

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

MONDAY, February 13, 7:00-8:00PM

Athens Clarke Heritage Foundation

Present: Delene Porter, Tom Reynolds, Diona Fredo, Rashaun Ellis, Lisa Merva, Matthew Epperson, Liz DeMarco, Will Hodges (via speakerphone), Willow Tracy (via speakerphone)

- I. Welcome
 - A. Approve Minutes- January
 - a. Tabled for March meeting due to minutes not being included in this board packet.
- II. Big Apple Updates
 - A. The capital campaign will no longer be in March,
 - B. We are in pre-planning for the capital campaign: items to be paid for include interior design fees, printed materials for capital campaign, securities law consulting fees, all total around \$38,000.
 - C. After this meeting Delene will check back in with the capital campaign committee,
 - D. The 100 Prince Ave. developer is moving forward with purchasing the property,
 - E. The most recent Flagpole reports there will not be a development at 1190 Prince Ave, and there is “nothing to see” at the Varsity location.
- III. Member Forum
 - A. Matthew: Former Georgia Governor Sonny Perdue is the pick for Secretary of Agriculture upcoming.
 - B. Liz: If the current Varsity building were torn down it hopefully would be replaced by a creative new building and maintain its current character.
- IV. General Manager Updates
 - A. Policy Reports- B1: Financial Condition
 - i. General update: The store had a great 4th quarter, up 11.33% from same quarter last year.
 1. Our meat sales were tremendous compared to the 3rd quarter,
 2. Within non-food Andes gifts had a large impact,
 3. 36.3% store margin, up over previous quarter,
 1. Smaller margins taken on key items to remain competitive.
 4. HABA looks bad but it’s a small department.
 1. HABA lacks staff specialization given space and labor \$ constraints
 5. Bulk is a larger concern for us since it’s a larger department.
 1. \$138,000 in 2012 to \$85,000 in bulk in 2016,
 2. Linear feet and product offerings were consistent -- we are looking into this.
 3. There is a trend in this across other co-ops.
 4. Competitor bulk is mostly snacks, not as many beans or staples.
 5. Grab and go is a trend as well.
 6. Prices for packaged goods are competitive and sometimes better than bulk.
 7. Millennials value bulk.
 8. Could we have special jars for members to encourage bulk purchases?
 6. Grow-It-Yourself event is upcoming on a Sunday April afternoon;
 1. We will be selling Let Us Compost compost as well as seeds and starters from Goodness Grows in Lexington, GA;

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2. They could keep the profit from sales of starters – they are a great organization.
 3. Might 3 Porch have starters as well? Or the Athens Land Trust's greenhouse?
- ii. Financial conditions: The GM will not:
1. Allow sales to decline or be stagnant.
 - i. Reported in compliance. January continuing the growth of 4th quarter. February may need a lot of sales in order to continue this trend.
 2. Allow operations to generate an inadequate net income.
 - i. Reported in compliance. Adequate net income, 2.6%, highest in several years.
 - ii. Bill Gessner sets 2% minimum retained for investment in a new store. Some net income due to personnel decrease of \$5K over same quarter last year. Still managed net income despite over \$3,000 for expansion planning.
 3. Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
 - i. Report in compliance. We are in a healthy cash situation.
 4. Allow solvency, or the relationship of debt to member/owners' equity, to be insufficient.
 - i. Report in compliance. Debt going down and equity going up.
 - ii. 2-1 or 1-1 is our goal for attracting lenders.
 5. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
 - i. Report in compliance. No unusual debts.
 - ii. Payments timely on line of credit
 - iii. \$11,500 remains to be paid.
 6. Acquire, encumber or dispose of real estate.
 - i. Report in compliance. No real estate has been acquired.
 7. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
 - i. Reported in compliance. All tax payments were filed on time and no late contract payments.
 8. Allow late payment of contracts, payroll, loans or other financial obligations.
 - i. Reported in compliance.
 9. Use restricted funds for any purpose other than that required by the restriction
 - i. Report in compliance. There has been no use of restricted funds.
 10. Allow financial record keeping systems to be inadequate or out of conformity with GAAP.
 - i. Reported in compliance. A financial audit is forthcoming this year in March.
- iii. Rashaun motions to accept, Tom seconds, all in favor.
- B. Policy Reports- B6: Staff
- i. General update: This report has not been submitted since the end of 2015. From the staff survey we are an excellent workplace.
 1. Staff perceptions of safety and fairness are satisfactory;

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2. 14/16 staff responded.
 3. Overall satisfaction 4/5, safety 4/5, experience rating .94, continues to go down year over year
 4. The lowest scores on employee evaluations were due to lack of evaluations,
 1. We are still moving to a common date instead of work anniversaries,
 2. Evaluations will occur in spring including a self-evaluation and supervisor evaluation.
 5. 4.7/5 score on proud to work at the co-op.
- ii. GM will not:
1. Operate without written personnel policies that
 1. Clarify rules for staff
 - i. Reported in compliance. We have a manual, everyone receives it and reviews it with supervisor and can access it at any time.
 - ii. We review it every 3-5 years.
 2. Provide for fair and thorough handling of grievances
 - i. Reported in compliance. Grievance process is included in the employee policies.
 3. Are accessible to all employees
 - i. Reported In compliance. Employees certify they receive and understand the manual.
 - ii. Open-ended questions showed people could review personnel policies and job descriptions.
 4. Inform staff that employment is neither permanent nor guaranteed.
 - i. Reported in compliance. Employment is stated to be neither guaranteed nor permanent.
 2. Cause or allow personnel policies to be inconsistently applied.
 1. Reported in compliance. For consistency we scored 4.1/5,
 2. Employees believe rules are applied consistently.
 3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
 1. Reported in compliance. GM records in secure location only HR Manager, and GM.
 2. No unauthorized use or access to these documents.
 4. Establish compensation and benefits that are internally or externally inequitable.
 1. Reported not in compliance. Wages are currently based on job description and pay scale but there needs to be more clarity.
 2. We will transition to using a wage level matrix consistent with other co-ops; more responsibility and higher wages will be in tandem,
 - i. This system will be in place by end of this year.
 - ii. Carolee Colter designed this matrix; she is a CDS consultant. This provides greater clarity to our pay scale.
 3. Similar business pay meets or exceeds livable wage for our region,
 4. Not all staff are at a livable wage but there has been improvement,
 - i. Lowest is now \$9.25.
 - ii. Our low end is better than comparable businesses low end but we have management wage compression compared to comparable high-end employees.
 5. Comparing to another co-op on benefits:

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- i. Our staff discount is similar,
 - ii. PTO for most of the staff is also similar,
 - iii. We have 3 salaried healthcare recipients,
 - iv. All staff receive holiday pay each year,
 - v. And benefits are offered fairly.
- iii. Diona motions, Alex seconds, all in favor, motions passes unanimously.

V. Board Policy & Governance Updates

A. Policy Reports- C1: Governing Style

- a. Our governing style will emphasize empowerment and clear accountability, looking outward and toward the future vision.
- b. We observe the 10 policy governance principles.

VI. Future meetings

A. Board Meetings- 3/14, 4/11, 5/9, 6/13, 7/11, 8/8, 9/12, 10/10, 11/14, 12/12

- i. Mostly on Tuesdays

B. Coop Café- 3/18/17 Raleigh; CBLD 101- 5/6/17 Raleigh

- i. Rashaun, Delene, Diona CBLD in May for sure
- ii. Caravan of staff going to Co-op Café

VII. Executive Session