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Morrisville Food Co-op

Annual Meeting Minutes

Wednesday, October 17<sup>th</sup> 2018

In addition to the notes below – please see the 2018 Annual Meeting PPT

**Welcome and Introductions – Tricia Follert**

- 5:30pm – Board President, Carol Lauber called meeting to order.
- Peter Waldmann made a Motion to approve minutes. Bob Titterton seconded the motion.
- Tricia discussed bylaws to be voted on during meal. “Very clean, reliable bylaws. They were worked on for a long time. Thanks to Susan and others”.

**Introduction of Board Candidates – Vote will be for 5 people:**

**Nancy Banks**

Running for 2<sup>nd</sup> term. Experienced transitions & helped to get lender funding. Has been president and treasurer. Excited to see how we can marry this business with the ultimate vision. Hopes to spend a lot of time working hard through this second term. Also works on the financials.

**Larry Gibs**

He and wife have lived in Hyde park for 5 years. Noticed that MoCo has grown from vision to a full store. Great skills have done this. Has experience with contract, vendor, and process management and can bring MoCo to a whole new level. Can work on cost controls, membership satisfaction and participation. Looking forward to the opportunity.

**Jack Pickett**

Was on board before it was a board. Pledges to stay until it shows a profit. Love of food- 40 years of experience. Passionate and only wants to shop at MoCo; Will work until that can happen. Wants to be a part of MoCo.

**Julia Scheier**

Lives downtown Morrisville. Works at Salvation Farms. Honored to be interim board member since the spring. Has worked on Committee and policy work to strengthen the board. She has worked at a Co-op in her hometown and knows it takes blood, sweat and tears. Has board management experience from graduate school. Wants to merge parts from past and future work.

**Elly Ventura**

Athletic Trainer. Outreach Coordinator for LRSWD (solid waste) for 7 years. Lives in Hyde Park. Experience will help MoCo make connections that may not have been possible or seemed important before. Has been on the MoCo Community Engagement committee since April. Is now on the marketing committee to help MoCo to grow and develop into the potential that MoCo is to become.

**Lisa Zinn**

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Teaches sustainability at NVU and is a scientist by training. Teaches students about problems from industrial food systems and how to invest in hands-on, local food systems. Passion is in food equity. MoCo has started the work reaching out to the broader community. But there is a piece of our community that is missing that could learn from the people here. Would love to work on this piece.

### **Financials – Presented by Nancy Banks**

- Nancy introduced herself and explained how this year was an interesting one, financially, because MoCo transitioned from a startup budget to an operation budget
- Fiscal Year: July 1<sup>st</sup> – June 30<sup>th</sup>
- Fiscal year coincided with authorization to spend funds from lenders. Including 250,000 from member loans.
- Sales over-projected revenue by %6 and expenses up by 11%
- Total income (not final) = \$232,878, Total expenses (not final) = \$424,765, Net Income (not final) = \$191,887
- Loss (77,730) greater than anticipated (40,000) – largely because margin was expensive - Investments in board decisions (consultants) & 2% discount in the first year & more
- Line of Credit (we didn't borrow as much as we thought we'd need. Only took \$57,000 out of the \$125,000 offered)
- Please see Annual Meeting PPT for more specific numbers

### **Soup and Bread!**

- (Thank you to volunteers, Elmore Mountain Bread and Mannsfield Bread(?))

### **Questions**

- Bylaws say 6 candidates up for vote and only 5 positions available - should we enlarge the board?

### **Raffle**

- Drawing of raffles from store goodie bags! (Thank you to Mike and staff)

### **MoCo Shopper Survey – Presented by Susan Titterton**

- MoCo distributed a survey for 2 weeks this spring
  - o Via E-mail blasts & FPF
  - o Member Roundtables brought this idea up
- 324 responses – 95% confidence rate = trustable and usable data
- 27 non-members & 20% members participated, overall
  - o Can't conclude info from those who didn't participate
  - o What folks were thinking in June – Snapshot of time
- Regular Shoppers – Shop at MoCo at least once a week
  - o 61% support MoCo because of the sense of community
  - o 90% say local products/local farmers make them willing to pay more
  - o 28% said pricing could be improved - 53% say it's on point
  - o 31% said products in MoCo, they can't find elsewhere
- Non-Regular Shoppers
  - o Support MoCo to support the community

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- o Better pricing would help convince to shop more
  - Generally, prices are too high for some members of the community
  - ~~• Current benefits not enough? Members are proud but still also unsure of what that means~~
    - o Members want to help
  - Questions?
    - o Statistical analysis on gross income if they reduced prices? Not currently.

### **Board Report – Presented by Carol Lauber**

- Transition year from Working board to Governing board
  - o Working
    - Setting up POS, Handbook, SOPs, “Boots on the Ground” work
  - o Governing
    - Set up committees
      - Executive
        - o GM Evaluation, etc.
      - Financial
        - o Oversight, prepare reports, make recommendations on cash handling, accounting
      - Community
        - o Membership
          - Plant sale (spring), potlucks, quarterly events
          - How we interact/bring this community together
        - o Larger
          - Corn Roasts, Round up for charities
        - o Education
          - Monthly theme starting in January
      - Marketing
        - o Increase revenue
        - o Store aligns with member requests/purchase trends
      - Nomination
        - o Bylaw votes
        - o Updates new board members
  - o USDA(?) studies show:
    - Family of 1 spends \$197.76 a month, on average
    - Family of 4 spends \$547.80 a month, on average
  - o Members spent an average of \$103.87 at MoCo in September
    - Only 42% of members shopped at MoCo that month!
    - Members need to shop at MoCo more!

### **General Manager Report – Presented by Mike Hauser**

- Sales Report
  - o Revenues grew by 24% in second half of fiscal year over first half of fiscal year
  - o Expenses were higher than revenues – expected and not (utilities, personnel, supplies)
  - o Current levels of revenue aren’t enough to break even at current expense levels
  - o Cut costs or increase revenues?

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- Really need to generate more revenue
  - Emphasize Local
    - 136 of vendors are local (74%)
      - Box stores usually support 25% local
      - Local is defined by Lamoille and surrounding counties (?)
      - Complications of many invoices & POs to manage with multiple vendors
      - Interacting with the multiple vendors is a nice benefit for staff members
  - Balanced Pricing
    - Accessibility to all
    - Better pricing = Member buying power, greater efficiencies, vendor sales and promotions
    - Heavy emphasis on organic, natural, local = costs more than conventional food
    - Not as much purchasing power (buy in small quantities) – over time we can help increase this
    - Working hard to do more regular sales – identifying the sales ahead of time and stocking up on the items
    - Green tags are all customer sales
    - Purple tags are member only sales
  - Enhance Departments
    - Continuously working on what folks want, what sells, what doesn't sell
    - Produce has come a long way – new produce manager (name?)
    - Cheese & Meat – Elizabeth has been working hard on keeping the department filled
    - Grocery – Jen has been working hard to tweak categories to offer more products that are requested
    - More sales data is helping
    - A lot of buying comes down to resources (often have to order by case which is expensive) and shelf space is limited (have to sell through older product)
  - A Work in Progress
    - 6 years to get to our current MoCo reality
    - Easy to say that we've done the hard part, but it is still a crucial growth phase
    - A lot at stake
    - Off to a great start but we need to keep our eye on the ball
    - Local co-ops have been working for 40 years to get where they are now
    - Currently around \$20,000 a week in sales – still not quite enough to cover expenses

## Questions?

- What is our annual member shopper percentage? 53%
- How does it compare to other co-ops? Not sure.
- Members who aren't shoppers. Give them a gift certificate to use at the co-op?
- Soup up in the front windows? To offer an inviting atmosphere? Expensive, but yes, let's get more creative!

## Appreciation and Closing – By Carol Lauber

- Special Thank you to Susanna Keefer who came off the MoCo Board this year after many years of volunteering for the co-op.

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- Thank you! Soup, Members, Shoppers, Volunteers, Board, Mike, Staff, etc.
  - Wish more members were here. Let's think about time/day of the week for next year.
  - Many hands make light work! MoCo is our baby!

Respectfully Submitted,

Emily Dolly, MoCo Member and Shopper.