next meeting in July. Jeremy will send prompts.

Board Monitoring

A. D5 - Code of Conduct: Discussed and refreshed with no concerns.

Executive Session

A. GM annual performance review.

- John motions to award the remaining of the board discretionary bonus to Jeremy. Steve seconds with all in favor.
- Steve motions to approve the GM compensation package with 2 changes and 1 clarification, to be disclosed to Jeremy in writing by Meagan. Tom seconds. All in favor. Note: Andy departed before this vote was taken.

Meeting adjourns at 8:41