

**Springfield Food Co-op
Board of Directors Meeting
October 25, 2018 6 p.m.**

Members present: Lindsay Post, Brooke Decker, Steve Greene, Jane Sandelman, Caitlin Christiana, Marianne Chapin, John Vorder Bruegge

Ex-Officio: Neomi Lauritsen

Recording secretary: Lucy Georgeff

Guests: Marilyn Scholl, CBLD consultant and Robyn O'Brien, General Manager, Putney Food Co-op, Sarah Bolaski, member.

Meeting called to order: 6:05 p.m.

Co-op stories: Introductions made to everyone

Approving the minutes of September 20th: *Steve moves to accept the minutes of September 20, 2018; Brooke accepts; motion passes unanimously.*

Putney Food Co-op Expansion process - Robyn O'Brien

Putney currently is in the midst of expanding and completion is anticipated in mid-December. The Board recognized the need at least 8 years ago. Started to look into it, worked with the DC, then had a bad year and plateaued out. Co-op decided to not expand at that time. They started by writing down their priorities. Robyn spoke with some consultants, including a deli consultant from CDS Consulting Co-op. She invited experts to come down to help envision how the store could be different, and what was trending in the area. She didn't want to build just to solve immediate needs. The initial expansion program was bigger than the Board and Robyn thought they could support. Then, they got a rough estimate for the physical buildout. Bill Guessner created a pro forma, and he really helped a lot. They looked at what kind of money they'd need, and ended up with a realistic picture, not just what they could do for cheap. Marilyn looked at the pro-forma. They looked at the worst-case scenario to see if they could survive. Everyone on staff has been on board from the beginning - not just managers. They used Cooperative Fund of New England for lending, and did not do a member fundraiser because the town of Putney had recently asked a lot of townspeople already for other large building projects.

The Putney Co-op was 2850 square feet retail, 4000 total - now adding 1700 sf, 700 retail. They already owned the building, so had no debt going into this project. Money borrowed includes funds for start-up staffing.

This project is so reliant on the deli doing well, which is scary, since the deli is the most volatile and personality-driven department of the store.

Robyn mentions that the design process is critical. Current sales closed this year at \$4.3 million.

Board asks about the role of project manager. Robyn is that person and she has a committee of three board members with important co-op history or business skills.

Question from Board: what % of Robyn's time is spent on the expansion vs. running the store? She has a great management team who she trusts to do their work. The rest of her work has been distributed among her managers. Robyn feels if she couldn't trust the board's perspective, she would have wanted to hire a project manager. An expansion project needs to have a perspective that's a little more removed, with a good plan. They used Greenberg Associates, Putney architect. Nicole Klimet of 7 Roots did the store plan. She worked with the deli consultant to make sure the program we were building for was going to work. Robyn recommends consulting for getting systems in place.

Discussion around roles during expansion. What is the scope of the project manager role? The financial piece is huge. Robyn sent the pro forma to Rebecca Dunn at CFNE, sent it to Marilyn. She had to secure the money, watch the budget. She cautions that it always looks like you have a lot of money, but it's really easy to spend. Staying to scale for the community was critical for Putney, as well as constant communication with members. Robyn does the communication with her marketing person. Equipment lists means wading through so many choices. Putney is buying all new equipment for the new space, as well as adding two bathrooms and office space.

Project Manager is responsible for: Communication (internal and external) - with marketing and outreach person, Finances - board treasurer and finance manager, Construction - GPI construction.

Robyn emphasizes that you have to look at what the program is.

Financing - helps to have plenty of cash in the bank already.

Equipment - Robyn looked at several vendors and went with B&G Restaurant Supply, out of Pittsfield, MA. New refrigeration is conventional, even though refrigeration systems now can be more energy efficient. Robyn recommends working with Efficiency VT. She also worked with Andy Shapiro, independent energy auditor and consultant.

Role clarity: With a lot of expertise in the room, the roles can get muddy. Robyn's committee basically agreed to a code of conduct. Her committee members are comfortable deferring to the experts. Marilyn adds that Putney board members were clear they were on a committee and reported to Robyn as project manager.

Board Retreat

What do we want to focus on at retreat on Nov 3rd? Lindsay and Marilyn identified needs around financial literacy, particularly around the pro forma. Marilyn asks if the pro forma can be updated for the retreat on Nov. 3, and Steve and Jane think so. Marilyn mentions that boards need to look at a pro forma a few times before they agree to take on debt. She suggests doing the Lego exercise, which is about building the balance sheet.

Other retreat agenda items: look at participation report from NCG and those metrics.

Bylaws - won't need much time for that at the retreat. Ben Sandel is lined up. Member loan campaign for retreat. Discussion about member loans vs. donations and needing a fiscal agent.

Timeline and role clarity - Gantt chart

Marilyn recommends looking up the Expansion and Relocation Toolbox, through the Cooperative Grocers Network. Over the weekend, Marilyn will assign reading from it for the retreat.

GM FYI Report

Staff party? Neomi wants a location off site. Board suggests Trout River.

Over 2000 new members. Member drive happening now in the store, with prizes for staff and a raffle for new members.

Sales growth 9.4% in September.

Board self-monitoring

Lindsay reads through policies aloud.

C3: Board's Job

Board self-rating: 4.75/5

Board of Directors Engagement

Board members are coming to Member Appreciation Day tomorrow

Co-op Cafe was October 13 in Keene. Neomi, Lucy, Ali, Lindsay, Marianne went. Focus: customer at the heart of the co-op. Discussion about identifying the needs in Springfield. David Fowle and Dave Olsen from NCG were there.

GM Monitoring

B1: Financial Condition

Discussion around high increase in credit card fees, educating customers on using cash, checks, or store credit.

Discussion around employee discounts.

Board recommends doing an insurance review.

Lindsay moves to accept B1 as submitted; Brooke seconds; motion passes unanimously.

Q2 Results

FYI: Q2 Budget Update

Lucy will update budget with projections for the rest of the year.

Open Session

Items to put on the “Board board” in the store: true cost of using credit cards. Photo from board retreat. Carroll will continue writing the newsletter.

Brooke moves to move into executive session at 7:55 p.m., Lindsay seconds. Motion passes unanimously. Topic: Expansion Conversation

Brooke moves to come out of executive session and adjourn the general meeting at 8:41 p.m., Caitlin seconds. Motion passes unanimously.

Respectfully submitted,
Lucy Georgeff