

# **Alfalfa House Members Council Meeting - minutes**

Date: 27 June 2017

Time: 7pm

Location: Meeting Space, 8-10 Brown Street, Newtown

Facilitator: Katherine / David

Minutes: Catherine / Victoria

Timekeeper: David

**Meeting opened at: 7.02pm**

**Acknowledgement of Country:** Before we begin the meeting, I would like to acknowledge and pay respect to the traditional owners, both past and present, of the land we occupy and upon which we meet — the Gadigal people of the Eora Nation. It is also upon their ancestral lands that Alfalfa House is built.

## **1. Attendance and Apologies**

Attendance: Lucy Williams Moore (staff), Stevie Bee (member), Victoria Taylor (MC), David (MC), Nathan Wratten, Katherine Lustig (MC), Catherine O'Keefe (MC), Renata Field (MC, by Skype), Maurice Cabrera (staff), Janne King (staff, arrived 7:30pm), Julia Gove (staff, arrived 7:30pm)

Apologies: Matt McMillan (MC), Jonathan Green (MC); Emma Lees (member)

Absent: Matt McMillan (MC), Jonny Green (MC)

## **2. Approval of Agenda**

That the agenda be approved.

Moved: Victoria; seconded David. Passed by consensus.

## **3. Consent Agenda**

### **3.1. Adoption of Previous Minutes**

That the minutes of the May 2017 meeting be adopted.

### **3.2. New Members and Cancellations**

That members with the following membership numbers: 11620, and 12245 to 12314 with 7 skipped/blank records (12266, 12269, 12275, 12281, 12288, 12292, and 12304) be accepted as new members.

That members with the following membership numbers be cancelled:

2233, 2579, 3218, 3413, 3467, 3813, 4377, 5108, 5135, 5288, 5323, 5530, 5542, 5875, 5971, 6111, 6511, 6780, 6799, 6829, 6900, 6960, 7121, 7425, 7692, 7693, 7887, 8093, 8378, 8420, 8447, 8514, 8574, 8583, 8596, 8671, 8724, 8752, 8769, 8837, 8862, 9006, 9074, 9137, 9458, 9469, 9517, 9565, 9567, 9619, 9659, 9733, 9750, 9767, 9786, 9940, 10025, 10106, 10117, 10190, 10317, 10362, 10366, 10376, 10400, 10508, 10524, 10528, 10569, 10592, 10635, 10639, 10643, 10646, 10652, 10656, 10657, 10659, 10660, 10661,

10662, 10663, 10666, 10667, 10668, 10673, 10674, 10677, 10678, 10682, 10685, 10695, 10701, 10723, 10728, 10731

### **3.3. Out-of-session Decisions/Proposals**

#### **3.3.1 Food grant**

Food grant of \$100 awarded to Camdenville Public School. Approved with one stand-aside (Victoria Taylor).

#### **3.3.2 Altered opening hours**

There was out of session discussion about changing the opening hours as follows -  
Opening hours to become as follows: Monday 10am-7pm, Tuesday 10am-7pm, Wednesday 10am-7pm, Thursday 10am-8pm, Friday 10am-7pm, Saturday 9am-6pm, Sunday 9am-6pm.  
In addition, 10% discount to be offered to non-members on Thursday 7-8pm, Saturday 9-10am, Sunday 9-10am.

The proposal was withdrawn.

### **3.4. Reports from Working Groups**

#### **3.4.1. Governance**

The governance working group met on Monday 29 May 2017. This was a policy review meeting. Policies come up for review because they are out of date, clearly incorrect/not in line with current practice, or have been marked for review.

Policies currently up for review include -

- rules for members attending the co-op
- telephone internet and email
- music
- hours of work
- office staff reserves
- food and drink.

Outcomes: There will be two policy review outcomes from this governance working group meeting -

- the rules for members attending the coop; and
- the music policy.

There was also useful knowledge-sharing between members and within the wider community.

The next meeting of the governance working group will be in August 2017, and is likely to be a rules review meeting. The date and time will be confirmed in the newsletter in due course.

#### **3.4.2. Shop Development - Maurice Cabrera**

See report following Consent Agenda.

#### **3.4.3. Sustainability**

NIL

#### **3.4.4. Volunteer Engagement - Julia Gove**

NIL

#### **3.4.5. Community Outreach - Nathan Wratten**

[Click here](#)

#### **3.4.6. Staff Liaison**

NIL

#### **3.4.8. Marketing**

NIL

#### **3.4.9. Website - Jenny Millman**

We are very pleased to announce our new website has gone live. This has been a major achievement and would not be possible without the countless hours and intense effort by James Templeman and the Website Working Group, with a special shoutout to Jenny Millman who joined the WWG last week and got us over the line.

At present the new website is visually a massive leap forward from the previous site, however, in terms of functionality, we are planning to make some further changes over the coming months. We are therefore calling this a soft 'go-live', stay tuned for more updates over the coming months.

#### **3.5. Manager's Report**

[Manager's report](#)

#### **3.6. Staffing (appointments and resignations)**

That AH accepts the resignation of Rosie Jones effective from 27 June.

#### **3.7. Deferred Matters / Business Arising**

Nil

#### **3.8 Food Grants**

One food grant awarded (as per out of session approvals, above). See also below for item proposing reinstatement of food grants.

#### **3.9. Workplace Health and Safety**

See Manager's Report (above).

That the Consent Agenda Items be approved.

Moved: Katherine L; seconded Catherine. Approved by consensus.

### **4. Financial Report (Finance Working Group)**

[Finance WG report](#)

There were no questions about the Financial Report.

## 5. Shop Design (Maurice)

For discussion: The shop redesign proposal from Forward Thinking Design is linked below. Costing of building the new units is has not yet been provided. [FTD Shop Redesign Final](#). The proposal has not been costed and needs comments from the MC.

Questions were raised about the ongoing cost of the proposed freezer (possibly \$1 per day), and it was requested that this be calculated and included in the proposal to MC when approval is sought. David has offered to assist with this.

Questions were also raised about what might be sold from the freezer. Staff advised that options included Suzie Spoon packaged products, bulk frozen berries (up to 10kg), tempeh, and ice cream. Katherine asked how this would affect the proportion of packaged / unpackaged items sold in the shop, and how this would affect our long term waste goals. This is still to be determined.

There was some discussion about the new inventory systems being considered, including GPROI and GYPROF.

There was discussion about the fridges. MC were advised that grant applications have been made to update the refrigeration systems, including

- Australian Ethical Super - \$10K grant - Sustainability part of the grant - to improve energy efficiency.
- Clubs NSW - Grant \$10K,
- One other

Renata asked if the fruit and veg unit would be demountable to provide space for events at the shop and was advised it would be on castors.

Katherine asked if there would less shelf space as it appeared that there would be more lower height shelves and was advised that shelf space would not be reduced, but would be used more effectively.

Katherine commented that the design is very close to the previous shop layout from only a few years ago, and asked if there might be reasons we moved away from that, and also if it might look odd going back to that design so soon. Stevie agreed that it looked like the 1990s shop design. Maurice advised that it was a deliberate move to go back to this, as that design was when we were making the most money. (It was clarified that this was based on only three years of financial data.) FTD design have also looked at which items we make most the money on and arranged the shop design accordingly.

David asked if there was scope for re-use of materials. Maurice confirmed there was.

Catherine asked if there will be shelf space to put groceries down at the till? Maurice will confirm this with FTD.

Stevie asked about insulation from window heat for the staff if the till is to be moved back to the window. Maurice advised that there would be a large banner at the till area with the lino replaced.

Catherine will provide contact details to Maurice for the people who installed the floor covering. Not it was a remainder left over after a large building project. Also the owner would not fix the holes in the floor.

Catherine asked if there were plans for takeaway salads and the like. Maurice said that this was not currently planned after MC's decision not to introduce new product lines.

**Action (Catherine):** Provide contact details to Maurice for Bass Floors

**Action (Maurice):** Confirm with FTD if there will be shelf space for groceries to be put at the till to make checkout easier.

**Action (Maurice):** Ensure that freezer running costs are included in the costed proposal.

## 6. Street Signage (Maurice)

A street signage proposal has been developed by the Marketing WG (Celine, Suzie and Andrew) with costing by Oliver Fity from the Maker Space (who was responsible for the bulk liquids shelving). This new signage is essential to clearly identify our shop now that Taste Organics is on Enmore Road, and will assist greatly in drawing passing foot traffic to our establishment.

[New Street Signage Proposal](#)

**Proposal:** That the expenditure of \$1,236 be approved for the street signage.

David asked that a piece of aluminum angle, or aluminium channel be placed over the timber sign to stop rain getting in, which would shorten the life of the sign.

Maurice advised that the sign is too narrow to write in bigger letters the part of the sign that says "Alfalfa House Cooperative since 1981"

Catherine raised concern about using the word organic as people will ask for certification, and it is not accurate to use the word in isolation. Victoria suggested that we are primarily organic, though not fully, and possibly entitled to use the word.

A number of those present were concerned that the words were not an accurate reflection of what we are, and that words such as cooperative, wholefoods and community were important, as well as the message that we are a grocery store.

It was determined that the people present were not able to decide on the best wording, but that the Marketing Working Group should be asked to come up with alternative wording.

Catherine and Katherine suggested that it could be brought back to MC out of session.

**Action (Marketing Working Group):** Present alternative sign wording to MC for approval.

## 7. Annual Subscription Fee (Maurice)

For discussion: Over the last 5 months the implementation has gone very well, during which time only one member has requested assistance by volunteering for their membership. Regular feedback has been received in regards to a 6 month membership, and it is proposed that a six month subscription fee be considered, available to members at a cost of \$10, commencing in July.

- It was clarified that some people have not shopped for 6 months and then want to pay for the remainder of the year only, and have declined to pay for the whole year when their membership will fall due again in six months.
- In the original proposal there was a late joining fee with bonus 3 months.
- Victoria said she was not convinced of the merits of this proposal. The current Annual Subscription Fee has been almost unbelievably successful with very little push back. It was not clear to her how it could be changed to staggered payments through the year.
- Stevie advised that the old system used to provide a couple of months free at the end of the year. Victoria confirmed that the adopted system mirrors that.
- There was insufficient will to progress this. No further action will be taken at this time.

## 8. Organisational Membership (Maurice)

For discussion: It is suggested that a working group look into the merits of providing an organisational membership. This would address issues where we may have too many members using a single membership, such as those involved with Angel St Permaculture Garden and Green Living Centre etc.

- Victoria asked about the rationale for not having organisational memberships. Stevie advised that it was seen as being inequitable, as companies holding a membership can have many people using it, while our system is based on households with a limit in the number of ordinary members.
- It was clarified that the concept of organisational membership fees would be to have a higher rate.
- The example was provided of one organisation where 10 people can all claim the 25% discount as volunteers because the organisation does something classed as volunteering. At present only one person uses the discount regularly. Victoria was concerned that this is a misuse of the membership and said she would look into it. Maurice advised that this particular organisational membership was approved by MC, however, Stevie clarified that it occurred more than four and a half years ago as he was not involved.

**Action (Victoria):** Investigate specific case(s) of member organisation(s) where multiple staff may be using the volunteer discount for personal shopping.

**Action (Community Outreach Working Group):** Review opportunity to bring in an organisational membership / subscription fee for corporates and not-for-profits, and bring a proposal back to MC.

## 9. Food Grants (Nathan Wratten)

We propose to reinstate the Food Grant program (suspended Oct 16). The food grant program as an integral program to achieve the AH objectives B, E & F. As AH is no longer in the **same state of financial distress** we don't see a need for the program to still be suspended.

We recently had a successful grant for the Camdenville Public School Annual Fundraiser. We are reusing the 10% discount cards (30) so this assuages any concerns of waste associated with this program. Over the coming weeks we will track how many of these come back to ascertain level of success.

**Proposal:** That the food grants be reinstated.

- Maurice clarified that food grants are made only upon application and always come to MC for approval. Foods grants are budgeted at \$100 per month. Recently if the money doesn't get spent, it accumulates and can be donated as a larger amount, as per the 2SER / advertising deal, but Stevie clarified that this was not in the original policy. The 2SER was really a marketing exercise, but there was no mechanism to figure out how effective it was.
- Catherine said she thought the recent Camdenville project was a fantastic marketing tool to get new customers, especially young women. Maurice advised he was now speaking at another primary school as a direct result of the Camdenville promotion.

**Amended Proposal (David):** That the food grants be reinstated on a monthly application basis, to be approved by MC in session on a case by case basis. That funds do not accumulate if not spent in food grants, and that the effectiveness of the grants and any associated marketing must be tracked. Further, that the availability of food grants must be promoted, including on the website, Facebook and the member newsletter.

Moved: Victoria; seconded Catherine Approved by consensus.

## 10. Other Business

10.1 Early shop close for stocktake on Friday at 5pm.

10.2 Stevie asked that someone formally move a vote of thanks to the website working group for their tireless work, and notes that the website looks really good. This was done - Proposed: Katherine. Seconded: David. Carried. Carried by consensus.

**Meeting closed at:** 8.45pm

**Post-meeting check-in**

**Next meeting date:** Tuesday 25 July 2017

MC Meeting report, for 27th June 2017  
From: Community Outreach Working Group

### **Food Grant**

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### **Workshops**

Currently in talks to about a macrobiotic workshop with other workshops in the pipeline.

### **Cruelty free festival**

We are currently scoping having a stall at this year's cruelty free festival. This event is well covered in the mainstream media so could be a great opportunity for community outreach.

**When:** Sunday 22 October 10am-5pm

**Where:** The Cutaway, Barangaroo Reserve, Sydney CBD

**Application deadline:** Friday 1 September 2017

**Payment deadline:** Friday 15 September 2017

**Cost:** \$240

**Other requirements:** Public liability insurance & Temporary Food Stall Permit, table the if required



## MAY NUMBERS / Dashboard

We recorded \$105.4K in sales (vs. \$105.4K last year vs. \$113.4K the year before).

We show a net profit of around \$4.1K for the month. Note that: (i) we booked \$2K in annual subscription fees, and \$1.1K in joining fees; (ii) purchasing was just above average for the month at \$66.5K (compared to \$63.5 in the year before, and an average of about \$59.5K a month for the current fiscal year); (iii) May was a 2-payroll month (low payroll of \$23K vs. \$24.2K a month for the current fiscal year); and (iv) we paid our annual business insurance premium of \$3.1K, and \$1.1K for air conditioner repairs.

So, in actuality, we are looking at, maybe, a \$6.3K profit for the month.

Our YTD numbers look like this with comparables for the last two years:

	2017 YTD	2016 YTD	2015 YTD
Revenue	1,076,564	1,120,879	1,223,361
Cost of Goods	654,321	707,619	792,094
Operating Expenses	416,907	476,434	466,746
Donations/Grants	4,931	16,878	10,590
Annual Subscription Fees	17,177	0	0
Joining Fees	10,686	12,920	16,900
<b>Profit (Loss)</b>	<b>38,980</b>	<b>(20,999)</b>	<b>(6,247)</b>

So, as we have discussed, revenue is down, but because of our cost-cutting and the annual subscription fee and donations, we are looking at a potential profit at year-end.

Maurice's overall take is that for the month of May, we are tracking better year-on-year. Average transactions per day are slightly lower than May last year, but the average spend per transaction remains just below \$40. We continue to maintain a tight hold on our expenses. We are coming into some promising months now, but we will be challenged by the opening of Taste Organic. We had the biggest produce month ever at \$39K.

We are continuing to put off paying certain creditors (until June), including PAYG withholding.

Sales Variance (POS v. bank) at -\$216.30 for the month, -\$524.91 for the current year to date. Maurice is working with a volunteer (Bill Garvis) to create a process for resolving these variances at the end of day. This process would be implemented by the staff at the till at close. We are about 4 to 6 weeks out on getting this into place.

In addition, by May 31, 2017, we spent the remaining \$6.1K of the grant from Jenny Leong's office. The money was spent on the (\$3,690 heavy liquids shelving including the drip tray; (\$1.1K) remediation of the AC units; the remaining (\$1.3) is earmarked to buy material to fix the nut shelves, the outdoor storage unit and other shelving in the shop.

## **FORENSIC ACCOUNTING**

This is on hold. Maurice met with Sax and Jonny to delve further into the historical data (April 2014 - September 2016).

From November: We continue to work with RGL Forensics in order to sort out the \$20K loss we recognized in 2016. Recently (with the help of Katherine Lustig's partner, Sax) we were able to access our historical financial data on MYOB (July 2013 - May 2014). This has been forwarded to RGL Forensics; and they have put together our monthly balance sheets (July 2013 to Present) which shows the Clearing Account - Cash line item. It is here for your perusal - <https://drive.google.com/open?id=0B2CzrZkqx6HpQjZtVlhaQ29xb2QzaURFZzlhodzNoR0JwWU1v>

At this time, RGL Forensics does not see any easily discernable pattern in this data which would reflect theft. The balance in the Clearing Account - Cash fluctuates in a manner which seems unrelated to staffing. We have asked Sax for additional help retrieving data from our historical financial data. When we get that information, Maurice is going to take a closer look at the daily revenues to see if we can get some clarification with respect to the movements in the Clearing Account.

We still need to pursue variances in the recent past; Maurice/Julia have done some good work on November's numbers which may prove helpful for July - October. Maurice will look at July - October over the holidays. Maurice has seen a lot continuing issues with the POS reporting and closing out of the tills. We continue to see issues with the doubling up of a day's sales (a mistake at the till). Maurice is addressing these issues with procedures for staff on till handling.

## **INSOLVENCY ALARM**

We discussed when we should be concerned about immediate insolvency. We all recognize the formal position that it is the point at which we would be unable to pay our debts as they come

due. We looked at the current balance sheet, and we estimated that our current buffer is about \$97.3K. This figure is based upon the Current Assets less Liabilities; basing inventory value at cost; estimating that inventory is at around the same value as at June 30.

## **CASH FLOW BUDGET/FORECAST**

Maurice still feels comfortable with his fortnightly budgeting at the moment. Maurice is now budgeting about \$18K a week on stock purchases going forward. We are comfortable with our cash position for the next month.

## **POS WORK**

### **IN PROGRESS**

Maurice found idealPOS as a potential vendor; they are working at Bathurst co-op. Jonny is contacting them for a quote. Maurice has heard that Vend might have integrated scales now.

Maurice is discussing improving the POS (FileMaker) with the volunteer (Bill), potentially installing scales integration and touch-screens in the tills.

## **UPCOMING FINANCIAL EXTRAS**

Maurice is costing the effort of offering temporary 10% discount to non-members who sign up to our Plastic-Free July drive.

Nathan (from the Community Outreach WG) is working on a proposal to reinstate the Food Grants scheme.

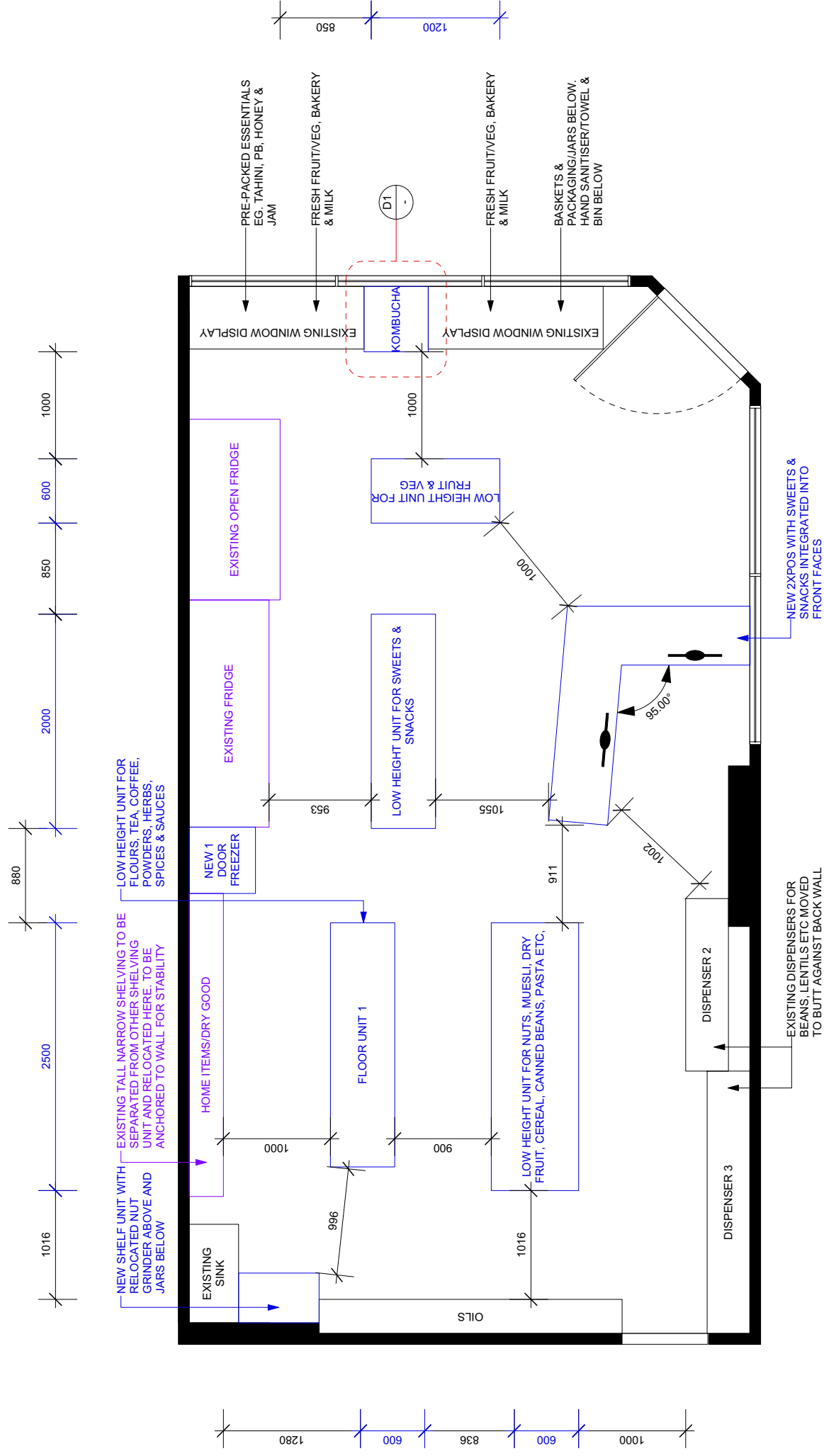
The Shop Development WG is working on a costed proposal for new signage for Enmore Road and Phillip Street.

Garden shed: Maurice is going to the Bower to get the last materials. There may be some further expense with respect to support beams, concrete, and fittings.

Stocktake is coming up on 30th June. This will introduce some extra labour costs for Lucy, Janne, and Julia.

## **PROPOSED AUDIT**

We need to discuss whether we will undergo an audit for the financial year, and if so whether the auditor will be part of stocktake. We now have clear control of our financial management, we have dealt with the notes raised in past audits, and an audit would potentially demonstrate these achievements and give the members a measure of confidence.



LAYOUT PLAN  
Scale: 1:50

**LEGEND**

<span style="border: 1px solid blue; display: inline-block; width: 10px; height: 10px;"></span>	NEW
<span style="border: 1px solid purple; display: inline-block; width: 10px; height: 10px;"></span>	EXISTING TO BE RELOCATED
<span style="border: 1px solid black; display: inline-block; width: 10px; height: 10px;"></span>	EXISTING TO REMAIN

**NOTES:**  
SHOPFITTER TO VOS ALL DIMENSIONS ON SITE PRIOR TO ORDERING AND/OR COMMENCING MANUFACTURE.  
SHOPFITTER TO ENSURE ALL WORKS COMPLY WITH FOOD CODE, NCC, AUSTRALIAN STANDARDS AND COUNCIL REGULATIONS.

 forward thinking design ABN: 27 141 981 179 8/ Suite 201, Lakeside Corporate Centre, 29-31 Solent Circuit, Baukham Hills, 2153 Mobile Ph: 0403 867 807 Ph: 02 8850 4977 Email: vanessa@forwardthinkingdesign.com.au	<b>REV.</b> A DATE 02/06/17	<b>AMENDMENT</b> SINK TO REMAIN, NEW SHELF FOR GRINDER, HOME ITEMS/DRY GOOD SHELF MOVED, FREEZER SIZE CHANGED, LOW HEIGHT UNITS SIZE ADJUSTED	<b>BY</b> EH	<b>PROJECT:</b> ALFALFA HOUSE 113 ENMORE RD, ENMORE, NSW 2042	<b>FOR APPROVAL</b> SCALE 1:50 DATE 02/06/17	<b>DRAWN</b> VC <b>CHECKED</b> VC <b>APPROVED</b> VC
	Contractors to ensure strength & stability of units & also that no deflection occurs. Any variations to specifications &/or drawings must be authorised by Forward Thinking Design prior to construction. Do not substitute finishes or light fittings specified unless authorised by Forward Thinking Design. © Copyright of Forward Thinking Design.	<b>CONTRACTOR NOTES:</b> All dimensions are in mm. Do not scale off drawing. Contractors to verify all dimensions on site & inspect site conditions prior to commencement of construction. <b>Contractors to ensure all works comply with NCC, Australian Standards and Council regulations.</b>	<b>DRAWING TITLE:</b> LAYOUT PLAN	<b>DRG NO.:</b> AH-02 <b>REVISION</b>		

## Proposal for Street Signage

Oliver Fity from the Maker Space in Marrickville has quoted the below work for \$1,236 to be completed by Friday 30 June. Please find below the previous quote for street signage.

### Enmore Road

#### **Main hanging sign on Enmore Rd.**

18mm marine grade plywood with the below graphics cut-out (same as the bulk liquids shelving)  
1200mm x 750mm



### Phillip St

#### **Small hanging sign on Philip St.**

18mm marine grade plywood with the below graphics cut-out (same as the bulk liquids shelving)  
600mm x 900mm



**ORGANIC  
GROCERY  
STORE**

We will get volunteers to paint the signs in Eco friendly paint.  
There will be an additional cost to install solar powered lighting at a later date.

### Previous Quote:

Phase two hanging sign estimates:

Main hanging sign on Enmore Rd.	1 x House logo on both sides. 18mm marine grade plywood white washed and painted with the AH logo on both sides. Installation by supplier	1200mm x 900mm	\$1568.90
Small hanging sign on Philip St.	1 x 18mm marine grade plywood white washed and painted with the AH logo on both sides. With eye hooks for hanging with existing chains.	600mm x 900mm	\$783.70