

Board Meeting Minutes 4/15/20 7-9 pm (Zoom meeting)

Present: Sam Black, Jono Neiger, Ann Ferguson, Karen Traub, Jeff Lacey, Jean Bergstrom, Martin Pittman, Lori Lynn Hoffer, Danielle Barshak, Lise Coppinger

Approval of Minutes from 4/8/20 meeting: Unanimously accepted with corrections made in Coop google doc Notes to be placed in the Minutes folder in Board documents. It was suggested that Clerk add last names of those present for the records.

Set Time Limit for each Agenda Item below, Add any Items. Someone volunteer as time-keeper.

Time limits were set and a time-keeper other than Ann Ferguson chosen.

President's Report (Sam)

PPP Loan (Sam) Confirmed that we received the PPP forgivable loan totaling \$45,000 through the Greenfield Savings Bank (GSB).

- Discussion of Details, Suggested Decisions re Use of Funds is being made by the Finance Committee and Jono and Sam, will bring to Board. To be forgiven as a loan and turned into a grant, 75% of the funds must be used for payroll and the remaining 25% for specified uses like mortgage interest and utilities payments. We are required to hire staff for the FTE number of hours per week that we specified in the loan application. But we can't count some contractors as payroll, e.g. bookkeepers, but we could redefine the job as a staff position.
- Joyce Erwin has donated the she performed for the Co-op from July 1 2019 to Jan 31 2020 as a bookkeeper. Joyce will send an email confirming her gift.
- Credit Card issue: \$13K is the principal debt owed to Amex at a 25% interest rate, which comes to \$250 in interest payments per month. Pat Fiero has offered \$1K to help retire the Amex debt if Susan Lynton can be removed as guarantor for the card. Discussion of this matter is summarized below.

PPP Loan and IEDL Discussion

Jean: Wants to know whether \$45K for loan or grant. Sam: It is a loan for \$45K unless it is forgiven, which will happen if we spend 75% on staff, e.g. 10 full time equivalent staff hours totally 32 hours a week for each (ie. a total of 320 paid staff hours). If we don't achieve that commitment, some percentage will be forgiven and the rest will count as a loan. Jono: We have 8 weeks to spend \$45K of which 75% will be wages. Will pay Paul and Patty and create a paid staff position for Susan Walker as bookkeeper. Board applauded Sam's hard work to apply for and receive this grant, in conjunction with work on records done by Susan Walker.

Sam: Also wants approval to put in an application for an IEDL (government Emergency Disaster Loan) which requires more records data compiled by Susan Walker. Board gave unanimous approval.

Mortgage Deferment application decision: Members raised the question of whether the LVC should apply for mortgage deferred payments to our bank the GSB, given the Covid crisis. Board agreed to have Sam Black draft letter which members could edit and could be sent off without a further vote by the Board.

Finance Committee Report (Jono, chair)

- UNFI negotiations
We have been referred to a lawyer, not the Collection agency. This is a step forward, due in part to UNFI and other creditors acknowledging the obstacles to debt payback in these times. Sam and Jono came up with quick proposal to negotiate a debt payback plan. Question was raised of how much is owed to UNFI. It is 31K. When new Board came in, Collection agency added 13K fee and Julio had discussions with them. It is hoped that now we are negotiating directly with UNFI's lawyer, the additional 13K fee added by the Collection agency will disappear. Paul is anxious to have UNFI to start doing COD deliveries to us as a way to relieve some of the work being done now by his and Patty's volunteer work.
- Taxes
We still owe the Town property taxes which GSB had been pressuring us to pay, but these tax payments may now be deferred because of the Covid crisis.
- Other decisions: Susan Walker will increase some hours to be able to help with funding applications and catch up on taxes and financial tracking
- Turnaround Plan:
Jono and Finance committee still working on the plan. Jono thanked committees for their input on this project. Thanks for the input from committees on that.

Credit Card Deliberations

Discussion: Susan Lynton has engaged a lawyer to try to resolve the credit card debt issue. She has sent a letter to Sam Black which he must respond to as President of the Board (see Board minutes from last meeting). There was a discussion of various ways to retire the credit card debt that would relieve the business of the high interest on the card and Susan Lynton of possible damage to her credit rating in her role as guarantor. Solutions included private fund raising by friends to help Lynton pay down part of the debt and other forms of recognition of her service, such as a plaque in the store.

Board members expressed concerns about the actual expenditures on the credit card and the process in which this debt was accrued by the previous management. Some maintained that we needed to honor past debts that were the fiscal responsibility of the previous Board, while others maintained that the previous Board had not been fully informed of the expenditures. Others hoped for ways to create gestures of good will to resolve this issue so as to heal a rift in the community connected to the Co-op. Concerns were raised about the amassing of this credit card debt while local artists and vendors were not being paid, and whether it would be fair to pay off this debt while the UNFI debt (on which Paul Rosenberg is a guarantor) and other local vendors had not been paid. Some pointed out that these also are fiscal responsibilities of the Board and payment of the card should not be prioritized over them.

There was also a discussion of why the Executive Committee of Board officers had decided not to pay this month's interest on the credit card debt. It was agreed that, if time permits, such a substantive issue in the future would be decided on in consultation with the whole Board.

Decision: The Board agreed that Sam go ahead and be involved in negotiations with the credit card with these ideas. He will respond to Lynton's lawyer in consultation with Danielle. We are proposing good faith negotiations, perhaps through mediation of the concerned parties. The Board will be given updates on these negotiations and asked to make relevant decisions as they come up.

Other Committee Reports (Questions, Votes, Decisions) (see other committee reports in Google docs): Are there any decisions Board needs to make on other committee proposals?

- **Fundraising** (Karen): Coop webpage has been updated, have incorporated Patty's words into GoFundMe page, Donations are starting to come in. Waiting to hear that \$\$ is coming to us. Karen raised a total of \$763 to add to other donations to achieve the \$5K goal to pay for the new ice cream freezer!!

Decision: Since we have achieved the first \$5K in our \$20 equipment capital campaign, we can now announce the Matching grant of \$4K to be awarded when we make another \$10K! Thank You cards are being sent out. Working on Wall of Champions. Plan will be on the GoFundMe page as soon as Karen can find a way to change the old content.

Re Members (coordinating with Lori): Jono says Membership list is in Google docs under Outreach Communications folder. Karen asked whether there is there a way to merge the lists, e.g Mail Chimp, member lists etc. In the Turnaround plan, there will outreach to every member. Karen has continued to work with Communications committee.

- **Communications/Outreach** (Jean, Lori Lynn) Continuing to do Outreach on social media. Next newsletter issue now planned for around May 1. Looking at creating brochure with Lori that is map for bikers.

Cindy Black suggested Membership drive, with Coop history, its advantages etc. Lise suggested a post card mailing to Wendell, Shutesbury, Leverett since lots of people don't use email. Problem: Lori Lynn pointed out that it cost \$500 for a post card mailing for Leverett. Ann and Karen discussed the idea of a customer Survey, and it could be multi-media, should be short and sweet.

- **Infrastructure** (Martin, Lise) Monday the lightbulb guy came and counted light bulbs. Re freezer, Mo took a look at it, said we need to decide about the new one before getting rid of the old one. It makes most sense to have the person who will install the new one look at disconnecting the old one. . The good news that we now have the \$\$ to proceed on this! Obvious freezer to buy is the Atkins one—problem is availability—would they be willing to get rid of it now or are they going to want to keep it while they stay open until July?

Question: Can we move forward to buying? Yes from Finance committee. Jono: We have \$\$ to spend from other funds especially now with PPP loan. We need to pin down this purchase, can't wait until July!! Would recommend pinning it down or looking at other options.

Dairy case and freezer will need to be removed, taken to Transfer station, thanks to Jeff's generosity. Anyone who is interested, let us know if someone wants to do for scrap \$\$, otherwise will be asking for volunteers to dismantle.

- **Sustainability:** Danielle wrote down a bunch of ideas in the Turnaround plan the Board google docs. Lise: At Cushman Store, got copies of their visual, will send to Danielle

New Board Business:

1. **Board Policies regarding Process** (Ann, Sam, Jono): Agenda setting, Executive Committee and Board relations regarding updates and decisions, Relation of Board to GM and staff, etc. (cf. draft Board Manual in google docs)

The Executive Committee did not have consensus on the recent decision to delay interest payments on the credit card. The EC has resolved that in the future, when substantive disagreements arise, they would bring the issue to the whole Board to discuss and decide. We need to remember that we are still learning to work together, and have a lot of balls in the air, but we are committed to trying to make Board processes as democratic as possible. We are not expecting Paul to come to our Board meetings during this period, but he will be part of our discussions when we need him to be.

2. **Board Code of Conduct Discussion and Decisions** (Ann)

Ann (I) gave a summary of how and why the 2018 Board decided on the particular Code of Conduct we adopted. It was adapted from other local Co-op Board similar codes of conduct, and meant to clarify norms for the Board to use to regulate individual Board members' conduct in relation to the store's policies, for example, in operations, in relation to the GM, and to each other as a board. In past administrations they have been contentious meetings with some individuals bad-mouthing each other and some trying to direct the GM to make operational decisions that they approved of. We needed to adopt norms as to how the Board related to the GM and find a more civil way to do Board business among ourselves. We decided that the President would be the point person to the GM to relay Board decisions, and that the GM should have the authority to make operational decisions.

In that 2018 Board all of us (except for one person) signed individual agreements (summer 2018) to abide by the Code of Conduct which is offered as a template for us to consider adopting as the present Board. The Code of Conduct commits Board members not to pursue policies involving conflicts of interest between personal concerns and the responsibilities of the Board to the Coop member owners, and in an addendum (which was not signed in 2018) defines "conflict of interest" and asks them to state any such conflict of interest. See a copy of the 2018 Board Code of Conduct, attached. Ann recommends that if the Board agrees with the wording in this 2018 code, we adopt it as a Board, and make hard copies which we will sign as individuals (and leave in a folder at the store cash register desk, or in the back of the store in the GM's office).

Discussion: Jeff: When Paul asks for advice from individual Board members, individuals can give it as I have done re store operations with him.

Jono: As Board members who are taking operational responsibility as volunteers, in this emergency period, we are in overlapping roles with Paul Rosenberg as the "interim" (volunteer) GM, a slightly different role than a regular salaried GM would have. This means that both Sam and I are the spokespeople for the Board re financial and some operational policies as we work on the business turnaround plan. When you are a volunteer, you are not there as a Board member. These are different than when a Board guidance vs personal opinion. Jeff; when I volunteer I act as a slave and take directions

Other comments on Code of Conduct?

Jeff: Did this come up because Paul raised questions? Jono: Yes, identifying Paul's role needs to be developed further, e.g. interim GM. Point: Board has very specific role, we are supposed to be looking at and directing policy in regard to the big picture, while the GM runs the store, and we should try not to interfere with operations.

Karen: What about speaking to press? Any guidance? I spoke to Hampshire Gazette reporter when he called store and asked for info. Sam: Karen, you are a wonderful spokesperson. Jono: Communications committee should be representing the Board, be careful if the message is

speaking for someone else, e.g. should have been coming from President. Should be aware of roles, and if possible, direct press to President and/or to Communications committee co-chairs.

Board decision: Agreed to adopt the Code of Conduct as worded in the 2018 document.

Recommendation: Each Board member should sign unless uncomfortable with any particular piece. Please print it off yourselves and drop the hard copy off in Coop, hopefully by the next Board meeting.

3. Community and Board Visioning (Ann)

For Phases 2 and 3 of our Coop turnaround plan—what do we want to achieve, how do we involve the members in thinking about this, as a co-op should?) How do we encourage non-members to become members?

The problem is that we cannot now have direct feedback by our member owners because we are forced to have Board meetings on Zoom. If we live up to our values as a democratic member owner business, it is important to be constantly asking for input, feedback from members.

Ideas for more feedback?

- Survey
- Zoom meeting for feedback?
- Talk up Co-op when working at the register—working as volunteer there makes one value it more

Lori brought up that maybe Communications and Outreach to Membership should be two committees, not one as they are presently. (Note: At the Communications Member Outreach committee meeting on 4/17 we discussed this idea and decided against splitting the committee. See the committee meeting notes for this week in google docs.)

Respectively submitted, Ann Ferguson, Clerk

Addendum: Board Code of Conduct 2020 (see Board document folder in the Coop Board Share folder on google docs).