

Silver City Food Co-op — Board Meeting Minutes
Wednesday January 16, 2019— 5:30 p.m. to 7:50 p.m. —
LOCATION: 907 Pope St, Meeting Room

Present: GM Joe Zwiebach, AM Mike Madigan, Secretary Shanti Ceane, President Jennifer Johnston, Board Member Scott Zager, BIT Bart Roselli, Vice President Jean Beffort, Treasurer Laurie Anderson, Board Member Julianna Albershardt; Fundraising Coordinator Jessa Tumposky, employee Evan Humphrey. Co-op Members: Gail Law, Charlie Freye, Lita Furby, Betty Mishuk, Cathy Owens, Gillian Sherwood, Gwen Lacy, Monica Rude, Lyna Weinfurtner, Jennifer Lamborn, Susan Van Auken, Caroline Smith.

I. Welcome (5:30-5:35pm, 5 min)

- A. The Board approves the agenda by consensus. A Board member says he thought Medalot should be discussed in detail but had been convinced to table it until next meeting for time constraints.
- B. Board announcements. Laurie announces policy change, and has brought copies of the revised policy, as well as copies of board candidate packets and info on the BIT program.

II. Membership-board discussion (5:35-7:05pm, 90 min)

- A. Presentation from Fundraising coordinator, Jessa Tumposky (20 min/10 min. for questions). Mike presents on Jessa's behalf because she has lost her voice. The Superseeds campaign began in mid November. The co-op has received 25k out of a 50k goal, with 200 donating members. The campaign was scheduled to end on Dec. 31, but was extended to Feb. 15. Donors have given online, at the register, through the mail, and via an in-store donation box. Jean and Jessa worked with J+J for signs to make the in-store signage. It is important to make sure donors know the co-op is not a tax-exempt non-profit, and donations are not tax deductible. This reminder is included in thank you notes. Donations range from 21 cents to \$3,000. In the first 6 weeks Jessa sent one email per week. Mike and Jessa are also working on grants. Jessa has a grant writing background for nonprofits. They discovered the Healthy Food Financing Initiative, for retail food establishments providing healthy food in underserved populations. Grants between 20k and 250k will be awarded. This is the first year of the grant and Mike and Jessa don't know how competitive it is. Its source is the Reinvestment Fund, which is money from USDA. Double-up food bucks like those used for Farmers Market produce are part of implementation. The member loan program will be unveiled in the spring. A member asks if contacting all members about donating is overreach. Mike/Jessa say we don't know who has money, and it is a good outreach opportunity. A member asks how many co-op members there are, GM says 2100. 10% have donated. A member asks if we are underserved community, Mike/Jessa say certainly as this relates to the community as a whole, and part of meeting the grant requirement is that food must be accessible and local. This includes wheelchair access, parking, bus stop, price, everything. The deadline is Feb. 14, the awards are in May. A member asks who the co-op is consulting with for the member loan campaign and Mike says they may contract with CDS, and specific consultant Ben Sandel.
- B. Presentation from Pope Street Project Committee Chair, Shanti Ceane (5 min/5 min. for questions). Some of their work was covered by Mike and Jessa's presentation. They are also helping with the grant application. Preliminary plans and a cost estimate are necessary, for which they need an architect, which was the impetus of the donation campaign. PSPC hopes to have architect by end of February. For the member loan campaign a pro forma will be necessary, which SBDC is helping with. Management and

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staff put together ideal space requirements for co-op, which will be advice and counsel for the architect. Priority list of building parameters is also essential for the architect, with an eye toward possibly phasing in improvements. The loan campaign will be in May, with construction possible in early fall. A Board member asked about Construction Owner's Representative (COR). COR is onsite owner rep who makes sure things happen right. This position would report to PSPC. Shanti shows the updated Project Schedule.

- C. Presentation from Member Survey Researcher, Lita Furby (15 min/5 min. for questions). Lita presented a report that compares respondents who do nearly all shopping at the co-op to those who do very little shopping there. These groups differed the most on response to prices and product variety. When asked why members went somewhere else, 46% said price. Of people who shopped little, they emphasized more practical concerns like location, convenience, and price, whereas loyalists mention co-op values. Plans were made with the GM to put this and any subsequent reports on the website. This report may be published in the GG.
- D. Presentation from General Manager, Update on store (B6 report) and Emergency Management Succession (B7 report); 20 min. Assistant Manager Mike Madigan would take over if GM Joe Zwiebach is suddenly unable to fulfill his duties. There is a written operational protocol. If Mike and Joe are both unavailable, interim team of finance, grocery, and two other staff members will take over. NCG would be notified. B6 is the Managers Report. Growth in December over 12.5k, making 2018 the highest-grossing year ever. Only October was down. The GM hypothesizes that people were waiting for November to use survey coupons. The co-op is no longer using the Medalot MRA program with which it is unable to comply under recent statutory changes. The co-op staff did their own inventory, which went very smoothly and was accurate. The co-op needs a new POS server, which would cost just under 5k. It also needs a few more workstations, which are not expensive but might mean some machines were using different versions of software. A member asks about profit. GM says he will have a number within 10 days, but can say there was a 36.5% margin. A member asks how many staff are full time, part time, and volunteers. AM says there are 35 staff with 20-22 full time and the rest part time. A member thanks Board for hard work on move. She is from Silver City and has been shopping at the co-op for 40 years. One reason she doesn't shop more is that some items not available, for instance wine and beer. She reads GG and is excited about the new building. She offers her services as attorney on a discount basis. Has education and real estate experience, and can do research, legal opinions, and lobbying.
- E. Open discussion (10 min.)

III. Board Decisions or Business (7:05- 7:30pm, 25 min)

- A. Board approve December board meeting minutes by consensus.
- B. Board approves the President's 2019 calendar by consensus as working document, to which Board members can send edits. They discuss the need to publicize member-oriented meetings better.
- C. Finance Committee decisions recommended:
 - 1. The Finance committee recommends that the B4 reports include quarterly trend graphs for sales, operation expenses, operating profit, other income, net profit and cash on hand, that the start of the data be the 4th quarter of 2017 and that the quarters

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be added with each report until there are 12 quarters included in each report. The Board approves this recommendation by consensus and approved amendment to the B4 monitoring report to reflect this change.

2. The FN Committee recommends that a separate bank account be set up for the Pope Street Project donations and member loans for clarity and ease of discussion about their use. Expenditures from the 907 Funds account shall be as recommended by the PSPC and approved by the Board.

IV. Monitoring Report Discussion (7:30 – 7:45pm, 15 min)

- A. Acknowledge B6 (Communication and Counsel to the Board) Monitoring Report. A Board Member wants clarity on why profits were down at certain points during the year and possible explanations, for instance the role of discounts. He would like more references to 2018 budget, in particular with reference to discounts. He would like more explanation of Medalot issue and subsequent liabilities. There is some discussion of whether the accounting firm that reviews co-op finances is culpable. The GM takes full responsibility for late detection of Medalot non-compliance, and points out that even with revisions to B6 to capture the nuance of the situation the truth will be yet more nuanced. The Board requests that GM revises B6 to include net profit for November, best guess on net profit for December, reference to 2018 budget, and further explanation of Medalot.
- B. The Board acknowledges B7 (Emergency Management Succession) by consensus.
- C. The Board acknowledges B10 (Board Logistical Support) with two stand-asides. Board discusses who would be the best liaison to MC; GM or other staff. The GM says he is uniquely able to fulfill the roll at this time. A Board member asks why, and the GM says he has been attending board and committee meetings for years. Some would prefer other staff but it is also a resource issue if hourly staff take on new duties. A Board member thinks the GM is not the ideal liaison in long run but there may not be other viable options right now. The Board is building list of requests of staff for logistical support due to the President in one week.
- D. Review B3 and B4 forms to be submitted in February, to help us adhere to governing by policy more closely, looking at them ahead of time, as was decided in the retreat. Board agrees to discuss proposed changes with Treasurer first.
- E. Continue any of the monitoring report discussion in executive session as needed.

V. Board Meeting Task List and Closure (7:45 – 7:50pm, 5 min)

- A. Review task list, tabled items, if any, and away dates.
 1. Task List

Secretary will update B4.b4 with approved language: “quarterly financial statements that include but are not limited to balance and income statements,” will go on to include “quarterly trend graphs for sales, operation expenses, operating profit, other income, net profit and cash on hand, that the start of the data be the 4th quarter of 2017 and that the quarters be added with each report until there are 12 quarters included in each report.”

Someone should look into whether tax reviewer Brian Reinhart may bear some responsibility for Medalot non-compliance.

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2. Executive Session on personnel matter.