

Alfalfa House Members Council Meeting - minutes

Date: 22 August 2017

Time: 7pm

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

Facilitator: Katherine Lustig, Chair

Minutes: Renata Field

Timekeeper: David Winterton

Meeting opened at: 7:05pm

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: Katherine Lustig (MC), Jonny Green (MC), Matt McMillan (MC), David Winterton (MC), Maurice Cabrera (Manager), Vanessa Cullen, Ollie Fity, Ran de Silva (staff), Yue Ajioka (staff), Stevie Bee, Jenny Millman, Emma Lees, Bruce Deikman, Renata Field (MC), Victoria Taylor (MC), Catherine O'Keefe (MC), Ian Barralet, Paul Boundy, Sarah McMillan (arrived 7:30pm)

Apologies: Lucy Williams Moore, Julia Gove

2. Approval of Agenda

That the agenda be approved.

Moved: Catherine; Seconded: Victoria

3. Consent Agenda

3.1. Adoption of Previous Minutes

That the minutes of the July 2017 meeting be adopted.

3.2. New Members and Cancellations

That members with the following membership numbers: 12373 to 12458 with 5 skipped/blank records (12382, 12393, 12394, 12420, 12455) be accepted as new members.

That members with the following membership numbers be cancelled: 1350, 2285, 2605, 3353, 4010, 4172, 4375, 4558, 4613, 4962, 5073, 5211, 5473, 5518, 5664, 5727, 5918, 6136, 6269, 6330, 6984, 7184, 7187, 7249, 7367, 7564, 7596, 7768, 7793, 7855, 7867, 7868, 7870, 8052, 8223, 8268, 8509, 8551, 8564, 8619, 8706, 8708, 8744, 8757, 8841, 8849, 8899, 8903, 8907, 8920, 8942, 9032, 9076, 9310, 9373, 9467, 9477, 9479, 9611, 9669, 9671, 9742, 9815, 9913, 9967, 10005, 10027, 10039, 10097, 10126, 10148, 10149, 10154, 10230, 10237, 10269, 10367, 10368, 10404, 10435, 10479, 10527, 10531, 10628, 10638, 10670, 10671, 10687, 10708, 10715, 10721, 10732, 10736, 10757, 10761, 10766,

10768, 10770, 10773, 10785, 10798, 10800, 10802, 10803, 10806, 10807, 10808, 10811, 10814, 10822, 10823, 10828, 10830, 10840, 10844, 10846, 10848, 10849, 10852, 10864.

3.3. Out-of-session Decisions/Proposals

3.3.1 That AH keeps completed paper membership application forms for 12 months from the time a digital record has been made; and thereafter the completed paper membership application forms may be destroyed.

[Victoria - subject to the questions in my email 15.8.17]

3.3.2 That proposals, reports and other information for the agenda must be submitted at least one week prior to the relevant MC meeting.

3.4. Reports from Working Groups

3.4.1. Governance

3.4.1.1 Annual Subscription Fee detail - quarterly fees (Bruce, Stevie and Victoria)

Proposal: That ASF quarterly fees be adopted, and implement as below from Wednesday 23 August 2017

1. All members of Alfalfa House are subject to the Annual Subscription Fee (ASF) of \$20 (including GST), payable from 1 January each year. Members have until 31 January to pay the ASF. This means that during January each year, a member benefits from the 10% discount whether or not they pay the ASF. From 1 February each year, if the member has not paid their ASF, they will not benefit from the 10% discount.

2. New members pay their initial Annual Subscription Fee on the day they join; the amount payable to be calculated at quarterly rates, depending in which quarter of the calendar year they join and as outlined:

If joining from:

- 1 January to 31 March, the initial Annual Subscription Fee for new members will be \$20 (including GST);
- 1 April to 30 June, the initial Annual Subscription Fee for new members will be \$15 (including GST);
- 1 July to 30 September, the initial Annual Subscription Fee for new members will be \$10 (including GST);
- 1 October to 31 December, the initial Annual Subscription Fee for new members will be \$5 (including GST).

From 1 January the following year, new members will be subject to clause 1.

3. No new Alfalfa House memberships can be approved after the last MC meeting of the calendar year. As such, from 15 December each year, new members will be permitted to pay the full fee of \$20 (including GST) and their membership will be extended to end of the following calendar year.

4. If a member chooses not to pay their Annual Subscription Fee, they remain a member of Alfalfa House, but do not receive the 10% discount.

5. Previous decisions about the procedure for ASF (on the volunteer shift in lieu, GST, and unused volunteer discounts) still apply.

3.4.1.2 Alfalfa House - governance working group meeting

The governance working group is open to members who are interested in contributing to governance, compliance and legal processes for Alfalfa House, and is now being convened by Victoria Taylor. The governance working group for Alfalfa House will meet on Saturday, 2 September 2017 10.30am, upstairs at Lentil as Anything, 391 King Street.

We will -

- review the previous failure to update the Rules; and
- prepare to update the Rules.

3.4.2. Premises Solutions, Shop Development and Affordability

NIL

3.4.3. Sustainability

NIL

3.4.4. Volunteer Engagement

NIL

3.4.5. Community Outreach

NIL

3.4.6. Staff Liaison

Consulted with staff, MC and manager regarding upcoming 6 monthly review of Manager.

3.4.7. Marketing

NIL

3.4.8. Website

See main body of agenda.

3.4.9. Finance

July 2017 Treasurer's Report

https://drive.google.com/open?id=1_YtASQofpPL6-63K1K6r-aISXy2yJO-IXuTq0wGeYYc

July 2017 Dashboard

<https://drive.google.com/open?id=0B2CzrZkqx6HpQXZJOGxyZmZPLXM>

3.5. Manager's Report

[Manager's report](#)

3.6. Staffing (appointments and resignations)

That AH accept the appointment of Tallulah Ebbs effective from 31 July 2017.

3.7. Deferred Matters / Business Arising

Item	When expected	Status
Catherine: Provide contact details to Maurice for Bass Floors		Closed
Maurice: Confirm with FTD if there will be shelf space for groceries to be put at the till to make checkout easier.		Open
Maurice: Ensure that freezer running costs are included in the costed proposal.		Open
Marketing Working Group: Present alternative sign wording to MC for approval.		Closed
Victoria: Investigate specific case of member organisation which has a single membership number used by multiple staff for shopping.		On-going
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.		Open

3.8. Food Grants

nil

3.9. Workplace Health and Safety

nil

That the Consent Agenda Items be approved.

Moved: Catherine; seconded: Jonny

4. Website Working Group (Jenny, 10 mins)

[Website WG report](#)

The Website Working Group has been In charge of implementing the veggie box pilot scheme. It is currently in week 5 of the 6 week pilot. Jenny improved the technology for online payment. Around 7 veggie boxes delivered each Wednesday. Feedback has been received from 4 people on the pilot and improvements implemented during the pilot including

providing a list of what is in the box, what's not in the box and a recipe. Allows buyers to plan meals. No breakage, good quality. They have received feedback on the type of boxes. \$6 is charged to members for delivery. We pay \$42 for delivery, delivery costs \$40, so need at least 7 boxes to be viable. No additional staffing costs are associated.

There is a higher cost for delivery outside the 5km radius.

The number of boxes has to be limited as driver can only deliver a certain number of boxes at \$80 for 2 hours. Jenny can put a limit on the number of orders.

Katherine asked how the trial has affected sales to the members involved in the trial.

Maurice said a survey would be run at the end with the pilot. Katherine asked if it was possible for real data on the participating members to be obtained.

Katherine also noted that she has not been getting the extra discount price on anything delivered during this trial.

Jenny said she is sorting out discounts.

5. Shop Strategy (Maurice, Lucy & Julia, 40 mins)

Please find below the Shop strategy which outlines the overall plan on how the shop is managed with regards to implementing the organisation goals including the key areas of Produce, Groceries and Volunteering.

[Alfalfa House Shop Strategy](#)

Maurice gave an overview of the Strategy, including the note that we are more than a retail shop but a community organisation for people to contribute and give back, educate each other. Stopped doing community development and workshops, now moving forward and reconnecting.

It was asked that the volunteering strategy be added to the overall strategy with assistance from Julia / Volunteer WG.

Catherine commented that it is a good summary strategy and asked if there would be detail, numbers, and actions. For example, detailing strategically what should be stocked? Or was it still at the overall detail.

Maurice said that it is still at an overview level, including because the Groceries Coordinator has only been in the position less than 3 months. Detail and an underpinning plan may take 3-6 months.

Catherine suggested not deleting any shop items until comprehensively looked at.

Maurice said that overall strategies were being made, no items being deleted at present.

Catherine asked for the floorspace (m²) that returns revenue, and Maurice was not sure.

Renata asked that groceries objectives be added including

- supporting food produced by cooperatives
- minimal packaging
- supporting indigenous foods where possible

Catherine also suggested supporting micro business where possible.

Stevie talked about minimising packaging and asked about including strategy for working with suppliers to minimise waste and supply in bulk.

Maurice advised this is happening already in a number of areas such as bulk vegan cheese.

Katherine said the Strategy needed to show how sales will be driven in the future, including with financial projections.

Maurice said it would be great to have action points for how working groups can work on targets such as social media, or the finance working group. He advised he is tracking spending, which is up in the last 2 weeks. More looking into detail will be needed before we can come up with a figure such as increasing sales by 10%.

Stevie's view was that the next stage is required first and that the Strategy was not complete enough to adopt, still needing the "nuts and bolts, flesh on the bones".

Catherine said it was a big achievement to have developed this so far but that more layers were needed.

David gave the example that 'staples' is a broad term that should be defined.

Katherine mentioned strategies for loss leading and suggested these could be defined by our top sellers.

Matt queried if "staple" referred to things used in the kitchen or to the most commonly bought items.

Maurice said that they needed to present the figures on top selling items, volume of items sold, and collect data. Once they have that, they can meet and report on what we currently loss lead on. Maurice advised he can collate this data.

Action item: Maurice will work with Catherine and Finance Working Group to add details.

VWG will add the detail to the volunteer engagement strategy.

Bring back to the next MC meeting

Proposal: That approval is given to adopt the Shop Strategy for the 2017/18 financial year. Not carried; action items pending.

6. Shop Development (Maurice, 40 mins)

This proposal provides an in depth look at known historical issues with regards to our shop design, product placement and functionality issues. The basis for this redesign proposal is to address each of these issues, utilising commissioned WHS worksite assessment and historical financial data with regards to our declining sales revenues. We engaged a professional service provider Forward Thinking Design, all work is provided on a pro-bono basis, to present a final plan of the shop redesign. Please see below documents for more detail.

[Shop Redesign proposal](#) (Maurice)

Design layout and Quotes:

[FTD Design proposal](#) (Vanessa Cullen)

[Maker Space quote for FTD proposal](#) (Oliver Fity)

[Fit Out Crew quote for FTD proposal](#) (2nd quote)

[Quote to replace vinyl flooring](#) (Signature flooring - pricing)

[Quote to replace sagging shelf](#) (Oliver Fity)

[Workshop seating plan](#) (Maurice)

[Freezer costed proposal](#) (Lucy Williams Moore)

[Quote for single door freezer](#)

In February, MC discussed the state of financials and what our priorities are. The Strategic Plan has two main directions underpinning the proposal: Financial Stability through increased sales; and Strengthening the Alfalfa House Community

Stevie suggested the key aspect is accessibility. The previous shop design was undertaken with an architecture firm in conjunction with 3rd year students.

Catherine noted it was also a drive to get new members at the time.

Maurice mentioned that in 2003 there was a decision to only have a one off joining fee.

Vanessa explained that her design work was originally driven by the WH&S report, however, she could see there are additional improvements that could be made. Issues noted included:

- poor exposure through the front window
- poor signage
- front window full of items that weren't enticing (e.g. toilet paper), doesn't sell the shop
- shopping process intensely confusing
- first thing you see is not for sale
- POS desk doesn't meet Australian standards
- hard to get to the fridges.
- difficult to get into the small jars. No enough bench space. High likelihood of spillage
- floorspace layout- products not in adjacencies
- presented as a shop in decline- old, tired and damaged. Not positive
- lack of storage at the front of house
- packaging at the back of the shop
- lack of signage and clear lines of sight. Can't see the packaging, oils, sink. Should be able to get a sense of the whole shop, but you don't
- walkways are too tight. Flow needs to be improved.
- flow for impulse sales needs to be improved. Depends on where you put them,

Vanessa said she asks clients: what has the most margins, what do you sell most of, and what has the most potential? She looked at sales with Maurice. For example, toilet paper had gone up, but you can see in sales that that is from positioning. Nuts had gone down since they were relocated to the back of the shop. She consulted with the staff and observed shoppers in the space and everything in the design is there because of feedback, sales and shopper experience.

Catherine asked what shelf space do we have now? What will we have in the future?

Vanessa did not know the space measurements but said there was no loss of shelf space in the design. Catherine asked for the return on shelf space.

Vanessa: said that there was closed wall space, one tall unit now against the wall, condensed the space in the tall units. Figures could be calculated for shelf space, but currently there is lots of wasted space.

Action item: Vanessa to get figures on the return on shelf space to Catherine.

Sarah asked how mistakes like 4 jars to a shelf won't be made again and raised concerns about the concept of impulse buying put forward by Vanessa.

Vanessa said that the proposal is based on a question of survival. Depending on where you put things, they can become staples. Could think strategically, eg. put fruit and veg in the positions that will entice certain behaviours.

Matt asked about floor units 3 and 4 (sweets and snacks; fruit and veg), in particular if they would be mobile when fully stocked?

Vanessa confirmed they would be moveable on industrial castors.

Matt noted that the front window was shown still packed with produce. Vanessa said it was just a drawing to show an example of how much produce can be fitted in.

Paul noted that some of the flooring isn't stable and asked about the integrity of the sub-floor. The consultant was not engaged to look at that, but Vanessa advised that units can be adjusted so they are flat.

Maurice said he is in discussion with the real estate about the floor. They are aware that we want to address this issue. It is a high priority to fix as we recently had a volunteer twist her ankle.

Emma asked about the flow at the POS, in particular if there would be sufficient space on the right for your things, as the customer works right to left and the staff member works left to right. Vanessa advised there would be boxes under the bench retrievable by staff or members.

Maurice said the new POS would be a safer space to put your basket.

Catherine noted that previously the landlord wouldn't fix flooring. Stevie added the whole western side of the flooring is not stable, but that we don't know if it is rot or something else.

Vanessa suggested looking at our rights as a tenant.

Maurice said that the landlord is happy to pay for the structural element in the back room as we paid for the top beam. Maurice thinks the landlord would be amenable to fixing mould, issue with the ceiling, leakage issue, and door frame in the office also need fixing.

Maurice said that Oliver's quote excluding the floor and the freezer is \$23,000, while the other quote is for \$40,000. There is also a quote for \$3,300 for fixing bowing shelf under the legumes shelf. The metal return next to the sink would go. Miso to the left of the sink, and the freezer will go to the right of the sink.

\$3,800 for the freezer. \$680 for the floor. Just over \$30,000 for the whole re-fit.

Proposed funding sources include \$19,000 raised in 2017 from the Annual Subscription Fee (ASF).

A further \$26,000 would be raised by the ASF by Jan next year.

Maurice said there is a new grant requesting \$5,600, and also that it is likely we will get the grant through Jenny Leong. We will find out in mid/late October.

Catherine mentioned the importance of contingency pricing, plus that and electrical would cost \$3,300.

David: CTP grant, had added these figures. #1, POS, #2, replacing all refrigerators.

Catherine: were looking at a new fridge.

Bruce: what is the proposed disruption to the shop?

Maurice: working with Ollie, he knows the shop. Potential to work outside of office hours.

Ollie: would work from 7pm. Build off-site, then install. Would give 2 weeks for bump in.

David asked if we could just implement the POS section changes to fix the WHS.

Vanessa said that should not occur. If you take out POS, there is nothing to put that product onto. Partial fix won't fix the sales objectives of being viable and sustainable financially.

Bruce: what if there is a fault eg. sub-floor issue? What is the contingency plan.

Vanessa: subfloor issue needs to be sorted first.

Katherine: what is the return on the investment in profit?

Maurice: current workshop space is 8-10. New would be 20. 1 year. Listed in the proposal.

Including the freezer, workshops, and veggie boxes. 40% profit on workshops.

Katherine: concerned that he has listed revenue, not profit. Missing some information

Maurice: freezer is profit, will add workshop. \$14,400/year, 6,500 = profit.

No estimation on additional sales for moving items.

Vanessa: could reverse the data, look at projections. Also need to look at the risk/cost of not doing anything. Joinery is falling apart, will cost in reduced members, and work health and safety items. **(Action item)**

MC: Thank you for all the detail, need a little more before making a decision.

Katherine: will collate a set of questions. **(Action item)**

Proposal: That approval is given to proceed with the shop redesign, based on indicative costings and funding options provided.

Not carried; action items pending.

Meeting closed at: 9:10pm

Post-meeting check-in

Next meeting date: 26 September 2017