

In Athens there will be a thriving, local, cooperative economy; a fun, inspiring place to shop and learn; a hub for community and civic engagement; and a source of excellent food.

Daily Groceries Co-op
Board Meeting

Tuesday, November 15, 7:30-8:30PM

Athens Clarke Heritage Foundation

Present: Tom Reynolds, Lisa Merva, Delene Porter, Willow Tracy, Alex Rilko, Will Hodges, Matthew Epperson, Jane Link, Rashaun Ellis, Diona Fredo

- I. Welcome
 - A. Approve Minutes- October
 - B. Will moves to approve the minutes with the amendment to correct the location of the meeting.
 - a. Diona seconds, motion passes unanimously.
 - II. Reflections on Annual Meeting
 - A. We've saved the apples (fun ideas) and worms (worries) from the meeting, **Lisa** will log these and make them interactive.
 - B. Fun was had by all.
 - C. We should consider having a board election result declaration process for future years and in more contested elections.
 - D. The board should share with the members how the vote tabulation processes occurs for increased transparency.
 - E. RSVP for the meeting?
 - III. Big Apple Updates
 - A. 80-15-5% Model- Resilient in a Changing Market
 - i. Tom, Delene and Mary met to decide what the campaign coordinator expectations would be.
 - ii. Financial committee: how much to raise by when? Bail-out plan?
 1. 80% on option A, 15% on option B, 5% on option C.
 2. Expansion is option A, B is stay where we are, unsure of option C.
 - iii. 1190 Prince Ave. update:
 1. No rezoning or variance ordinance was required by the planning department
 2. The boulevard neighborhood is invested in a 30,000 sq. ft. grocery store though none have been confirmed interested.
 3. 360 parking spaces, 2 levels, nothing to demolish.
 4. Could Daily occupy a third of this space?
 - iv. Looking at other option A move possibilities (**Tom & Alex**).
 - v. What are the criteria of the new market tax credit requirement of a "Grocery store"?
 1. Could it be a CVS? Or Wal-Mart?
 2. How long does the tenant have to remain that way? (**Lisa** will follow up on these questions.)
 - vi. Developing option B: we need to determine the minimum square footage of a future property to be profitable while still remaining at current location for a few years.
 - vii. **Lisa** will get an estimate for the cost of updating our market study to include a possible large competitor.
 - viii. Will will ask Bryan Austin about the progress at 100 Prince as well as at 1190 Prince.
 - B. Investment Campaign Planning
 - i. Campaign Co-coordinator Duties
 - ii. Financials (how much by when)
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iii. Legal Structure

IV. Member Forum

A. We discussed what makes us unique and wonderful.

V. General Manager Updates

A. B1: Financial Condition

1. Oct. and Nov. show great sales growth
 2. Avg. sales \$700 greater year-over-year, more transactions,
 3. Local turkeys sold first, then natural, then organic, 75 total turkeys.
 4. We will improve our process again by next year;
 5. We may be able to get Darby Farms' turkey next year as well a few months out (these are slaughtered in SC).
 6. We are underwriters with WUGA! We cannot use comparative or superlative language, 15 seconds and 40 words require parsimony.
- i. GM will not allow sales to be decline or be stagnant:
 1. We are in compliance!
 2. Sales growth has recovered
 - ii. GM will not allow operations to generate an inadequate net income:
 1. In compliance.
 2. That makes 2 consecutive quarters of profit, which we haven't achieved since 2011.
 3. Personnel expense has reduced considerably year over year. We took a large hit from accrued PTO in July as we are expensing the stored value of this PTO.
 4. Taxes and licenses were inordinately high due to property tax and alcohol license renewal.
 - iii. GM will not allow liquidity to be insufficient:
 1. We are in compliance.
 2. Cash flow of over \$28,000 for the quarter.
 - iv. GM will not allow solvency to be insufficient:
 1. We are in compliance.
 2. We are now under 3 as required.
 3. \$5,000 of member equity invested, paid down line of credit.
 - v. GM will not incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business:
 1. We are in compliance.
 - vi. GM will not acquire or encumber or dispose of real estate:
 1. We are in compliance.
 - vii. GM will not allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed:
 1. We are in compliance.
 - viii. GM will not allow late payments of contracts, payroll, loans or other financial obligations:
 1. We are in compliance.
 - ix. GM will not use restricted funds:
 1. We are in compliance.
 - x. GM will not allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP):
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1. We are in compliance.
2. We will be audited in 2017.

- B. Will motions to accept the report as provided, Willow seconds.
- i. All in favor, motion passes unanimously.

C. B8: Board Support

1. Not reported on since 2014.
2. **The board** will update this policy.
- i. GM will not provide the Board with insufficient staff administration to support governance activities and Board communication operationally defined to mean will not allow less than 7 days for the board to review all GM policy monitoring reports.
 1. Reported out of compliance.
 2. The board will change this to whatever time Lisa needs to prepare this packet.
 3. We have a board admin.
- ii. Policy register and bylaws were not on the website –
 - a. We are currently out of compliance.
 - b. Will be rectified by Thursday.
- i. Delene requests that **Lisa** will resubmit this report to the board next month.
- iii. Alex and Will receive emails to board@dailygroceries.org (board@daily.coop) for member communication
 - a. We are in compliance
 1. Board contact information is now on the website
 2. Discussion: Should there be a board meeting time change to 7 PM?
 - a. Yes, beginning in January.

VI. Board Policy & Governance Updates

- A. Reflections on Annual Retreat
- B. D2: GM Accountability

- a. GM performance is store performance for the purpose of operational achievement and conduct:
 - i. We are in compliance.
- b. Will motions, Alex seconds
- c. Motion passes unanimously.

VII. Future board meetings- Mon, Dec 12; and Mon, Jan16

- A. 2nd Tuesday at 7 PM starting in January, the 10th.

VIII. Executive Session

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Policy Governance for Review:

For Board-

Policy Type: Board-Management Relationship

Policy Title: D2 – Accountability of the GM

Last Revised: **September 30, 2012**

The General Manager is the Board's only link to operational achievement and conduct.

The Board will view GM performance as identical to organizational performance so that the Cooperative's accomplishment of Board-stated ends and avoidance of Board-proscribed means will be viewed as successful GM performance.

The Board will not instruct or evaluate any employee other than the GM.
