

MINUTES [FINAL]
Brattleboro Food Co-op Board of Directors
2 Main Street, Room 130, Brattleboro, VT

Monday, May 6, 2019

Directors Present: Jim Barker, Mary Bené, Anna Edson, Judy Fink, Skye Morse, Beth Neher, Tamara Stenn, Arion Thiboumery (*arrived late*), Jerelyn Wilson.

Staff, Shareholders and Others Present: General Manager Sabine Rhyne; Store Manager Whitney Field, Finance Manager Ken McGee (*via Skype*), Board Administrator Sarah Brennan

The meeting was called to order by Chair Beth Neher at 5:15 pm.

1. **Meeting Opening:** The meeting opened with board members sharing encounters with spring beauty.
2. **Agenda Review:** FY20 Board budget (draft in packet) – to be discussed after GM Monitoring report.
3. **Approval of Minutes:** Jerelyn moved to accept the minutes of the April 1, 2019 meeting; Skye seconded. The motion to accept the minutes with minor edits passed unanimously.
4. **Shareholder Input and Board Tabling:** The Board reviewed Jim and Jerelyn’s April tabling notes. Discussion: electromagnetic radiation; staying on top of trash/cigarette butts in the parking lot. Sabine received an email from a shareholder asking us to educate our shoppers more about the effect of palm oil industry on orangutan habitat. Sabine noted that we carry a fair-traded palm oil from Ecuador; however some of our products contain palm oil. Our “who knew” signage to this effect tends to disappear.
5. **GM Report:** Discussion highlights:
 - Shoplifting: we are training new employees in the maintenance/security department. Sabine described other efforts to tighten loss prevention procedures and systems: recovering credit items, handling returns, and department-based shrink policies.
 - New policies: we worked with the LMC to institute a staff food purchase policy, requiring staff go to the registers, not eat on the sales floor, etc.
 - Sarah has been accepted to the “NCG Better Packaging Solutions” task force.
6. **GM Monitoring Report:** Anna moved, and Jim seconded, to accept the QII 2 Financial Condition and Activities monitoring report. Ken McGee participated via Skype. Discussion touched on:
 - Inventory: though higher than previous quarter, the rise is a tiny percent given overall sales volume.
 - Occupancy expenses: we repaired the big dipper, which entailed jackhammering the floor and repositioning the drainage pipe in the downstairs dish room. We installed new counters in the Front End counting room.
 - Favorable items: Trash: We’re saving money by having more frequent pickups of a smaller dumpster. Training/education: we’ll spend it this quarter instead.
 - Operating expenses: “handling” refers to bounced checks and cash handling. We have found that Telecheck is only worth it for customers we aren’t familiar with.
 - EBITDAP: This ratio has suffered in the last year, for other co-ops as well as our own.
 - Discounts: Sabine plans to announce, in the July FFT, a proposal to roll back the Tuesday/Thursday senior discount from 10% to 8%. She expects controversy. The long-term strategy is to raise wages, which, without a change to the discount structure, is not likely to happen. This particular move would only be a first step; conversation between and among board members and shareholders/shoppers will be necessary. Sabine is already having one-on-one conversations with shareholders to get a sense of the receptiveness to changes in the discount structure, that focus more on needs than age alone. Suggestions: if possible, frame it as a choice, or connect it to what would change as a result (e.g., better

wages). Be mindful that many people would benefit greatly from a needs-based discount who don't qualify for state aid.

- The motion carried unanimously.

7. **Board budget** [*added to agenda*]: The board reviewed a draft budget of FY19 budget/actuals and proposed FY20. Discussion: are D&O insurance rates going up? [*Answer: probably by less than 5%*] Keep money in the budget for specialty training. Adjust annual meeting expenses to show kid entertainment and ASL interpretation. Consensus: This can be submitted with the adjustments mentioned. Note: Sabine shared that our attorney, Heather Wright, is moving on. Her business partner is taking over her clients.

[*BREAK FOR DINNER – Arion arrived*]

8. **Discussion based on readings:** What can the board do to add value to the Co-op? What do we understand shareholder engagement means in terms of adding value to the Co-op? Board members discussed:
- a. The various ways they currently engage with shareholders: via tabling, conversations in the aisles, FFT articles, Strolling of the Heifers parade, our ice cream social, and our annual meeting.
 - b. What information would be helpful to know about shareholders, in order to connect better with them:
 - We should collect data if it's productive, not just because it's interesting.
 - Their age is important (because our area is aging, plus it connects with adjusting the discount programs; we also need to connect with future e.g. younger shoppers).
 - Their current level of engagement: only when their needs are met, can they move to the next level.
 - Note: we are capturing birthdays for new shareholders, but don't have that information for most of them. Sabine is curious about what demographic information other co-ops collect.
 - c. Engagement needs to be for a purpose. Examples cited:
 - building community among members
 - encouraging shareholders to deepen their engagement with the co-op
 - soliciting issue-specific input (e.g. discount structure, parking lot options)
 - driving overall direction for the co-op
 - increasing sales
 - better understanding under-represented parts of the population (e.g. younger shoppers)
 - d. Sabine would like a proposal from the Shareholder Engagement committee on how to set up a conversation with a small group of shareholders about the discounts. To include:
 - Figuring out which shareholders: should it be a spectrum of people, or should people be grouped by some characteristic; if the latter, what would that be?
 - Carefully crafted talking points, and a common story we tell. It should be framed as, "we're not asking for advice."
 - Note: one potential talking points: we are different from most co-ops, in terms of how we give discounts. And, 700K is a really big number.

9. Board Perpetuation:

- a. QIV 2 Board Meetings Monitoring Report: Judy moved, and Anna seconded, to approve the monitoring report. Discussion: a newer board member felt that "to the best of my knowledge" was not an adequate standard for this policy. Beth wants to do better with the technicalities of recording Executive Session. The motion carried unanimously.
- b. QIV 6 Board Job Products Monitoring Report: Anna moved, and Jerelyn seconded, to approve the monitoring report. Discussion: Sabine noted that she addresses the cost associated with the Ends in her monitoring report interpretation statements. The motion carried unanimously.

c. Preparation for June:

- Beth will need to miss the June meeting, and Jerelyn may also miss it; Skye will facilitate it in their stead. He will participate in the agenda-setting process.
- Beth called to Board members' attention the policies being monitored in June: for the GM, QII I Financial Planning (to include the Annual Business Plan); for the Board, QIV 4 Cost of Governance and QIV 5 Records Policy. Re: the latter: Sarah described where the minutes live in the filing cabinet. Thane's role in keeping the Board focused on working within its policies and bylaws was referenced.

d. Proposed Bylaw Change: Prior to a motion being made, discussion revealed that the proposed language change (to bar the GM's direct reports from serving on the board) needed to be finessed. The Policy and Bylaws committee will take it up again and bring it to the Board for discussion and vote at the June meeting.e. NFCA report: Jettisoned in the interest of time.f. Upcoming Food for Thought articles: Jim has written the June FFT article. Jerelyn and Arion will write the July article about the proposal to stagger board seats. Arion and Jerelyn challenged board members to approach two people to encourage them to run for the board this fall.

10. Committees: Reports/Q&A: There were no comments or discussion on the committee notes..

11. Meeting Outcomes: Board members shared what they would tell a shareholder about this meeting.

The meeting was adjourned at 8:15 pm.

Sarah Brennan, Board Administrator