

**Silver City Food Co-op — Board Meeting Minutes**  
**Wednesday September 12, 2018— 5:30 p.m. to 7:30 p.m. —**  
**NEW LOCATION: 907 Pope St, Meeting Room**

**Present: President Jennifer Johnston, Vice President Jean-Robert Beffort, Treasurer Laurie Anderson, Board-Member-In-Training Scott Zager, General Manager Joe Zwiebach, Assistant Manager Mike Madigan. Members Bevan Williams, Betty Mishuk, Bill Lindenau, Joyce Newman, Marcia Mohn, Lita Furby, Bruce McKinney, Kelly Hart, Richard Ducotey, Rebecca Summer, Denise Ashton, Nigel Vann, Dean Jarosh, Sharon Bookwalter, Laurel Johnson, Jess DeMoss, Eileen Varela, Robert Southworth, Marilynn Freeman, Jane Papin, Janet Wallet-Ortiz, Dave Baker, David Kent**

**Meeting called to order 5:30pm.**

**A. Welcome (5:30-5:35pm, 5 minutes)**

1. Board approves agenda approved by consensus.
2. Board announcements: Jean announces round-up application available online.

**B. Board Appointee (5:35-5:40pm, 5 minutes)**

1. Board approves Scott Zager as appointee to the Board until the end of the term in April. ROD made recommendation and welcomes Scott's skill with computers and attention to detail.

**C. Member-board discussion (5:40-6:40pm, 60 minutes)**

1. A member asks if minutes are taken from committee meetings, the Board says they are not officially "minutes," but relevant notes are submitted for review by board members, and decisions requested from committees show up in Board meeting minutes. The Pope Street Project Committee (PSPC) reports they are in a transitional phase with the development of the business plan, remodel, and move-in: getting to the point of seeing if it's financially feasible. A member survey in October will go out to all members via email. Questions address what members want to see from the current store, a future store, and reactions to the possible move. The Board acknowledges Lita Furby who was hired to administer the survey, and has donated her skills. The Board may also determine the need for a market survey, for which they have 1 bid of \$5k. The results may impact department and floorspace allocation, which are necessary for architectural plans, which along with the business plan, is necessary for fundraising. The co-op is working with SBDC to elaborate on the business plan that Joe put together. A Board member with an architectural background has donated some provisional plans and contractor David Vesica has submitted preliminary plans. The PSPC is looking for a fundraising coordinator to help pursue several possibilities: outright donations, including through website and donation box; member loans; grant funding; fundraisers; and bank loans. PSPC priorities are the fundraising coordinator, the architect, and the project manager. The project manager would be the owners' representative overseeing the project. The Board is currently open to recruiting volunteers or to hiring. A member questions why we bought the building if we're not sure we're going to use it. The Board says, ideally they would have done all the planning first, then buy a building, but this building was a unique opportunity, great location at a great price, and emphasizes that they have every intention of moving. A member asks about deadlines. The Board says it depends on the initial success of the fundraising coordinator, staff input to figure out sales projections, but the working timeline is the end of December for the first three primary goals (survey,

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fundraising, architectural plans). A member objects to ostensible plans to install open refrigeration, which he says is inefficient. Management says it sometimes has to be used, for instance for produce. The member brings up the statute requiring 2/3 membership approval for a sale or lease. The Board has received one legal opinion that the co-op can get 2/3 by negative referendum, and another legal opinion that negative referendum is not valid. Management is confident membership would come out to vote yes if necessary. Another member suggests we could start asking to sell now, to get enough votes the future. He laments the multiplicity of venues for discussing the move, and asks about the veracity of the so-called “million-dollar-mortgage.” The Board says we could spend anywhere from \$500k to \$1mil, and that we don’t yet have enough information to know how much the project will cost or how much money can be raised. A Board member on the PSP commits to finding the real numbers. The member suggests that the Board respond to rumors being circulated on the Gilanet online community. The Board says it is difficult to respond in real time, yet still speak with one voice, in forums like that. Another member praises co-op management and financial health of the co-op. He supports the move and offers his expertise in construction management. Another member reminds everyone that in a small town word of mouth is best advertising, and reiterates the need to combat “fake news.” She also wants the Board to get the financial/debt options clearer before launching a capital fundraising campaign. The Board reiterates the need for the pro forma. Another member wants to use volunteer labor. A co-op member/employee says workers comp is big deal in construction. A board member says if members are for the move, he will vote yes, and most of the feedback he and other board members have heard so far is positive. Another member raises the specter of soliciting funds to move, then deciding it’s not feasible, and suggests the importance of clarifying what will become of donated funds in this event. Another member is excited about the move and wants green spaces and outdoor seating.

2. B4 Financial Condition report and narrative Q and A. We reviewed more recent months’ sales and expenses. We discussed how needs of expansion project impact current revenue.

**D. Monitoring Report Discussion (6:40 – 7:00pm, 20 minutes)**

1. The Board acknowledges by consensus B6 (Communication and Counsel to the Board) Monitoring Report. The Board decides that the Preliminary Plan for New Projects (addendum to B6 in November), will be collaboratively developed between the GM and PSPC.
2. Follow up monitoring on B1 (Staff Treatment) New Personnel Policy was not received. Discussion was tabled for executive session.
3. The Board acknowledges B5 by consensus. Board requests deeper monitoring in October regarding GM providing a document(s) from insurance company or lawyer that summarizes liability and limitations on parking lot currently, due by next month’s meeting at the latest.

**E. Board Decisions (7:00- 7:20pm, 20 minutes)**

1. The Board approves August Meeting Minutes by consensus.
2. The Board approves by consensus PSPC charter.

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3. The Board approves finance committee recommendation that all donations for the new building go into the expansion account, which is designated for non-operations expenditures, unless an emergency arises.
4. The Board is going to ask Martha Whitman for different date than Nov. 4<sup>th</sup> for board retreat, if possible.

**F. Board Meeting Task List and Closure (7:20 – 7:30, 10 minutes)**  
Meeting adjourned for executive session 8:15pm.