

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

Monday, July 1, 2019

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

Staff, Shareholders and Others Present: General Manager Sabine Rhyne; Board Administrator Sarah Brennan; Shareholder Christine Barvoets, Guest Charles Traitor (Weaver Street Market, Carrboro NC)

The meeting was called to order by President Beth Neher at 5:17 pm.

1. **Meeting Opening:** The meeting opened with board members and guests introducing themselves, and sharing memorable vacations.
2. **Agenda Review:** As time was allotted to hear from Charles about the Weaver Street Market, Charles described the Weaver Street Market ownership structure, the demographics of the communities in which their three (soon to be 4) stores are located, and their emphasis on being a gathering space for community. As a board, they focus on making all the owners aware of how their participation drives success of their co-op, both financially and in its social mission. Their goal is to drive their margin (current at 31%) down to 29% within five years. They can get good deals from their distributor because of their size. 90% of their sales growth in all stores is in local and co-op to co-op sales.
3. **Approval of Minutes:** Beth thanked Skye and Sabine for dealing with her absence last month. Mary moved to accept the minutes of the June 3, 2019 meeting; Judy seconded. The motion to accept the minutes with no changes passed unanimously with two abstentions (Beth, Jerelyn).
4. **Shareholder Input and Board Tabling:** The Board reviewed June tabling notes and other shareholder input provided in the board packet. Discussion: our Ends policies, along with customer preferences (gauged by what actually moves off the shelves) guide what products we carry. Our customers are starting to speak up about plastics.
5. **GM Report:** Discussion touched on the following: the recent layoffs (what are the union rules, what was the breakout in savings between hourly employees and managers); the downtown situation (we've received only positive feedback about the Co-op's open letter to the Commons); status of new facilities manager (interviews start next week); cash (still trending up); recent freezer breakdown (we lost sales but thankfully, not much product).
6. **GM Monitoring Report:** Jerelyn moved, and Anna seconded, to accept the QII 3 Relationship with Employees monitoring report. Discussion highlights:
  - Staff survey status (a survey will be administered next year).
  - Job descriptions definition (so far, so good; there's more work to do).
  - Why might managers consult personnel records? (Response: to see if there is a progressive discipline situation.)
  - What is an unsaleable food policy? (Every department has procedures governing how to handle unsellable food.)
  - Exit interviews (positive comments received this year).
  - Benefits as percentage of salary (Sabine estimates 20 to 30%).

The motion carried unanimously with one abstention (Tamara, who arrived at end of discussion).

## 7. Board Perpetuation:

- a. QIV 7 Board Officers Monitoring Report: Anna moved, and Judy seconded, to approve the monitoring report. Discussion: The Policy and Bylaws Committee will take up various policies for potential amendment based on comments and questions noted in the survey responses (7.1, 7.2.1.6 (“shareholder status meetings” phrase is unclear), 7.2.1.7, and 7.2.2.2.) The motion carried unanimously.
- b. QIV 9 Board Relationship to Shareholders Monitoring Report: Mary moved, and Anna seconded, to approve the monitoring report. Discussion: In an upcoming meeting, board members will learn what info is given to new shareholders. Suggestion: new shareholder packets could include a letter of welcome from the Board. The motion carried unanimously.
- c. QIV 10 Board Committees Monitoring Report: Anna moved, and Arion seconded, to approve the monitoring report. Discussion: Tamara and Mary revoked their answers to 10.1 – neither is aware of a board committee having violated that policy. Sarah will look at the Survey Monkey design on Policy 10.4.1 to ensure that it’s possible to record a comment. The motion carried unanimously.
- d. Preparation for August: Beth called Board members’ attention to the policies being monitored in August: for the GM, QII 2 Financial Conditions and Activities and QII 4 Asset Protection; for the Board, QIV 12 Management Succession. In addition, the Board will evaluate the General Manager. There were no questions from board members on what will be covered.
- e. Ends Review: Beth proposed undertaking a review of our Ends policies over the course of the coming months: ensuring they reflect our vision, and that the language is succinct and powerful. Discussion focused on how to ensure that this work could be done in conjunction with the conversations on revamping the discount structure. Board members interested in serving on a small group to map out a process should contact Beth.
- f. Reminder: Board seat open in 2019 – November Election: This has been publicized in the last three FFT’s and on our blog; we’ll make it more prominent on the website. Board members should continue reaching out through their networks.
- g. Upcoming Food for Thought articles: Mary is writing the August article, to be based on interviewing senior shareholders (deadline: Friday, July 5). Beth is writing the September article (due August 2). Beth and Tamara are tabling in July.

## 8. Committees: Reports/Q&A: Comments and discussion on the committee notes:

- a. Policy and Bylaws: The committee is now turning its attention to the bylaws for changes to be presented to the shareholders next year.
- b. Shareholder Engagement: The committee will be meeting with Sabine to help prepare for forums on the discount structure. The committee would like to help with the Annual Meeting – specifically, a segment focused on honoring the Co-ops’ founders.
- c. Recruitment: Jim will alert fellow staffers to the open seat.

## 9. Discounts: Arion initiated a discussion on the discount structure: He suggests an opt-in approach, in which shareholders voluntarily surrender a portion of their discount, on the grounds that “allowing for an opt-in can move the conversation forward”. Discussion:

- a. This was positively received by several board members as being empowering and positive.
- b. Why reduce discounts? Both to defray expenses, and to shift the emphasis to a needs-based program.
- c. If we put out that the Co-op would like to move towards more needs-based discounts, the first step logically is to let people who don’t feel like they need the discount give up some or all of it. The two approaches (reducing + shifting to needs-based) can support one another. We could also reduce discounts while also asking for volunteers to go even deeper.
- d. Note: The store looks like it makes a million in profit each year.

- e. Strategically, once you pull back on the discount program, you'll get fewer people voluntarily sacrificing a portion of their discount.
- f. A more sustainable discount structure could allow us to lower our margin over all, which would make our prices even more competitive.
- g. Sabine has a target: get discounts from 3.5% of sales, to 1 to 1.2%.
- h. Charles described how Weaver Street Market used to have lots of different kinds of discounts, but there are none now. He acknowledges that our core members are probably really tied to having discounts. Presenting a positive vision of the co-op is important. It may be hard because our members might not have other ways besides discounts that reflect what the Co-op means to them. He described how the Board can craft positive messages about who our members are, what they bring to the Co-op, and how their participation matters. He emphasized keeping the messaging positive.

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

The meeting was adjourned at 8:25 pm.

Sarah Brennan, Board Administrator