

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

Monday, August 5, 2019

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

Staff, Shareholders and Others Present: General Manager Sabine Rhyne; Board Administrator Sarah Brennan; Store Manager Whitney Field; Marketing and Community Relations Manager Jon Megas-Russell; Shareholders: Jill Shriver, Fred Black; Shareholders/Staff Members: Kathy Carr, Sheila Adams, Donna Lee Amerman, Ron Schneiderman

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

1. **Meeting Opening:** The meeting opened with board members and guests introducing themselves, and sharing key take-aways from the ice cream social.
2. **Agenda Review:** No changes.
3. **Approval of Minutes:** Jerelyn moved to accept the minutes of the July 1, 2019 meeting; Anna seconded. The motion to accept the minutes with various minor edits passed unanimously with one abstention (Skye).
4. **Shareholder Input and Board Tabling:** The Board passed over reviewing tabling notes in favor of hearing from guests.
  - a. Fred Black shared that he does not like the Co-op's policy of asking for phone numbers on personal checks; he interprets this as a lack of trust that further exposes him to possible data hacking. Jon and Sabine stated that the policy is in effect in part for us to be able to track people down when they forget to sign their checks, which happens regularly. Fred stated that if the policy is not changed, he will either pay by credit card or withdraw his membership.
  - b. Jon Megas-Russell described new systems to process feedback forms more quickly. In July, we received 86 pieces of feedback (includes the Board's tabling notes and verbal comments), of which 36 were product-related, 9 were complaints (about either products or staff), and 9 were praises (about either products or staff). Board members are encouraged to obtain contact info when tabling, especially in the case of complaints. Our responses are communicated to the person when possible, and are also shared on the Deli Café's bulletin board.
  - c. Beth shared, for the benefit of guests, that with respect to feedback, the role of the board is to listen, not to problem-solve, as that would be operational and hence the job of staff. With respect to Fred Black's comments, the Board will follow up with Sabine to find out what action was taken.
5. **GM Report:** Discussion highlights:
  - a. Operating Cash: The figure presented does not reflect the subsequent payment of Town taxes and the health insurance bill.
  - b. "Workplace constriction" refers to the layoffs and fewer scheduled hours.
  - c. The grievance: It is related to the layoffs. The contract calls for layoffs to be made based on seniority and classification. The union contends that seniority should trump classification, while management

believes the contract provisions were followed. Stay tuned. Note: Laid off employees do not lose seniority if they come back into different positions, although their rate of pay may be different.

- d. Kathy Carr described a recent occurrence in which a patron was removed from the store for belligerent behavior. She stated that she was afraid. She added that the maintenance and security staff were burdened by having to simultaneously clean and attend to security issues, and that they had received “zero training” on this. Sabine responded that the security staff have been trained, that we have been short-staffed in that department, and that we are waiting for the new facility manager to start before implementing further changes. She added that de-escalation and other relevant training will be offered again, as there are new staff members who have not gone through the training. She encourages people who witness troubling behaviors, whether on Co-op property or the Whetstone Pathway, to call the police themselves (whether 911, if appropriate, or the non-emergency line) because they need to hear from more than just Co-op staff. The Co-op has a presence at many community meetings devoted to this issue. The Police Department has a lot of open positions, which contributes to the problem. Board members expressed appreciation to Kathy for having shared her concerns.

**6. GM Monitoring Report:** Arion moved, and Anna seconded, to accept the QII 2 Financial Condition and Activities monitoring report.

- a. Ken called attention to sales, gross margin dollars, margin, cash, inventory, and operating expenses. Sales were under plan by 3.19%, and down 1.38% for the quarter. There was a net loss in Q4 of \$5,926 after taxes.
- b. Senior and FFA discounts: These are shown as an expense under Marketing; Senior discounts are broken out because they represent such a high percentage of Marketing expenses.
- c. Operating ratios: Our sales per labor hour is up. We are at 2.1% growth for 4<sup>th</sup> quarter sales over last year, adjusting for a 14-week period. The additional week’s sales makes the number look unusually high at 9.79%.
- d. Balance sheet: We paid out 138K in shareholder loan interest; had we not done so, we would have been ahead of the game. But of course, we committed to do so.
- e. Balance sheet, liabilities: The current portion of loans jumped: this reflects the aging of the shareholder loans themselves. As they come due, they have to be reported as current.
- f. Cash flows from investing activities: This reflects our patronage in other co-ops (NCG); it is not actually cash out, but is shown on the cashflow.

The motion carried unanimously.

**7. GM Monitoring Report:** Anna moved, and Jerelyn seconded, to accept the QII 4 Asset Protection Monitoring Report. Discussion highlights:

- a. Building insurance: We are part of a condo association with Windham and Windsor Housing Trust for the building and property.
- b. Accounts Receivable: This is primarily our working with schools on the USDA’s Fresh Fruit and Veggies and Healthy Snacks program.
- c. Keys and Passcodes: We discontinue access rights when employees leave the Co-op.
- d. Camera Upgrades: We implement affordable changes as we are able to; a complete overhaul would run into the six figures.
- e. Parking Lot: We have liability insurance in the event harm comes to anyone in our parking lot.
- f. Beth noted that Board members can ask questions about the material covered in this report at any time of year.

The motion carried unanimously.

## 8. Board Perpetuation:

- a. Take away from talking to Charles Traitor of Weaver Street: Two Board members expressed appreciation for hearing the challenges faced and surmounted by another co-op.
- b. QIV 12 Board Management Succession Monitoring Report: Anna moved, and Arion seconded, to approve the monitoring report. Discussion: It was noted that newer procedures to hire a GM have been uploaded onto the Board's website. The motion carried unanimously.
- c. Preparation for September: Beth called Board members' attention to Policy QII 6 Shareholders. That monitoring report will include details on what is included in shareholder orientation. Beth noted that Bylaws section 2.3 pertains to this policy.
- d. Ends Review: Beth, Anna, and Jerelyn constitute the Ends Review task force; they will put together a process on reviewing the ends.
- e. Board Recruitment: Arion stated that he is, in addition to selling his business, resigning from the Board effective with the upcoming election; thus creating two open seats on the Board. He is two years into a three-year term. He has enjoyed his time on the board, and will, in his remaining time, continue to focus on the need to revamp the discount structure. If, rather than seeking someone to fill the remaining year of his three-year term, the Board puts his seat up for an elected three-year term, it will help achieve the goal of re-staggering the board terms more quickly.
- f. Other:
  - Sabine noted that the discount focus group conversations are posted on the website. She described the process for inviting people. Note: all meetings are open to all shareholders, not just invited people.
  - Jerelyn announced that the incoming new Facilities Manager, Daniel Ridlehoover, is her son-in-law. She's spoken with Sabine about this, and will fill out a new Code of Conduct conflict of interest form. She and Dan will compartmentalize their conversations accordingly, refraining from discussing Co-op matters.
- g. Upcoming Food for Thought articles: Beth wrote the September article about bylaw changes; Judy will write October's article (deadline: September 6) about her work on the Shareholder Engagement committee.
- h. Upcoming Tabling: Arion and Skye for August, Mary and Judy for September. Beth encourages board members to register for the upcoming Co-op Café being held on 10/19 in Greenfield.

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

- a. Policy and Bylaws: The committee is combing the bylaws for potential changes to ensure they are in sync with current realities and policies.
- b. Shareholder Engagement: Judy urged Board members to attend one of the discount focus group discussions. Annual Meeting prep continues. The committee will be looking at what could go in a letter from the Board in the new shareholder packet.
- c. Recruitment: Nobody has yet formally stepped forward to indicate interest in running. Arion urged board members to invite three people to run. He and Jerelyn will take it from there: meeting with potential candidates, etc. Sabine noted that last year's candidates, Denise Glover and Tracy Sloan, should be approached about running again.

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

**II. Executive Session:** At 8:00 pm, Jerelyn moved, and Tamara seconded, to enter Executive Session for the purpose of evaluating the General Manager. Only Board members were present during the ensuing discussion. At 8:34 pm, Judy moved, and Arion seconded, to come out of Executive Session. The board then agreed unanimously on the content of a letter to Sabine that will summarize the evaluation.

The meeting was adjourned at 8:35 pm.

Sarah Brennan, Board Administrator