

Board Minutes for 5-6-20

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

Approve minutes from 4-29 meeting approved. Timekeeper assigned: Martin

President's Report (Sam) (10min)

- The Finance Committee discussed that most of the \$\$ from PPP loan has been targeted to be spent, with the bulk to go to staff wages, including paying Paul and Patty.
- Regarding the UNFI negotiations, Jono has been in touch with the lawyer for UNFI which is forwarding email to UNFI, as yet no response from the company. Lawyer said he will be in touch. Contingency plans in place when contact is made to make a better offer to UNFI if needed, to come from our donations account.
- Credit Card news, actions
Officers met yesterday and discussed. They agreed that the Co-op will pay this month's interest. Sam, Karen and friends of Susan Lynton are working to raise funds to pay down the credit card debt, but Sam was clear that neither he nor anyone on the Board will take on being the guarantor for the card. At this time the officers and the Board do not think it is a priority or a feasibility for the business to pay any part of the principal debt on the card, given the priority of other vendor debts plus the need for working capital for the business. Sam sent the Board a letter from Susan Lynton's friends to ask for the card to be paid off and/or the guarantor status to be transferred, but this is not at the moment a position which is useful to resolve the problem. Sam will answer the letter as Board President and indicate the Board position as well as the informal fundraising efforts to pay down the credit card debt. Sam discussed the continuing ongoing fundraising efforts in regard to the credit card.
- Sam made an application to the Boston LISC (small business grant for up to 10K. The application is in: the grant is aimed to help small businesses in crisis. So far there has been no response.

Discussion:

There was discussion of Jono's response to Susan Lynton's letter to the Board justifying the expenses on the credit card. It is a difficult issue with strong views on both sides. Some felt it was time to not perpetuate old feuds and others felt it was still important to get perspectives from both sides, whether or not they were emotion-laden. We need to have a way to keep from fighting old battles and bring the Co-op community together, but we also need to understand perspectives from both sides in order to do so without doing character assassination of either side.

Danielle pointed out that although it was good to have Susan Lynton's explanation in her letter of the credit card expenses, we still need to have an direct report from Amex itself of the statements with the expenses and what they were paid for, in order for us to do our due diligence as a Board with fiscal responsibility for these expenses. Karen pointed out that one of the issues here is how the Board is able to democratically control the actions of its Presidents, and we still need to work on establishing this norm. But she said, nonetheless the Board needs to assume debts its Presidents and other officers accrue in its name.

The position of the Board at the end of the discussion is that we have agreed to pay interest on the credit card until the issues are resolved, but we will not tackle paying the principal debt until we receive detailed statements of the expenses from Amex, either through copies provided by Susan Lynton or by her permission to have the company release those statements to the Board.

Finance Committee Report (Sam and Ann, for Jono who was absent) (10 min.)

- Overall State of Finances: We have seen the large debt that we are facing that Jono sent us the spreadsheet for. Jono and Paul are in discussion to pay off vendors who are considered crucial to our turnaround plan, and they are working with Susan Walker the bookkeeper to get a complete accounting of our current financial situation.
- Turnaround Plan: We are using the current draft in the Finance committee and in store operations to move forward but we cannot develop a final draft to take to possible lenders for some funding until we can get a complete understanding of our current financial records and until we can show 6 months of progress in increasing the revenue for the store. We are on a good track to be able to do so, as revenues have been increasing every week. Jono is still requesting that committee chairs turn in their descriptions of their plans and projections for activities to be undertaken as a part of the plan so we have an expanded draft to use when we are ready to put in the rest of the necessary data.
- Other Discussion:

In regard to the overall debt of the Co-op, the sobering chart that Jono presented to the Board is that in spite of our increasing revenue and donations we are still \$264K in debt. Martin pointed out that in Jono's chart it seemed that the UNFI debt was not even clearly factored in so we may owe quite a bit more. At what point do we need to roll back expenses on store inventory in order to pay down more of the debt? Sam pointed out that over \$6K was spent to pay down vendor debt in last month so paying down debt is definitely in the mix, but we also have to keep up the momentum of increasing revenue as well. It is indeed a delicate balance.

Other Committee Reports:

- **Fundraising** (10) (Karen, chair) :

Good news. Money coming into the GoFundMe page. She has been talking to Alex Phillips who set up the page, and it remains frustrating since there is no easy way that our new Board fundraising chair can just be handed over authority for the campaign so as to change the content of the page. However the Coop bank account is receiving the donations from the page, and have been getting little donations recently.

There are ongoing issues to be dealt with in terms of the operational processes of the Coop before fundraising can go forward in a major way. There was a meeting of Ann, the bookkeeper Susan Walker, Suzette Snow Cobb (former staff person), Karen, and Paul to discuss how to proceed on getting membership data up to date. Karen and Jean are working on data from the website including messages from those wanting to be new members or be added to the Mail Chimp list that no one was responding to. Karen pointed out that as a cashier, there should be a point person who works on a process to try to get people to sign up right away as members. There are low hanging fruit of customers willing to sign up if approached the right way.

Karen suggested that Lise could be approached to help with details of working out the info about these store processes

The fundraising committee continues to thank previous donors with hand written cards featuring the Leverett Village Co-op in a drawing by Duran Fernandez Obrien. Paul received a lovely card from a Leverett couple who wrote a beautiful note and donated their stimulus check. Ann thanked the committee for their nice Thank You card.

Communications & Member Outreach committee(10) Jean, chair

We are working on getting an updated Active member list. Many people signed up in 2018 or 2019 and only have a few shares and have not continued to pay, are continuing to get Amerigas benefits. In past they were given 3 years to pay and most of them have not bought more shares during that time as they should have. This is an opportunity to get more money for the Co-op if they are asked to pay up or lose member benefits. In past staff would call regularly and Amerigas discount could be removed.

Discussion of pros and cons and most felt that because of this current crisis we should not be threatening such members with removal of benefits. Jean asked for the committee if there is PPP \$\$ to hire a staff to contact Active members, but apparently the money has all been allocated.

New Business (out of order):

Membership Campaign and Board Role (20 min)

Ann summarized the meeting with SW, Suzette, Paul, Karen and myself on 5/6/20 on how to update member data. We have two volunteers that Paul recruited as well as Suzette. We agreed to have volunteers do the updating of the Member list in the store L-Boss data base so it will be inputted into the cash register system. Suzette

will do the initial 10 forms yet to be processed, and then we will get the new volunteers that Paul recruited into the process to regularly update Active member data into the store LBoss register information system. We will also try to figure out a way to notify such Active Members that their payments are due. Ann will organize a way to get that store data base update transferred to our google Member spreadsheets.

Ann brought up some motions that were generated in the Communications and Member Outreach committee. Regarding Active Members the Motion was that Active members joining before 2020 have one year to buy all 17 shares to become Paid-in-Full Members and new policy is New Members must pay in full after one year of membership.

Jean wondered whether it is reasonable to ask Active members if they could buy all their remaining shares by end of the year?

A discussion ensued of whether we wanted to allow low income members to defer payment, what is the Amerigas benefit, what are the initial requirements to be an Active member and what other benefits members get. Members are required to pay an initial \$30 (3 shares) and then expected to buy their remaining shares (to total 17=\$170) by the end of 3 years. Jean pointed out that the Amerigas discount is a significant saving, up to \$.50 off a gallon, so over a year a member may be saving half of their total membership costs. She felt that it is fair to ask members to contribute and pay up now, especially if we offer a low income option or deferral. Other benefits include membership in the UMass Five credit union, discounts on bulk orders and discounts from business partners. Jean and the Communications committee are trying to clarify what the deal with the Coop business partners (Whole Tree, Grass Roots, Pelham Auto, Laughing Dog Bicycle, La Clare Construction etc.) It seems the deal was that as a partner you paid \$200 and got some publicity and would get some sort of discount. Research is still being done on this by calling business partners.

Some felt that given the crisis we should not be approaching Active members demanding payment for new shares. Board Decision was to table and revisit the discussion about how to approach Active members and whether to create a low-income member option.

There was brief discussion on a motion by Ann that all Board members commit to calling some members with an update, feedback and fundraising script that would be designed by the Communication Outreach committee (with Board feedback). Some agreed to do this and further action was tabled until such plans could be developed.

- **Infrastructure committee** (10) (Martin, standing in for Lise as chair):

Paul is taking lead on moving forward for new equipment, e.g. Atkins re freezer, dairy case etc. Paul's contact from Whole Foods (Glenn Moon) who often knows of good deals on used equipment, has not yet contacted him. Martin is working on disposal of old equipment. There is some tension between the need to purchase this new equipment as soon as possible and priority given to building up store inventory. Obtaining pizza boxes are up for consideration. Nick Seamon has shared his member card to Restaurant Supply but question of time to obtain them.

Other Business:

- **Personnel question:**

Ann mentioned the discussion in the Finance committee that we will soon need to be recruiting a new GM, since Paul has made it clear he is interim and not permanent in that position. Before we can do so, we will need a good projection of GM salary that we can support on our revenue. But in the next month or so the Personnel committee will need to draw up plans for a search for the new GM

- **Discussion of Curb side service** on Mondays with Ellen Shaw Smith. Need to contact her directly to get the details. Determined that she has agreed to take calls and do orders on Mondays from 2-4:30 pm.
- **Discussion of various Communications issues:**

Karen mentioned that the Coop has an Instagram account for Coop and that Lori Lynn and she can update the website and Instagram. Lori is the web person, and Jean helps. Karen Reached out to Greg Caulton, the former volunteer webmaster, to see where email is going. There are 3 different Coop email accounts and no one has regularly checked the Coop gmail account. Karen will send a request to be a new member on Mail Chimp to see if Jean receives the message.

- **Zoom Meeting for Members** (June?)

Timing and agenda for such a meeting would be important to have clear in advance, but technically Martin and Jono could do it. The ideal way is to set it up as a webinar so that participants could submit questions to the host. Agenda could be set up in advance and sent to the participants who register.

Sam said it would be a great idea to have a public Zoom meeting within the next month. The bylaws allow us to announce an open Board meeting with one week's notice, but announcing a public online meeting will require more work.

Decision to defer this public Zoom meeting to a discussion at the next Board meeting.

Meeting adjourned around 8:35 pm.

Respectfully submitted

Ann Ferguson, clerk