

**Minutes of the Springfield Food Coop Board of Directors
Thursday, July 28, 2011**

Board Members Present: Christine Speidel, Elijah Daniels, Judi Becker, Aram Polster, Cherie Harris, Brooke Decker, Steve Greene

Ex-Officio: Marie Alfieri

Member Audience: Judy Glos, Ron Hoffman, Lindsay Post

Call to Order: 6:05 PM

Board Training and Reflection: Two articles that were previously provided to Board members at orientation were discussed. Christine asked for feedback, and all Board members found the articles thought provoking and informative.

It was determined that Saturdays would be inconvenient to most Board members for future training sessions, and that weekday evenings worked best for everyone. The next training will be a financial training, and will be held on Wednesday, August 10 from 5:30 -8:30 PM in the Coop's community room. Marie thanked Susan Brace, who will be conducting the training for the Board, and mentioned that a grant through Vermont Green is covering the cost of the training.

Minutes of May 26, 2011: Christine made a motion, seconded by Judi to approve the minutes without changes. The motion passed with five abstentions, as the new Board members were not present at this meeting.

Minutes of June 8, 2011: Judi made a motion, seconded by Christine to approve the minutes without changes. The motion passed with five abstentions, as the new Board members were not present at this meeting.

Minutes of June 23, 2011: Elijah made a motion, seconded by Brooke to approve the minutes with the addition of a footnote indicating that Officers changed on July 12, 2011 (Elijah is now interim Vice President, and Judi is interim Treasurer). The Board executed a written Consent to Action Taken Without a Meeting.

Member Linkage: Marie requested assistance with responding to member requests for financial information. It was determined that it would be beneficial for a liaison to be present for future encounters. Marie agreed that this was a step in the right direction.

Annual Meeting Follow-up: As discussed at the Annual Meeting on June 23, 2011, it was decided that the Member Confidentiality Agreement needed revision. It was agreed that members would be able to discuss such matters amongst themselves, but that "non-member third parties" would be excluded from such conversations. Marie will make the necessary changes in wording.

GM FYI Reports: Marie reported that taxes were filed on time and the Coop will receive a refund of taxes prepaid.

Marie announced that Lindsay Post would be leaving the Coop July 29, 2011, for new employment that should benefit the Coop in the future. Her time with the Coop was much appreciated and we are sad to see her go.

Marie also reported that in the future, she and Neomi will be responsible for bringing any new products into the Coop. Oliver will continue to purchase meat and seafood, while the cashiers will be responsible for placing orders based on a set of guidelines pertaining to how much of each product should be in the store at one time. System improvements have also allowed for less time spent doing these kinds of jobs on a daily basis.

Q2 Budget Update was discussed with the B1 financial indicators report. Budget was updated, now showing lower labor costs. Based on a 34.6% gross margin, which was achieved in Q1. Marie plans to increase Coop hours in September and possibly have the Coop open on Sunday as well.

Executive Limitations Monitoring:

B6 Staff Treatment and Compensation

The GM will not:

1. Operate without written personnel policies that:

- a. Clarify rules for staff,
- b. Provide for fair and thorough handling of grievances,
- c. Are accessible to all employees,
- d. Inform staff that employment is neither permanent nor guaranteed.

The GM reported non-compliance. While the Coop is in compliance with the law, these policies are not where the GM would like to see them. The Board accepted with acknowledgement of non-compliance.

2. Cause or allow personnel policies to be inconsistently applied.

The GM reported compliance. There were no grievances filed in the last year. The Board accepted.

3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.

The GM reported compliance on records dated 04/01/10 to present. The GM did not inherit previous files in accordance with these standards, however, all current files are adequately kept. The Board accepted.

4. Establish compensation and benefits internally or externally inequitable.

The GM reported non-compliance. While there have been no grievances filed during the reporting period, the GM reports that there is no complete list of job descriptions for each position, nor is there a defined pay scale. Both will be completed by 03/31/12. The Board accepted with acknowledgement of non-compliance.

5. Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

The GM reported compliance, but sought advice on what data the Board wanted to show that this has not taken place. The Board accepted and agreed that the GM's written certification on the report was sufficient.

Elijah made a motion, seconded by Cherie, to act on the B1 report, conditional on the GM providing a signed copy for filing. Motion passed unanimously.

Follow-up on B1: Financial Condition and Activities for FY 2011 (4/1/10-3/31/11)

The GM will not:

1. Allow sales to decline or become stagnant.

The GM reported compliance. Sales growth must be above 3% for compliance. Actual was 11%. The Board accepted.

2. Allow operations to generate an inadequate net income.

The GM reported non-compliance. Actual net income was -11.49%. The GM has implemented monitoring tools, is working to bring expenses within industry standards, and is making adjustments to address the labor margin. In addition, revenue from the Meals Department will help. The Board accepted with acknowledgement of non-compliance.

3. Allow liquidity to be insufficient.

The GM reported compliance. The Board accepted.

4. Allow solvency to be insufficient.

The GM reported non-compliance. Current challenges are Payables and the mortgage. The GM has requested assistance from Springfield Regional Development Corporation (SRDC), and Vermont Small Business Development Center (VBDC). Accepted with acknowledgment of non-compliance.

5. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.

The GM reported compliance, the Board accepted.

6. Acquire, encumber, lease or dispose of real estate.

The GM reported compliance, the Board accepted.

7. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

The GM reported compliance, the Board accepted.

8. Allow late payments of contracts, payroll, loans or other financial obligations.

The GM reported compliance, the Board accepted.

9. Use restricted funds for any purpose other than that required by the restriction.

The GM reported compliance, the Board accepted.

10. Allow financial record keeping systems to be inadequate or out of conformity with GAAP.

The GM reported non-compliance. There are currently not enough funds available to engage the necessary assistance, however, our accountant is not overly concerned at this time. The Board accepted with acknowledgment of non-compliance.

11. Operate without an adequate system of financial control.

The GM reported compliance. The Board accepted.

12. Engage in capital expenditure, or sell a capital asset or enter into a lease exceeding \$10,000 in value. Splitting orders to avoid this requirement is not allowed.

The GM reported compliance, the Board accepted.

Christine made a motion, seconded by Steve to accept with acknowledgment of non-compliance on sub-policies 2, 4, and 10. Motion passed unanimously.

Monthly Report on Financial Indicators

Self-Monitoring:

Elijah made a motion, seconded by Aram to reschedule C-7 and C-8 Self-Monitoring from July to January. Motion passed unanimously.

CD Coming Due in August; GM Proposal:

Christine made a motion, seconded by Steve, to not renew the CD due in August, but to transfer \$15,940.80 into the reserve savings account at Connecticut River Bank, and transfer the remaining balance to People's United Bank. Motion passed unanimously.

Global Ends:

Discussion ensued about engaging the membership. Explored possible "voting" displays. Cherie and Brooke agreed to spearhead this project. A motion was made and seconded to adopt an Interim Ends policy. Christine will post on the Coop website. The goal is to finalize ends at the September 2011 Board meeting.

Open Session:

No members spoke.

Board Committee Assignments, Condo Liaison:

Aram made a motion, seconded by Christine to appoint Steve as Condo Liaison. Motion passed unanimously. Committee assignments were tabled.

Next Meeting:

The next Board meeting is scheduled for Thursday September 8, 2011 at 6:00 PM. The following meeting will be Thursday September 29, 2011 at 6:00 PM

The meeting was adjourned at 9:07 PM.