

RIVERWEST COOPERATIVE BOARD OF DIRECTORS MEETING 07.21.23 5:00pm

Board Members in Attendance: Ned, Tommasina, Wendy, Debbie, Karen, Quinn, Mark

Others in Attendance: Mimi, Shannon, Juniper

Note Taker: Tommasina

Facilitator: Ned

Timekeeper:

NOTE: WE WILL START CHECK INS AT 5:00 SHARP

- Introductions, pronouns, check-ins, and firestarter (10 minutes)
 - Review facilitation style and hand signals
 - Take pause and speak up – accountability and inclusion
 - Note: There will be no halfway break during this meeting

- Communication check-in (5 minutes):
 - Shannon: a reminder for us to send cafe-related things, send to Cafe email only, if it's grocery related, just send to Grocery email.
 - Karen: Is the protocol right that we give staff 3 days to see emails and respond? Wendy: I think staff should see an email before 3 days unless they're on vacation. Shannon: if something's urgent, please text me or use the subject line to say "Urgent". Mimi: if I'm scheduled in the store, I can't see my email unless there's a volunteer to cover the store. If it's something I don't know about, I also won't respond. Wendy: coordinators can have a more succinct answer for you within the next week or so.

- Coordinator reports / strategy / 30/60/90 Day Plans (15 minutes)
 - Grocery Coordinator (3 minutes): Mimi: Actively recruiting from farmers' markets produce or wholesale. This month, had new seasonal fruits (watermelons, nectarines, peaches, cherries) – they sell really well and they're delicious. We've been intentional about having beautiful produce. There's a lot in right now. That said, produce sales have decreased we think due to the farmers market. We've been having trouble keeping produce stocked so we've been trying to train volunteers and staff to keep things looking great and take more initiative. The walk-in should be labeled on shelving. Mimi cut back on backstock on some items so we don't have so much spoilage. Falcon Flea and other neighborhood bike parade have helped sales with selling nachos and smoothies. Co-op feels inviting when we have events because people flow in and out.
 - Jill: What are IOU sales? Mimi: it's basically my IOU, and there are other IOU sales as well. On Copos if you don't have the money right then, it can be saved into a member account. On that amount, it doesn't show you what the money is for. Wendy: the sale gets disconnected from the item. but they're counted as a sale. Jill: but then we don't have the money in the bank. Wendy: it's not trained, we shouldn't be using it. Jill: what's the worker discount vs. volunteer discount? Juniper: it's the actual volunteer discount.
 - Karen: does COpos work for us? Wendy: yes, it has to. we're not buying another 20k system in the next few months and we need to make some changes.
 - Café Coordinator (3 minutes): Shannon: cafe is doing well, we're up in the cafe. due to the Falcon Flea. In the report, I broke out the spoilage between staff consumption of cafe goods, spoilage, and kitchen use. Ned: What's a personal pop-up? Shannon: when a private company does a pop-up in our space. Karen: notes from the Cafe brainstorming session? It was me, Debbie, Wendy, Claire, and Wes. Mostly went over what worked in the past and what didn't work. We are meeting next August 15. We'll start narrowing down ideas. Wendy: Gina and Mia, both ex-staff, have reached out with good stuff and offers to talk to Shannon. Karen: did you see the post? Yes, it got great engagement. People want the cafe to re-open ASAP but we need to let them know it will take time to plan a menu, price things out, hire and train, etc.
 - Admin Coordinator (3 minutes): Have finalized policies for most things. Also we have rolled out a password manager, and changed passwords to be more secure. We're

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working on getting the office organized and clean. We got a quote from KWK for outlets depending on our finances. We're also starting to use the timeclock in Copos and see if that works out.

- Volunteer Coordinator (3 minutes): Wendy: I haven't sent out a volunteer report yet. There hasn't been a huge influx of volunteers yet. I was sick for 5 days last week, so hard to spend time thinking about June. Trying to get ahead on volunteer stuff. Focusing on saying no to the other stuff. Upcoming: I missed all of the dates for the volunteer meeting, so I will try again for August. there's 6-7 really interested folks. We have the 24 coming up and two weeks later we have Center Street Daze. Hope board members can come to.
Let Wendy know when you can spend 1-2 hours in the store to help out over the 24 and on Sunday August 12 for Center Street Daze.
- Karen: Do you have any **volunteers who can help make phone calls**? Wendy: I just got sent one more from Quinn. Mimi: I'm still down to make phone calls.
- Mimi: how much is left with sponsored memberships? Quinn: \$3,000, 150 memberships. Wendy: Let's talk about slowing down giving them out when it gets down to like \$1000.
- Wendy: oh, in August there's a Falcon Flea.
- Committee reports (10 minutes): just asked for questions in case
 - Finance (3 minutes)
 - Communications (3 minutes): Karen: We have money in our budget. Should we create a stipend for social media for someone to do? **Reminder: to send Karen a picture of you in the store for a post on board members in the store.** Wendy: new volunteer named Haley (they/them) who might be a good volunteer to do social media. Karen: In the long run, we need a chair. and we need someone paid for social media. Wendy: Tomorrow, I'm prepping yard signs. On Sunday during Falcon Flea, they'll be there for people to finish up and with service berry and name and address. Jill: just wanted to say thanks to the WC for the notes on getting ahead of social media posts.
 - Membership (3 minutes): Amy is the new chair of MemComm. We'll introduce her via email this week.
- Schedule September Board meeting (5 minutes)
 - Upcoming meetings:
 - Board retreat: August 19th (10 AM – 5 PM) & August 20th (10 AM – 2 PM)
 - August board meeting: Monday, August 28th, 6:30pm @ Falcon Bowl– but they're closed on Mondays so Wendy will ask about Daily Bird.
 - September board meeting: 9/27 at 5:30-7:30pm
- Staff Advances proposal (5 minutes): Juniper: Just wondering if the timeline is a little long between request and fulfillment. Wendy: just edit by adding a line: Any exception to the 10 days prior needs to go before the Treasurer. Debbie: multiple people tracking would be good. Final wording: "Any advance needs to notify the treasurer for approval outside of the policy."
 - Approved!
- Current financial situation (25 minutes)
 - June 2023 update: Jill: we still lost \$10k in June. In our last emergency finance meeting that we had, we asked how much back of the envelope are we getting close that we would need to consider ethically. I tried to do that on the June finance committee update. I made some big sweeping assumptions that weren't formal about how much we'd be able to sell the inventory in the store for and kind of did some simple math numbers to show that presently that we could still continue, with money coming in and assuming we could pay back the member loans with the store inventory, and any equipment that we have, we have approximately we have \$14-15k in the bank. If we continue to lose money month over month, which we don't expect for July, we have the income from the 24 and

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the dinner, July, should hopefully be positive but as we go into the winter, we have another expected loss, 1-2 bad months away from being in that threshold. We had an inventory adjustment but it looked better to only have lost \$9k.

- Mimi: where is the loss coming from? Jill: I've trying to find out. I would guess that there's nothing that's blatantly wrong. Last June, we ordered way less coffee from Anondyne, –maybe that's walking out the door. Shannon didn't think so. Shannon reminded me that the decision was made to not pass on the cost of delivery which our suppliers are now charging us. What is clear though when you look at all of our historical numbers, that it's a big portion of it is our gross profit percentage. it's consistently down from where we were at in 2019. I tried to calculate it only when we did inventory which is the rule, it was consistent between 30-40 until 4th quarter of 2020. Inventory, spoilage, staff meals, tracking those appropriately. And then I've asked lots of questions about when was the last time we changed our locks? is it death by 1000 cuts? An airplane never falls out of a sky because there's one mistake. It's a bunch of little bad things. That points out the opportunities to make things better because we haven't had the staff to do it.
 - ❖ Mimi: in regards to staff meals, we have been marking them to say it's for staff or volunteers. Jill: I know you all are working on it and I saw those notes from the last WC meeting.
 - ❖ Juniper: thank you so much for all of your work putting into it. In addition, it seems really important to make sure we have everything together for the next loan meeting. because it sounds like we can't wait any longer , we were thinking it's a potentially January thing but we need to make sure we can make it to then. This is a general suggestion. Even if we need another emergency meeting, we need to make sure we have a plan ready for them. We might need to just throw out decisions based on what Wynston tells us on Monday.
 - ❖ Jill: point of information: I agree with you that it's important to think about the loan, but without a plan on how we're going to tackle things, they're going to notice we're not doing well, and we'll need to have that plan with influence from Wynston to show all the things we're doing. Juniper: definitely, I meant in addition to all of that.
 - ❖ Shannon: Did you get an answer back on employee food? up until Covid, it was only cafe staff and volunteers who got up to a \$10 amount. But there's some discrepancy. Once it was Covid 4th quarter 2020, did it start changing. Jill: I'm not saying anything needs to change, just that we need to make a formal policy. Tommasina: What volunteer meals did you mean? Mimi: Thursday morning volunteers who come in 6am.
 - ❖ Karen: **We haven't written a letter to the membership yet, Debbie will you write it with me? Yes.** I thought doing inventory monthly should help us with ordering, right? I know you have to order what we need, but can we reduce ordering or skip things that are expensive? Jill: I didn't see any oddities in the amount that we were ordering. Wendy: I don't want us to get bogged down in this because Wynston is coming this week to help us look at those things. Those dollar amounts might be the same, but we might be doing things off. It could be as much as Sara used to order this kind of spaghetti sauce and then Nick did this, and then Mimi's ordering this. Jill: I was asking questions about what happened in September 2020 and the difference of 2020, and that was a change in staff relative to who was doing ordering. Another point of information,.
 - ❖ Mimi: point of information: I want to let you know when it comes to ordering, we are looking at how much we order and we do x out products when they come. we check what we have vs what we need. We decided not to order things that aren't selling well this week. Wendy: As a staff,

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we've decided while we want to change things, we want Winston to see how we actually do things. These next few weeks would be really bad to have empty shelves. We need to be intentional about when we start cutting ordering costs.

- ❖ Mark: I also dug really deeply into the numbers, but the trend isn't just the pandemic. The model is not sustaining itself. I do think we need to have a serious discussion. If you look at the balance sheet, we have \$13k available but we have a cash flow problem without the 31k member loans. Hopefully in July we break even but that doesn't move us forward. I know we're an ethical cooperative, but if we were traditional, we need to either increase sales in the store, or cut labor costs. The amount of labor costs is unsustainable. It's apparent to me that the cafe is what drives the store. So the longer that cafe operation isn't open, people come to buy pre-packaged pre-cooked products that have a unique sale point. They will come to the cafe if they can't get it at Whole Foods or Outpost. If 150 people came and spent \$100 a week. My pessimism : if we don't make an August to jumpstart a cafe operation or cut labor costs, we need to pay the bills.
 - o Wendy: I just want to make sure that I understand what you meant by "our model isn't working". Mark: I don't know this exactly because I don't know enough about margins/expertise but Wynston will look at that. I do think without the cafe operating it's not working. Wendy: I know we've been waiting for the feasibility study of the Shared Capital, and the member loans were supposed to be operational costs and it just starts feeling fatter and fatter away. It feels scary. We'd have to do this very carefully, but what if we tell folks to buy \$100 worth of gift certificates, \$10 over the next 12 months if we don't want to continue to solicit member loans. The other thing: trying to do less labor work when you have an owner and people who were willing to do 40 hours a week and that was the board. without that we can't do it. Tommasina: big plus one for the cafe. Karen: How much would it take to have the cafe open twice a week for a few sandwiches? Something immediate that isn't like re-working the cafe? Wendy: That is the plan, but Shannon has to get out of the store more. We have two staff members and we're still selling all of it out of the store. Someone new will help and Shannon can help concentrate on that. No one wants to work the night shift. To find that staff we need to find people to spend the hours. There's equipment that we haven't purchased new forks or storage containers, but not that we can't do internal popups. Karen: and I know we've been down-staffed. Shannon: there hasn't been time—I'm at 40 hours doing everything else. I care about this place, that's why we've been slopping jones, but everything else requires a lot of work. Wendy: One more quick piece of information. Everyone loves our menu but it wasn't paying the bills in 2018/2019. Jill: just to piggyback on Wendy's suggestion of doing more crowd-funding as opposed to member loans, I personally am not comfortable soliciting more member loans because I felt that we don't have a plan for profitability. That doesn't mean that other board members can't do that, just me. I also wonder if the crowd funding approach, if we could ask members to help the co-op stay open for another month. Asking for more member loans could help that we wouldn't feel guilty about. Mark: quick question: everyone's mention it is so difficult to open a cafe, and I'm not trying to minimize that, I hear a lot of

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cannot do on the topic. To me, the one thing that Columinate said is out cafe is a gem. The one works, the other one is bleeding to death. If there wasn't 2 ppp loans, we wouldn't even be here today. Those loans almost \$150k, our store model is not working, but something has to get focused on that. I don't understand why we can't do that. Instead of doing a popup, we partner with a chef and would you want to partner and you run the business open, all your. Wendy: the staff was not given the mission to push those things forward, the staff has the mission to do better what we're doing and we'll do money once this is done, once that's done. We can't hire 10 more people in the cafe. At the time of the ppp loans, we were down to 2 coordinators, no volunteers. For most of 2020 and 2021, we were down to 3 board members. there wasn't any energy to pivot the way other businesses did. membership wanted the store to stay open which is what we did. Jill: we're close to the edge but we can gamble that money. Mark: just saying some options to rebalance the store/cafe. not saying to close the store...

- Questions about Spoilage, shrinkage, and security
- Possible emergency actions:
 - some themes:
 - ❖ we shouldn't try to problem solve too intensively because Wynston,
 - ❖ this month with the RW24 will be helpful for us,
 - ❖ even more long-term planning opportunities for reopening the cafe.
 - ❖ Write a from letter to the membership,
 - Quinn: I'm excited about the opportunities for growth but nervous about bleeding money and not knowing how or why we're losing. In Jill's reports, **there's a list of projects and initiatives that's just the management of a store**. Not sure about the original number to ethically close,-- it was \$44,000. Our total number is \$45,000 so we're there, that included \$31,000.
 - Juniper: we have all of the info from the feasibility study, fresh meat (distinct cooler for it?), alcohol (we think that's the worse), more conventional goods, before this August 15th meeting with Roderick for Shared Capital, we should have these ideas set before our plans for tightening things up in terms of what other . Wendy: we're not sure we'll be able to have that info for August 15th. We'll still end up on the October board meeting, even if we move the board retreat up. This is exactly where we were going to get. it was almost inevitable unless our grassroots efforts would double our sales. Karen: our yard signs - and letter to membership, hopefully that'll help. Jill: big epiphany: what if we building on Wendy's ideas, we start pre-selling meals to the cafe? Wendy: once we have a plan, I'd feel comfortable doing.
- Quinn: What about if we closed on Mondays? Jill: It'd be to give the staff more time to catch up and do more plan-ful things. Wendy: My gut says this is not the time to throw our hours. Through Covid, it was our number 1 complaint. Quinn: pros and cons to closing, we need to make emergency decisions, Mark: friendly amendment: maybe they look at a day a month, or a few weeks, it sends a strong message to the members that we're in a dire situation. Debbie: I have deep concerns about closing , I think we lost tons of people because they showed up and we were closed.

- Columinate Feasibility Study (15 minutes)

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- Proforma
- Sales data spreadsheet / industry standard margins
- Wynston's in-store visit
- Financing options (5 minutes)
 - Shared Capital loan applications
 - Member loans
 - Fundraising / grants
- Grocery Coordinator hiring proposal (25 minutes)
- Reflection Time (? minutes)
 - Recap major topics and action items
 - What surprised us?
 - What still puzzles us?
 - What questions are not yet answered?
- Action Items / Future Discussion
 - **Volunteer Liaison Positions / Volunteer Committee**
 - ◆ Events / Networking / Sports
 - ◆ Board & Committee Recruitment
 - ◆ Volunteer Appreciation
 - **Communications Policy**
 - ◆ Debbie is supposed to take a stab at it; anyone else willing to give it a go?
 - **Board role in staff and coordinator on-boarding**
 - ◆ Debbie is supposed to draft talking points including:
 - State of the Co-Op
 - Role of Board /Coordinators/Staff
 - How to communicate with the board
 - ◆ All new staff meets with a board member within first 2-3 weeks
 - ◆ What is the process for assigning a board member to the new staff member
- Community Contacts List
- Retreat Garden Plot Items

Next Board Meeting: August 28th at 6:30pm

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