

MINUTES

Silver City Food Co-op – Board Meeting
Wednesday, February 28, 2024 – 5:00 -8:00 PM
Meet at Pope St. store at 5:00 PM
Room AV3, WNMU Miller Library (6:00 PM)

1. Walk-through of Pope St. facility – those interested meet at Pope St. at 5 PM (5:00 – 5:45 PM)
2. Welcome, Introductions and Membership/Board Discussion (6:00 – 6:10 PM)
 - a. Agenda – **Approved**
 - b. Director announcements:
 - c. Member comments

A letter was read from a member who wanted the co-op to consider retirement benefits for recently retired or soon-to-be retired employees. These employees will not benefit, or benefit less, from current plans to institute a 401K retirement plan for existing employees. Suggestions will be discussed in the future with Kevin.

3. Old Business (6:10 – 6:20 PM)
 - a. January board meeting minutes - **Approved**
 - b. Concern coordinator update (Leo)

It was a quiet month; there was only one person who inquired about the board.

- c. Portland meeting plans

Tuan will be going to Portland, Maine for the Consumer Cooperative Management Association conference. He should book his airline and hotel, and then submit his receipts to get reimbursed. The Portland trip will be from May 30 to June 1st.

4. New Business (6:20 – 6:30 PM)
 - a. Letter from NCG (Kevin)

The NCG recently sent a letter that discusses a program that requires co-ops to put money into a liability fund (we already do). The program is a self-insurance pool that requires monthly financial payments. NCG expressed concern because of additional risks posed by construction of the new Pope St. store, and suggested the contribution to the NCG liability fund be doubled.

Kevin explained that the NCG risk committee evaluates stores that are going through remodeling or creating a new store, or have overall monetary issues. With this NCG program, all co-ops contribute to the fund to help with later debt issues. However, their analysis of the numbers and concerns for the new store has inconsistencies; they are presenting an inaccurate outlook.

At the new store, we will pick up a traffic count that is 3 to 4x higher than we have on Bullard. The biggest number the NCG likely had an issue with is the prepared foods sales estimate. Kevin will be protesting the doubling of our contribution to the fund. Kevin explained that contributing to the fund will be unnecessary as we could have paid our loans last year and we will have enough profit to pay loans going forward. The Silver City Food Co-Op is already at a 70% performative number, and we haven't even moved to the new location. Before sending a response email to the NCG, Kevin will consult with our accountant. The 2023 monitoring and trend reports (reviewed by the Finance Committee) show a very healthy financial position for the co-op currently.

5. Committee Decisions and Announcements (6:30 – 7:20 PM)

- a. Strategic Planning (Sandy; 6:30-6:45 PM): The draft plan is not ready for presentation to the full board - **Tabled**

- b. Member Connect (MC) (Kristina; 6:45 – 6:55 PM)
 - i. Changes to MC Charter - **Accepted**
 - ii. Committee Chair and membership - **Accepted**
 - iii. Report of meeting
 - iv. Plans for GMM

The contract has been signed to have the General Membership Meeting (GMM) at Gough Park. Hopefully, more people and speakers will attend because it is closer to town. As alcohol will not be served, there is no additional insurance coverage required. The reservation cost for Gough Park is \$100, which is refundable after the event if we clean up and leave the park in good order. Non-members can attend the GMM in hopes that we can recruit them as members.

The Board agreed that no extra security would be needed for the event. Doug (Deli Manager at the Co-Op) is going to be providing barbeque, including meat and vegetarian options. The Co-Op will be providing salads and drinks. We will ask members to bring desserts and side dishes. Kevin states we will purchase a barbeque before the event and will use it for future events.

No changes were recommended to the MC Charter, and the Committee Chair and membership will stay the same.

- c. Election Committee (Sandy, 6:55 – 7:00 PM)
 - i. Changes to EC Charter - **Accepted**
 - ii. Committee Chair and Membership - **Accepted**
 - iii. Board candidate requirements – **Approved**

The committee did not meet, but the charter was distributed to the Committee and no changes were recommended. The committee reviewed the board candidate requirements and approved them. Chair and committee membership will remain the same.

- d. Board and Management Evaluation (7:00 – 7:05 PM)
 - i. Changes to BME Charter - **Accepted**
 - ii. Committee Chair and Membership - **Accepted**

iii. Review Kevin's self-evaluation – Discussed in Executive Session

There were no changes to the charter and the Committee Chair and membership will stay the same. However, there are leadership changes– Tuan will now be Chair. If there are future changes in charters, paperwork, etc., Shanti will let the board know and Rechelle can make these changes in Adobe or Google Docs.

- e. Finance Committee (Jane, 7:05 – 7:20 PM)
 - i. Changes to FC Charter - **Approved**
 - ii. Committee Chair and membership - **Accepted**
 - iii. Report of meeting
 - iv. B1 Monitoring and Trend Reports, Q4 – **Accepted**
 - v. Review co-op budget - **Accepted**

Jane explained revisions to previous errors in the FC charter, which the Board approved. The Committee Chair and membership will stay the same. When the Finance Committee met, Mike Morones presented Q4 trend reports which verified the Silver City Food Co-op is doing very well financially. The information presented at the Finance Committee highlighted financial increases compared to 2022, including an increase in fixed assets and equity.

The SCFC has equity with the NCG. We are a member of the NCG and pay dues to it, so when they turn a profit it can be held, go back to members, or come back to the store (usually between 5 to 10k a year). However, most of it is held in equity by the NCG.

- 6. Monitoring Reports (Kevin, 7:20 - 7:40 PM)
 - a. Emergency Succession Plan (B9) – Tabled

 - b. Financial Condition and Activities (B1)
Already accepted.

 - c. Communications to the Board (B7) - **Accepted**

Kevin details that sales were essentially flat for January. The Co-Op went four days without the dairy department and two significant freezes due to snowstorms. In January sales were slightly less than projected; it was expected to be \$371,000 but was \$365,000. Last year's January gave employees the option to cash out up to 50% of their paid leave, which made last year's January higher payouts than normal. The customer count trend is good. EBT sales are still down, but it was most severe in December and got better in January. Kevin hopes there will be an increase in EBT sales, but it is not expected.

The UNFI will help map out the new store and be there for the grand opening. The department location mapping is done but we need a more detailed map of grocery, dairy, and health and beauty aids. The UNFI will take our previous sales data and put that together with information from the SPINS company. Comcast will set up the phone system for the new store. The co-op will have a staff meeting at the Silco on March 10th

to go over new store details and visit the new store. Kevin expects we will have to hire about 9 additional employees in-store and 9 people for the deli in the new store. We can expect some issues with training considering the HR manager is on a hybrid schedule but can adjust in the future if needed.

7. Board meeting closure (7:40- 7:50 PM)

a. Task list:

- i. GG article due by March 10th for April publication – Candidate requirements article (Sandy)
- ii. All board members: Think about ideas for board retreat agenda

The board discussed having the retreat at Bear Mountain Lodge in July. However, due to the unavailability of some board members and the difficulties for Kevin to attend because of the new store opening in July, the Board agreed for the retreat to be pushed back to August. Tuan will check Bear Mountain Lodge's availability for August.

Potential ideas for board retreat:

- A brainstorming session regarding future fundraising and philanthropic support for the new store
- Explanation to the board regarding details of the new store
- Takeaways from the Portland meeting, especially regarding marketing and organization
- Discussion and finalization of the Strategic Plan

iii. All committees: Prepare meeting notes

iv. Sandy:

Ensure corporate report is filed with the NM Public Regulation Commission. Marguerite has to file the NM Public Regulation Commission report, Sandy will check with Marguerite to confirm it was submitted, then get it into the next meeting's minutes.

v. Shanti: Provide Sandy with Committee roster and board member contact information

vi. Tuan:

- Check with Bear Mountain Lodge regarding dates for the board retreat
- Make reservations for Portland meeting.
- Check with Silver City Library to find room for meeting with Kevin

vii. David, Shanti, Tuan: Meet with Kevin on Wed., March 13 at noon to discuss self-evaluation and bonus.

viii. Plans for new store opening: The new store opening is expected to be in July. July 4th was the date the Bullard St. store was opened. Kevin considered opening on July 4th for the new store but it may be too chaotic. It may be possible have an open house on Thursday July 4th, with a grand opening on Friday the 5th. Board Members suggested having a grand opening on a Saturday to bring in more traffic.

Paul brought up concerns about truck and auto traffic with the new store from members in the local neighborhood.

b. Tabled items:

- Emergency Succession Plan (B9)
- Discussion of draft Strategic Plan

c. Board Member Unavailable Dates:

Shanti is unavailable March 13-17th. Jane is unavailable March 13-16th.

d. Next Board Meeting March 27, 5:30 PM, Bach Room A, WMNU Miller Library

8. **Executive Session** (7:50 – 8:00 PM)