

Onion River Co-op/City Market

Board of Directors Meeting

In Person, South End Community Room

December 18, 2023

Board Attendance:

Allison Fiore (she/her), Board Member

Jody Landon (she/her), Board Member, Treasurer

Kristina Sweet (she/her), Board Member, President

Meaghan Diffenderfer (she/her), Board Member, Secretary

Mitch Manacek (he/him), Board Member

Myle Truong (she/her), Board Member

Rubin Jennings (he/him), Board Member - *arrived after "Review Agenda" & "Review Minutes" items hence 7 votes for those two items*

Sam Werbel (he/him), Board Member, Vice President

Also in attendance:

Michael Healy (he/him), Member, Board Meeting Facilitator

Emily O'Hara (she/they/we), Member, Board Meeting Minutes-Taker

John Tashiro (he/him), General Manager

Lauren Jones (she/her), Membership Manager

Madelyn Cataford (she/her), Director of Finance & IT

Trish Redalieu (she/her), Director of People & Culture

Brian Tobin, Incoming Board Member (2024)

Shannon Rose Kilpatrick (she/her), Incoming Board Member (2024)

Serrill Flash, Member

Kate Morris, Member

Elizabeth Redmond, Gallagher Flynn

Sarah Richards, Gallagher Flynn

Preliminaries

A quorum was established, and the meeting started at 6:03 PM.

Review Agenda

Agenda was reviewed and approved as written with 7 supporting votes, 0 abstentions, and 0 dissenting votes.

Review Minutes

The Board reviewed the meeting minutes from October 23 meeting, and the meeting minutes were accepted with 7 supporting votes, 0 abstentions, and 0 dissenting votes.

Review Action Items

The Board reviewed the Action Item list and 3 items were removed (all tasks completed).

Open Member Time

Members introduced themselves.

Auditors' Presentation

Sarah took the Board through an annual audit presentation, including understanding the audit process, the rules for the audit, audit results, and an overview of financial indicators and data points of the Cooperative. Elizabeth provided the results with an outcome of “Unqualified report” on the financial statements. “Unqualified” means that the auditors did not find material discrepancies or misstatements. The financials presented fairly with no significant concerns, and they found no identified significant deficiencies or material weaknesses with internal controls over financial reporting.

Overall:

- Revenue increased
- Operating expenses increased by less than 2%
- GAAP mandated discounts were factored and separated out of the revenue
- Membership up by 5%
- Budgeted conservatively in anticipation of higher losses, but outperformed this
- Inventory on hand was higher due to Covid stocking issues
- Continued to find a balance to stay true to our mission, cash balance compliance, etc.
- Tax rate is pretty much expected at 24%

The Board shared personal observations and asked clarifying questions:

- *Is the sampling random?* Yes. The audit is a sample to determine that it's “materially correct” overall.
- *Who adopted the new accounting standard (Codification 842)?* The Co-op adopted the required standard.
- *What does “unqualified” mean in “unqualified report”?* The opinion is not yet qualified.
- *Who does Gallagher Flynn consult with?* Overseeing bodies and others at the firm.
- *Have we been utilizing the tax credit (net operating losses) as we file?* You can utilize those when you generate taxable income, i.e. profitable.
- *How did we do overall?* Well! Having no audit adjustments speaks volumes.

Executive Session – Discussion with Auditors

The Board moved into Executive Session with Auditors at 6:58 PM. The Executive Board Session with Auditors began at 7:00 PM and came out of Executive Session with Auditors at 7:21 PM. The Board used the time to ask clarifying questions.

~Half-time stretch~

Board Self-Monitoring

D7: Trusteeship & Relationship to Members

Myle presented her review of D7: Trusteeship & Relationship to Members and shared personal observations. Discussed about ways to further engage with Members.

Myle found the Board in compliance with the policy, and it fairly and accurately reflects what the Board does, in action. The Board will continue to find ways to engage with Members.

GM Reporting

Monthly GM Update

John presented the GM Update to the Board, highlighting updates regarding October and November reporting: South End self-checkout rollout went smoothly; Thanksgiving went smoothly; and a relaunch of demos at both locations is going well.

Trish spoke about the “Ideas, Inclusion, Diversity, Equity, and Social Justice” series and Equal Exchange presentation. The Co-op is to receive a Martin Luther King, Jr. award (January 14, 2024) presented by the Greater Burlington Multicultural Resource Center.

The Board shared personal observations and asked clarifying questions.

B8: Board Elections

John presented the B8: Board Elections to the Board with no highlights.

The Board shared personal observations and asked clarifying questions.

The Board found the definitions and interpretations reasonable, there was enough data to determine compliance, and the data demonstrated compliance with the policy. The Board accepted the report as demonstrating compliance with the policy, with 8 supporting votes, 0 abstentions, and 0 dissenting votes.

B4: Financial Conditions

John presented the B4: Financial Conditions to the Board, highlighting noncompliance exceptions B4.3 and B4.5 related to membership and sales, which have been reported monthly.

The Board shared personal observations and asked clarifying questions.

The Board found the definitions and interpretations reasonable, there was enough data to determine compliance, and the data demonstrated compliance with the policy (except for 4.3 and 4.5). The Board accepted the report as demonstrating compliance with the policy, with 8 supporting votes, 0 abstentions, and 0 dissenting votes.

A: Global Ends

John presented the A: Global Ends to the Board and addressed labeling in general (after questions).

The Board shared personal observations and asked clarifying questions.

The Board found the definitions and interpretations reasonable, there was enough data to determine compliance, and the data demonstrated compliance with the policy. The Board accepted the report as demonstrating compliance with the policy, with 8 supporting votes, 0 abstentions, and 0 dissenting votes.

RFP for FY 2024 Audit

John/Madelyn presented the draft Request For Proposal (RFP) to seek an audit firm for FY2024's audit. They shared the delays behind the RFP for the past few years due to covid related issues. This resulted in staying with the Co-op's existing auditing firm, but asking for a partner change from the same firm. The Co-op is now seeking an auditing firm based or with an office in Vermont and ideally with retail/co-op experience.

The Board shared personal observations and asked clarifying questions.

The Board found the definitions and interpretations reasonable, there was enough data to determine compliance, and the data demonstrated compliance with the policy. The Board approved the RFP to be sent as written, with 8 supporting votes, 0 abstentions, and 0 dissenting votes.

Board Self-Monitoring

D11: Board Perpetuation

Meaghan presented her review of D11: Board Perpetuation to Members and shared personal observations.

Meaghan found the Board in compliance with the policy, and it fairly and accurately reflects what the Board does, in action.

Board Perpetuation Committee Update

Meaghan presented a brief update regarding the Board Perpetuation Committee, highlighting survey feedback (meeting accessibility, coffee hour for member engagement, etc.). Meaghan will be staying on the Perpetuation Committee after completion of her term as a Board Member and will work with Board leadership to plan for a full committee report to the Board at a future meeting.

Board Education and Training

Co-op Cafe

Mitch and Jody attended a recent cafe; experienced some technical difficulties, but will attend again.

Appreciation for Departing Board Members: Allison & Meaghan

The Board shared words of appreciation for Allison and Meaghan's time and dedication to the Co-op over the years and presented departing gifts.

Open Board Time

Meaghan asked on behalf of a member about the status of the ATMs. Madelyn shared that they have been seeking an ATM SLA (Service Level Agreement) from Vermont Federal Credit Union and considering other options (Mascoma, New England Federal Credit Union, etc.).

Future Planning

Open Member Time Follow-up

John and Kristina will follow up with Shannon's question about Citizen Cider sales/gluten concern.

Review Calendar

January or February for follow-up conversations about B4: Financial Conditions, Global Ends reporting, and Board Perpetuation Committee Charter.

NOFA Conference in February - reach out to John and Lauren if you are interested in attending.

Consumer Cooperative Management Association (CCMA) Conference from May 30 to June 1 in Portland, Maine.

Wrap Up

Action Items

Emily presented 6 action items to the Board.

Meeting Evaluation

Executive Session with GM

The Board moved into Executive Session with the GM, Madelyn, and Michael at 9:09 PM. The Executive Session covered the Q1 Financial Statements. Madelyn left and the executive session continued, discussing the staff survey results. Executive Board Session with the GM and Michael adjourned at 9:51 PM

Adjourn

The meeting adjourned at 9:51 PM

Action Items

December 2023

Sam and Kristina to continue discussing planning for Board Member engagement with Co-op Members such as tabling or attending the Seedling Grant event.

John and Lauren to consider adding columns with "Number of Candidates" and "Number of Open Spots" to the B8 report.

John to adjust chart headings' years in the Global Ends report. (Numbers are accurate.)

John and Kristina to follow up with Shannon regarding Citizens Cider sales and possible 1-on-1 with **John and Shannon** to discuss further.

Kristina to follow-up with incoming Board Members about 2024 paperwork.

All Board Members to let **John and Lauren** know about any interest in attending the NOFA Conference.