

Missoula Community Food Co-op
Meeting Minutes
Annual Member Meeting
October 18, 2012

Welcome, Ben Weiss, Chair of the Board of Directors

18:30

- Thanks to our two long serving board members that stepped down from the board this past year:
 - Jack Rowan: the man who builds our beautiful custom shelves and has been a liaison between the Co-op and the NMCDC for 5.5 years!
 - Leslie Guerreri, a longtime member who has given so much to the Co-op and the board.
- Review of our first full year in the new space – what have we been up to:
 - Stocked the shelves with more products!
 - The Bistro opened and that's drawing people in to shop the Co-op.
 - We initiated beer and wine sales – a lengthy process. THANK YOU TERRI ROBERTS for all you've done!
 - The NMCDC has been a very helpful, landlord, partner and neighbor this year. We have worked closely with the NMCDC to coordinate snow removal, irrigation, cleaning and other facilities issues. Thanks, NMCDC!
 - More of the commons are occupied!
 - Applause for all our new members!!
 - We hired and transitioned seamlessly to having a new store co-coordinator, Lacy, who has been instrumental in getting the Co-op to where it is.
- Currently we have 375 active members and 158 new members this year.
- Member hours worked: 8,045 – 2,682 shifts! At a basic wage, that saves the Co-op over \$100,000 in costs.
 - What did we do during those shifts: cashiering, stocking, organizing produce, recycling, delivering food to the POV, cleaning crews, marketing, design, outreach.
 - BUT, if we factor in the shifts we need to keep the Co-op fully operational (**3,122**) we are deficient 10 shifts per week. We need to work a little more. Last February and March 630 member hours were worked, but last month only 450 member hours were filled. We need to pick it up!

Board of Directors Election Information: Introduce candidate – Nick Grener

Nick has promised that if the Co-op had official colors he would paint his face in those colors to show his love for the Co-op! Nick has been a Co-op member for a little over a year. He is a northside resident and grad student at the University. Nick stated that being on the board would be a “great learning experience of mine and a great opportunity. I think I can help out,” and he brings a great deal of enthusiasm.

To make Nick a member of the board we need:

- A quorum of $\frac{3}{4}$ of the attendees of our last three general membership meetings, which is 6 people.
- Since there are no bylaw changes this year, the only vote needed is yes, no or abstain. Only active members can vote.

State of the Co-op, Terri Roberts

- Review of the financials
 - We did not meet the \$650,000 sales goal this year, but we exceeded our sales by 53% over last year.
 - This summer only 87% of shifts in the store were filled. Since members shop when they are working their shift, if every shift was filled and each member spent about \$25 per shift, we'd make up 1/3 of the deficit from our goal.
 - The Co-op is not another retail store. We need to, as a membership, communicate to the community about what we are doing and educate about our goal to make food available to everyone and our lower mark-ups.
- Question from Chelsea: where are we in terms of being able to carry Western Family or some other generic brand?
 - Terri: The product committee has not been very active lately because we are trying to fill shifts rather than committees. What we are seeing in product requests is not for Western Family generic brands, but for more local and organic products. If that is something that the membership wants, we would look at that in a very articulate way as we honor other members' requests.
 - Kate Keller (store coordinator): the buy-in to be part of the Western Family group is very costly and there is a requirement that they be our primary supplier. This is something that we could examine if there were enough member interest. Christian Russell (board member) points out that there is also a signage requirement.
 - Terri: We are carrying more local distributors, such as Qualified Foods out of Bozeman.
 - Jason Wiener: Two questions, one is related to the jump in administrative expenses.
 - Terri – This was our first full year in the new space and the first year we've been open seven days a week, so there were additional expenses relating to these changes. We had more payroll taxes and property taxes (Payroll increase of \$8000; Property Tax Increase of \$3800), more payroll and a list of other things including utilities. This was the first fiscal year we paid our full rent \$2380/mo.

- Jason Wiener's second question: There was a draw down on our line of credit of over \$10,000 – how was that distributed over 12 months? What is the rate we will get if we continue to draw?
 - Terri - We are at \$23,000 and we can get \$25,000. The membership is not rapidly increasing, so we had to borrow more. That was the first time I drew down on that for several months. It is seasonal with our need to take advantage of our line of credit. First Security has been amazing, they have no problem for giving us our first loan of \$25,000. On the carrot board that shows our goals, part of the goal we are not meeting is paying down our debt. We need to pay our coordinators so they are not working for you and not getting their work done. I have worked that position before and it is frustrating to get to the first shift of the morning and have the stocker not show up and get to the second shift and have the cashier not show up and get to the third shift and someone doesn't show up – you don't get the work done that you need to get done. It is a serious problem when people don't show up and work their shifts. We paid a lot of interest last year, including from our member loan program, which helped us raise money for our current expansion. The big jump in member/administration expenses is from the line of credit and member loan program. We have also done a lot with very little, for example with only \$5,000 for marketing we have placed Facebook ads, several ads in the Independent, sponsored Montana Public Radio and we had a great turn out at ZACC's event! We have also started shoveling our own snow and implemented other small changes that save us lots of money!

The Co-op today, looking to the future...

Jess Glebke: When I look around the room I'm not seeing people who aren't coming to work their shifts, but if you know some people like that a little gentle prodding won't hurt.

- The board has been busy trying to keep the store operating and running the way they need to and supporting the coordinators. At this point we need to carry forward with the cooperative principles. Other stores are coming to Missoula and things are happening in the community and we need to focus on what we are: not a grocery store, but a cooperative. In the next 6 months we'd like to focus on reaching out more to our neighborhood. We would like to host a monthly dinner to reach out to our neighbors. To expand on the principles of education and outreach we would like to host a \$5 meal to feed 4 people. We will need volunteers to help us feed them, bring them in to the store and show how to make an affordable meal with ingredients purchased at the Co-op. We are asking you step up and help us be more of a cooperative.

- To Terri's point, if you have extra time and see a shift is open, if you can come in and even give even a partial shift it is greatly appreciated. We'd like to see more reaching out in the neighborhood. A lot of us are foodies, so maybe we need to branch out and bring in a wider variety of products.
- Another goal the board would like to pursue is working with other Co-ops:
 - Terri: we want to promote this business model and support people getting involved with co-ops. We know another co-op is organizing in Missoula and it seems like a good idea to talk and collaborate with them concerning our resources and meeting with other co-ops like CENNEX and MFCU and others like the electricity cooperative and Blackfoot – what can we learn from them? Could we develop a scholarship with MFCU for a business student? The University isn't teaching anything about the cooperative model and it's an important part of our outreach to the high school and University - to share with them the vision of cooperatives.
- Member question concerning the development of another Co-op:
 - Terri: Kate and another member met with representatives of another retail cooperative group and the first meet was not fruitful. It was a "missed opportunity" and in some ways created some animosity. We need to support and collaborate with other cooperatives.
 - Terri: we need to collaborate before we fall apart and be sure the resources out there are available to everyone so we can build the local food system in a more intentional and viable way.
- Member comment (Chelsea): Voices support for working with other co-ops and is glad to hear that board members are talking to other people in the community and being proactive.
 - Terri: as people are becoming more aware of the local food community we can use what other people know to our advantage. Based on what I learned at this conference it only works to our advantage to work in a cooperative manner. In this new fiscal year we want to focus outreach to other cooperatives, the successful ones and the ones just starting.

Additional Shopper Program

Evaluation & Recommendation from the Additional Shopper Committee

Ben Weiss: we had emergency meeting in January when finances were very tight. We asked the membership for help in finding a way forward. We initiated the Additional Shopper Program (ASP) as a member benefit. The idea was the additional shopper could shop as long as the sponsoring member was active and a \$3 monthly fee was paid. It has been on trial for 8 months and we had a committee of 19 members hash out the details. The membership voted for the trial period and agreed to talk about it at this meeting:

Scott Morris (member and ASP committee volunteer):

- The details:
 - There are 61 associated shoppers.
 - 31 have shopped in the store
 - 23 people made more than 3 visits and spent more than \$100
 - 18 people are regular shoppers (more than every 6 weeks).
 - \$8,165.09: total ASP sales generated.
- At this point the ASP is not making a significant impact on the fiscal viability of the Co-op and we can't recommend we continue on with it for economic reasons. We have a few practical reservations as well:
 - There are more shoppers with ASP, so more goods are moving -about 3% of sales - but it's work that has to be done and we don't have the workers because existing shifts aren't being filled.
 - Because we are not able to fill our regular shifts, the coordinators are doing that work and therefore don't have time to administer the ASP. For example, if the member for the ASP was not in good standing, we could tell that AS and pressure that member to work, but we don't have time to keep track of them, so AS are shopping for members that aren't active.
 - Loop holes with the family benefit: if you are working member with a child, the person staying with the child while you work a shift is also working a shift - both members are therefore allowed an AS. However, this means we could have 4 people shopping for 1 person working in the store, which with a worker shortage creates a further burden. This will need to be addressed if we continue the program.
 - The vote on this member benefit is next month and if we are not filling our responsibilities and duties to this group, should we be giving ourselves a benefit? At this point we are saying we would like more data. The existing data is not clear about how it would affect future viability if we continue the program. Extending until 2/28 would give us a full year of input to account for reasonable variability. This will give us a more informed position. In general, as a committee we aren't sure we want to keep this going any longer as it is more of a distraction than benefit.

Open questions and discussion:

- Jack Rowan: I would advocate for extending another 4-6 months for more data. I understand the impact and concerns. At the same time there are people on the fringe of being dedicated that we may lose. There are a few people who have made it clear they want to shop here but never want to be active members. I am worried about losing others if we cut off the program now.

- Scott: Great point. If we extend this program until 2/28 how many members will stay? We don't have data and it is hard to make judgments without data. In a lot of ways we are shooting in the dark. Voting on the program will happen next month and options are:
 - End program immediately
 - Continue through 2/28 then end.
 - Continue through 2/28 and working to modify the program.
 - Others?
- Member question: if the program ends will the current people be grandfathered in or terminated? Have any AS become full members?
 - Scott: that is undecided. This would be a discussion among the membership. We have had people go the other way actually, becoming an AS because a friend or roommate is working.
 - Terri: these were not active, working members that became AS members.
- Jason; 1 – is the vote binding or advisory?
 - Scott – binding b/c the entire membership is voting.
- Jason 2: something like 20% of the members could carry the day even if the sum of positions are going another way. Can we review this?
 - Kate S: the idea is to have fewer options on the ballot
- Jason 3: More than half of our improvement in the past year have come from these shoppers, but it's less than 2% of our income
 - Jess: the majority of the AS has been in the last 4 months, so maybe we need to look closer at the numbers and do some more detailed crunching and we might see that things are different. The majority of AS sales have been since June.
- Chelsea: what is the financial cut off/break-even point for running the program? It is good to know the context – what would make it worth it?
 - Scott: we don't have a lot of metrics to show how much the coordinators are working to make this work.
- Kay: I found out about this program 2 weeks ago when someone approached me about being my AS and I have been here one year. Maybe the publicity isn't good enough – so if we need more people at the Co-op can we get more people involve and excited?
 - Scott: we thought this would be a zero cost option. As a marketing team we don't have the time to do all the marketing.
- Member question: what would be the impact of having membership by household (nuclear family household) – if we made it more accessible at least one of the family members were active.
 - Ben: this has been a consistent conversation of the board and we have decided 1 member, 1 vote.
 - Casey: that family benefit exists because if one person works that other person gets hours for their childcare hours. We are agreeing that it is our cooperative interest that one person is taking care of the kids.

- Scott: We would like to be more inclusive, but we have significant work shortage.
- Terri: it comes back to the 7 cooperative principals. One focus is the idea of social justice and equality, which is one reason why this program evolved because we were trying to address the voice of our membership. It would be a significant change in our model to envelope a group of people into one membership, but this principal is something we have addressed with the family program.
- Anne Little: did you research other co-ops around the country in a similar situation?
 - Scott: We tried to find a middle of the road solution because we had some members vehemently opposed to changing the working member model, but with our fiscal crisis we tried to come up with a way to work around this.
- Member question: is the childcare bylaw written that you have to be a parent?
 - No, you can watch any other member's child and that counts as your workshift.
 - Lacy: a lot of work the AS committee was doing is working in a way so that we're not discriminating against any one in honor of the cooperative principals.
 - Member question (Kay): I would like to make a plug for more number crunching and data to determine more qualitative data. Why are these 18 members shopping and what would they do if the ASP ended? This would impact my vote. Are they working into our long term member program? At Scott's request, Kay agrees to take on this project!
- Member question: if there has been an uptick in the past four months over the summer, it makes sense to continue to see what happens post summer.
 - Scott: we are here to talk about what makes sense, so we want to honor all ideas.
 - Ben: please email us with more questions and ideas: board@missoulafoodcoop.com
 - November 19 will be the meeting at which this issue is voted upon. We would love more member input at our monthly meetings (third Monday of each month). Agenda is posted a week in advance and they run from 6-8pm

End 19:25