

MINUTES
Brattleboro Food Co-op Board of Directors
Held via Zoom

Monday, February 1, 2021

Directors Present: Mark Adams, Judy Fink, Shanta Lee Gander, Joe Giancarlo, Steffen Gillom, Denise Glover, Beth Neher, Tamara Stenn, Jerelyn Wilson. Staff, Shareholders and Others Present: General Manager Sabine Rhyne, Store Manager Whitney Field, Finance Manager Ken McGee, Board Administrator Sarah Brennan. Shareholders: John Hatton, Sheila Adams, and Paula Sagerman.

The meeting was called to order by President Jerelyn Wilson at 5:15.

1. **Agenda Review:** Jerelyn welcomed guests. There were no proposed changes to the agenda.
2. **Approval of Minutes:** Judy moved and Denise seconded to accept the minutes of the January 4, 2021 meeting. The motion to accept the minutes with minor edits carried unanimously.
3. **Shareholder Input:**
 - A. Guests: Paula Sagerman stated that she wants the Co-op to resume stocking liquids (such as liquid dish detergent, molasses, and vinegar) in the Bulk department; she feels strongly about the environmental and cost-saving benefits. Jerelyn thanked Paula, and noted that the Board's role is to be informed about what shareholders value. Sabine and Whitney responded that liquid products were removed because they hadn't been selling well, which was causing quality and other problems. We have the large refill containers of some products (Dr. Bronner's, vinegar) in the grocery or wellness aisles. If we have enough response from shoppers, we'll reconsider offering these items in Bulk in the future.
 - B. Jon Megas-Russell's monthly feedback stats were reviewed. Jerelyn noted that this report is just part of what the Board must think about relative to shareholder input. Jon began reporting to the Board at this level of detail in conjunction with revamping our feedback response process to ensure timely (within 48 hours) response to all comments received. Discussion highlights: Several Board members stated that they value these updates. Should any Board members field questions about why we had to close Dottie's: it was a decision a long time (3 years) in the making, due to significant financial losses. It was not made lightly. If necessary or appropriate, Board members can direct shareholders to Sabine for follow-up.
 - C. Letter from SUSU collective (see packet): Discussion highlights: With respect to exploring ways the Co-op could support employees, the Board's role could take shape via the work of the Ends Committee ("End 3 – a workplace where cooperative values are modeled"). Engaging with SUSU more generally, which is already happening in various ways, is also a good match with our effort to appeal to a broader segment of our community. Interested Board members are welcome to participate in this engagement.
4. **GM Update:** *We are currently open to foot traffic Monday – Sunday from 9 am – 8 pm. We offer next day curbside pickup Monday – Friday from 7 – 10; calls received Friday are for pickup on Monday. Online ordering is currently limited to six pickup slots per day.* Discussion highlights:

- A. Union contract: This is under development and is currently in the Union Representative's hands.
 - B. Problematic customers: Unfortunately, the recent situation referred to in the GM Update escalated to the point where it was not possible to involve the Community Justice Center. We work with the Town's social worker when she is available.
 - C. Financial performance: Things continue to go well. Last year's end of quarter peak was the top grossing sales week in the history of the Co-op, and we don't expect such a peak this quarter. Cash continues to be a strong point.
 - D. Food equity/access initiatives: When shareholders leave the Co-op, some choose to donate their equity to the Shareholder Assistance fund, which subsidizes the cost of a share for those in need. The fund is also supplemented by sales of shareholder-made shopping bags. We have recently been promoting this fund, as well as our Food for All program, at the local "Everyone Eats" meal distributions. We publicize these and similar efforts in a variety of places (social media, Annual Report, e-newsletter...).
5. **GM Monitoring Reports**: Denise moved, and Beth seconded to accept the Monitoring Report for QII 2 – Financial Condition and Activities. Discussion highlights:
- A. Interpretation statements: No concerns were expressed.
 - B. Margins, inventory control, and sales volume: We're putting downward pressure on margins because of closing Dottie's. We continue to look for low-margin, low-priced items to add to our mix. Our buyers need to manage inventory and margins well enough to continue to get us the profit we need to meet our obligations. Gross margin dollars more than made up for it this time. That is the direction Sabine wants to go in, and strong sales support this effort.
 - C. Accounts payable: This is high because we're paying now for product ordered weeks ago in the run-up to Christmas (we pay some vendors on delayed terms).
 - D. Dottie's: We took the \$57K write-off for leasehold improvements this quarter, rather than waiting for the end of the fiscal year. Dottie's represented a \$95K loss this quarter, some due to having had to write off unsellable product.
 - E. Impact of High Sales: Ken noted that some of our expenses are directly tied to our high sales – discounts being one example. (Even with the Elder discount reduced to 5%, sales to those shoppers were so high that their discount (in dollars) rose.)
 - F. Shareholder Loans: The long term liability for these went from \$1.72M to \$1.729M due to one loan being reclassified.
 - G. Liquidity and Inventory Turns: Very impressive performance!
 - H. The motion carried unanimously.
6. **Board Monitoring Reports**: Mark provided some context for why the policies being monitored this month exist. QIII GM Job Contribution and QIII 4 Monitoring Management Performance work together, providing a framework the GM uses to compare their performance to the ideal (our Ends), as

well as a model the Board uses to measure the GM's performance. Together, they give us a single place to go when trying to decide whether the GM has complied with any particular policy.

- A. Judy moved, and Denise seconded to accept the Monitoring Report for QIII 3 GM Job Contribution. Discussion highlights: Board members' responses were consistent. The motion carried unanimously.
- B. Mark moved, and Judy seconded, to accept the Monitoring Report for QIII 4 Monitoring Management Performance. Discussion highlights: Mark noted that Policy 4.I would be more accurate if the word "whether" replaced the words "the degree to which". This can be taken up by the Policies and Bylaws Committee. No other comments were made. The motion carried unanimously.

7. Preparation for Upcoming Monitoring: Jerelyn called Board members' attention to Policy QIV 10 Board Committees. Discussion: do committee members who are not on the Board need to sign the Code of Conduct? Jerelyn did not think so. [*The Board Administrator will research this.*]

8. CBL 101 Experience and Takeaways: Board members shared their impression of the training in breakout sessions.

9. Board Committees: The first order of business for all committees is for the chair to convene their first meeting and update their charter; these will be reviewed by the full Board at the March meeting.

- A. Policy and Bylaws: Jerelyn to chair. Shareholder John Hatton to continue his involvement.
- B. Member Recruitment: Judy will head this up – contact her if you are interested in assisting.
- C. Shareholder Engagement: Jerelyn has already asked Shanta Lee to chair this committee; other members include Steffen, Denise, Tamara, and Joe. Sarah will provide some administrative support for this committee.
- D. Ends Committee: Beth to chair, Denise and Mark to serve as well. This Committee will work with Shareholder Engagement as needed.

10. Reminders and FYI: The FFT deadlines have been revised and are noted on the sign-up sheet available on the front page of the Board's website. Denise is working on the March article (deadline: 2/28), and Judy switched her article to April (deadline: March 27). Sarah will send out a link to the archive of past Board FFT articles [*this link has been added to the bottom of the sign-up sheet*].

11. What would you tell a shareholder? Board members shared what they would tell a shareholder about this meeting. These are shared in the staff newsletter and in *Food for Thought*.

12. Meeting Closing: Board members shared what worked well or not so well about the meeting.

The meeting was adjourned at 7:29 pm.

Respectfully submitted,
Sarah Brennan, Board Administrator