

Kent Natural Foods Co-op - Operations Meeting

MINUTES

Sunday, July 19, 2009

6:38-9:30 P:M

F. John Kluth Gallery

Present: Renee Ruchotzke, Wendi Goldstein, Barb Tittle, Heidi Shaffer, Nancy Grim, Jennifer Cline, Stephanie Austin-Powell, Sheila Rombach, John Kluth, Wally Unsold, Jeff Ingram, Elizabeth Ryan, Brian Wilmott, Ygraine Wilmott, and Anne Haas.

1) **Call to order** (President Renee Ruchotzke) at 6:38 P:M

2) **Approval of minutes**

a) June 7 operations meeting minutes

- Nancy requested a correction, to p. 2, 3rd paragraph (At end of paragraph which begins, "Kurt proposes . . .") The sentence that begins "Nancy believes that these proposals..." should be corrected to read: "Nancy said that she wrote up the proposals that were decided by consensus of the governance. The proposal that Kurt is making now was not approved in those discussions."
- John requested a correction to item 2, p. 1 (i.e., about the advertising committee). While Fred is the only person named, John Kluth and Kurt Reippel should also be named as members of the advertising committee.
- Heidi moved and Anne seconded to approve the minutes. All agreed.

b) June 28 all-member meeting minutes

- Barb clarified that all-member meeting minutes are typically read at the next all-member meeting (i.e., in 6 months). Instead, we decided these minutes would be subject to acceptance at tonight's meeting, and approval at the next all-member meeting.
- Nancy moved and Heidi seconded to accept the minutes. All agreed.

3) **Treasurer's report** (Barb Tittle)

a) Finance Report

- Barb's finance report referenced a table with sales, cost of goods, payroll, other expense, and other figures. A big concern is that, while sales have increased over three years (i.e., since 2006), the cost of goods has exceeded sales.
- Ygraine doubts that we truly understand the financial picture of the coop, which impacts budgeting, because we rely on estimates of inventory—it is only taken once per year—plus the reporting of cost of goods should only reflect what is sold and not product in stock. Nancy thinks financial issues will be addressed better if we delegate responsibility to a financial coordinator, get the POS going, and find ways to work smarter (e.g., through advertising, outreach, precise reporting).

b) Budget for 2009/2010 fiscal year

- Nancy and Elizabeth requested that future budget reports be “user friendly” to lay readers, for instance, not every member understands what department numbers and “cost of goods” means.
- Barb asked if her budget would be used; Jeff ensured that he and other buyers will do their best to make sound budgeting choices in their respective departments, aided by ongoing staff training. Elizabeth cautioned there must be flexibility in budgeting because of fluctuating sales of products (e.g., by season) and wholesale prices. Nancy suggested taking Barb’s budget as a proposal to inform continued dialogue. The group recognized Barb’s time and effort to craft the budget.
- Renee summarized the budget discussion to that point and then explained how she sees the coop as moving toward goals in steps, such as having more frequent budget & inventory goals and accurate reporting. Ygraine and Wendi suggested *quarterly* inventories, a process that would be greatly enabled with a functioning POS system.

c) Status of mortgage refinance

- Barb reported we should be set up to make new lower, albeit adjustable rate, payments of \$392.00 per month by the end of July, 2009. Even though the amount we pay each month will be adjusted at the five and ten year marks (i.e., on a 15-year loan), it will never exceed the rate of our current payment of \$750.00 per month.
- We discussed the fact that no one coop member is personally responsible in the unforeseen event that we can’t make payments.
- There was some disagreement about what to do with the saved monthly rent money; Barb motioned to refer the matter to the finance committee that needed to be established next, seconded by Nancy. All agreed.

4) **Finance committee**

a) Establishing the finance committee

- Viewed by members as needed to deal with financial policy level decisions, such as perhaps drawing up a financial coordinator position whose job would have to be well-defined. Implementation of financial policies would be a staff function.
- Nancy motioned to establish said committee, seconded by Heidi, that would take on the duties as set forth in the bylaws, p. 5. We voted and all agreed.
- Volunteering or agreeing to serve on the finance committee were Ygraine and Barb who will try to recruit others to join them as well.

b) Proposed functions

- See bylaws, p. 5

c) Details of possible duties we discussed

- Meet once per month
- Review finance reports and budgets
- Present user-friendly information of a general scope to members
- Assist or advise POS committee and coordinator (e.g., to produce reports on the precise state of the coop’s budget)
- Recommend inventory levels, adherence to budget, and hiring (or not)

- Dialogue with staff about implementation of policies
- Discuss alternative produce options to the Mustard Seed

5) **Personnel committee report** (Nancy Grim, Heidi Shaffer, and Jeff Ingram)

a) Clarification of payroll & reimbursement policies

i) Transparency of compensation paid to secretary and treasurer for hours worked for their duties as officers

- As a budget issue, Nancy and Heidi request that compensation to both secretary and treasurer be more transparent. Those officers should submit invoices showing hours and rates that are included in financial reports and accessible to general members. It should be clear what their rates are and how much time it takes to accomplish tasks. No one that performs work for the coop should ever write themselves checks; find a person authorized to write checks to write one for you.

ii) Clarification of Pay Scale for Clerks, Buyers, and Buying Coordinators

- It was unclear from a policy established at the December 2006 all-member meeting whether we pay an extra 20 cents per hour to *any* clerk who regularly worked at least three shifts per week, or *just to buyers* who worked at least three shifts. Depending on which understanding was correct, two staff members, Stephanie Austin-Powell and Aurelia Stone, might be owed some back pay.
- After some discussion, the group agreed that what was intended was for the extra pay to apply *only to buyers* to act as an incentive to work more and thus ensure greater continuity and efficiency in their work.
- However, because we conceded that there was room for misinterpretation (that will henceforth be clarified in writing), the two affected staff members will receive back pay in the amounts of \$98.00 for Stephanie and about \$107.00. (this figure is an estimate) for Aurelia.
- Nancy's motion and Heidi's second, followed by a positive vote (12 yes, 1 no, 1 abstain).

iii) Clarification of payment for mileage for produce runs

- Going back to the January 2008 Operations meeting, we debated the policy of how much to reimburse the driver who makes weekly produce runs to the Mustard Seed. Barb said drivers were only to be reimbursed for gas money, about five dollars, that became ten dollars because of stopping, on the same trip, to Sanabel's.
- Jeff Ingram, typically the driver, is forced to put wear and tear on his car, for which he is not reimbursed. Nancy brought up that an alternative arrangement would be to apply the IRS formula based on mileage, the cost of gas, and wear and tear on the vehicle. Barb calculated that the IRS formula would cost the store about \$24.00 per week. Renee pointed out that to show the true cost of the produce, the process of getting it has to be included.

- Nancy moved, Heidi seconded, to use the IRS formula. The vote was positive (8 yes, 1 no, 1 abstain).
- However, there will be precise accounting in that the driver will submit a statement of mileage based on the most efficient trip using Google maps. Barb offered to make up a receipt document, and the expense will become part of the cost of goods.
- Nancy clarified that if anyone spends coop money for anything, it *must* be documented. There should be lines on finance reports of 1) the amount paid and 2) how the money is tracked. Staff/members are strongly discouraged to engage in personal money transactions (e.g., ringing oneself on the register; reimbursing oneself from the cash drawer). These kinds of actions are bad for audits.
- Ygraine suggested looking outside of the Mustard Seed to get produce, which might have an effect on the cost of driving reimbursements. We deferred that discussion to the finance committee (see item 4 above).

b) Hiring two clerks

- Ashley Hendricks was recently hired as a store clerk (authorized in June). Aurelia Stone, a current employee, was officially hired as a clerk and, with her nearly two years experience, she will make \$7.45 per hour. Ashley, who has yet to learn the position, will start at \$7.30.
- We need to clarify all workers' start dates, as seniority based pay is dependent on correct information (another area where we could use improved record keeping).
- For the record, Wendi Goldstein *does not support* the hiring we just did. Rather, she believes that the store needs to improve efficiency with the current staff who, if each worked more hours, would provide better service and more productive, streamlined work.

Old Business

6) Roof Situation (Brian Willmott)

- Although an appraisal by a roofing specialist is still forthcoming, Brian estimates that the roof repair will cost anywhere from a low of \$100.00-\$200.00, if we do a simple patch, to a high of about \$3,000.00.
- Nancy made a motion, seconded by Heidi, to authorize Brian to spend up to \$300.00 to hire a qualified rubber roofing specialist to evaluate the roof condition and to repair the leak. The vote in favor was unanimous.
- Brian will report at the next operations meeting what the roofing specialist suggests, especially if we need a costly and more extensive repair.

7) Point of Sale (POS) System

a) Appointment of POS Coordinator (replacing Josh in that role)

- Sheila Rombach would prefer not be the new POS coordinator. Rather, her interest is to be part of a POS team and also to do some individual work during times that the store is closed. We decided to table what will be Sheila's role until a future meeting.

b) Formation of POS implementation committee

- Renee Ruchotzke and Elizabeth Ryan volunteered to serve on this committee; we assume there will be some others.
- Ygraine suggested taking a physical tour of the store to show her (as a member of the new finance committee) and others how far we have gotten with the POS system. Jeff suggested that Fred should be included.
- The staff will submit a report at the next meeting on the progress with the POS.
- Nancy asked, first, if the staff needs extra allocated paid time, maybe 1-2 hours per week, perhaps when the store is closed, to work on the POS. Second, she wanted to know what kind of time staff would need for continued, necessary POS updating.

c) Mounting of Screen/Purchase of new equipment

- Jeff gave an update on what equipment we still need for the POS; he came up with three items. First is a keypad to aid with having to enter decimal points that costs around \$20.00. Second is a mountable hand scanner that has a variable cost, up to \$150.00. Third is a mount for the flatscreen (i.e., to go above the drawer, mounted to the countertop) that would work with the cash register.
- Renee suggested that we defer purchasing the mount for the flatscreen (item 3) until we go live. Therefore, Nancy moved and Ygraine seconded purchasing only the keypad and the scanner, authorizing \$175.00 to get both. All agreed.

8) Advertising/Communication Committee

a) Committee members

- Fred, John and Kurt, the members of the advertising committee, have only met over the phone. Because they are not willing to deal with certain issues, they request for others to step up.

b) Suggested need for the marketing/communication plan

- Nancy expressed a need for the coop to have a marketing and an outreach plan. Heidi reminded us that we had an outreach committee two years ago that accomplished much. She believes advertising could be subsumed under a larger outreach committee and suggested that some of our members might be interested.
- Ygraine agreed, saying it could tackle multiple things (e.g., the sales flier, when it comes out, buyer participation, how much any advertising would cost, revamping the newsletter).
- John added that we should also include the web for ads. Jeff suggested that Aurelia and Jules, who expressed an interest, could work on our web page. Nancy urged that we only designate one webmaster to ensure consistency; perhaps Fred could serve in that role for the time being.
- All of us will do some recruiting and bring up names at the next meetings.

New Business

9) Special arrangements for memberships

- Richard Lange would like to trade a neon "open" sign, valued at approximately \$125, for a membership to the co-op. His case brings up the question of if it is fair to make special arrangements for people who want membership but in exchange for something other than \$45.00 (individual) or \$75.00 (family).
- We decided that in instances where an individual is making a special request, the person would be required to petition the operations committee.

10) Policy for use of Google group

- There are questions, such as who can be included/excluded? How should it be used? for information? for discussion? for decision-making? Do our discussions get heated, and, if so, should they be quelled to any extent?
- Renee believes that flaming can sometimes be counterproductive if member readers, who are somewhat distant from the coop, feel negative or get bad impressions of us.
- Ygraine sees value in preserving free speech and argued that dealing with conflict in the Google venue can lead to less conflict at the meetings.
- Another issue is that we cannot assume that all members or staff are members of Google group, plus others do not read their e mail, and so may not know about things discussed.
- Someone suggested that our membership brochure could tell the new member how to sign up for Google groups if she/he is interested.

For Next Time

11) Clean-up of Bylaws

- Because we were running out of time, we agreed that all will carefully review the bylaws for the next meeting. Discussing and ratifying the new bylaws will be the first item on the agenda under "old business."

12) There were several items under new business that we did not have time to discuss but that we would like to address at the next meeting or meetings, including:

- Development of a Business Plan
- Development of a Membership Committee
- Customer Service Policies
- Update/Maintenance of Policy Manual (a document consolidating all policies passed at meetings, including membership, operations and staff)
- Membership Policies / Integrity of Membership
- What does it mean to be a member of KNFC?

Renee motioned to adjourn at 9:30 P:M

The next meeting will be held on August 16, 2009, at 6:30 P:M at the F. John Kluth Gallery

Minutes respectfully submitted by Anne E. Haas, substituting as Secretary