

Silver City Food Co-op — Board Meeting Minutes
Wednesday May 16, 2018— 4:30 p.m. to 7:00 p.m. —
The Volunteer Center - 501 East 13th Street.

Present: Assistant Manager Mike Madigan, General Manager Joe Zwiebach; Board members Jennifer Johnston, Laurie Anderson, Dan Herbison, Shanti Ceane and Jean-Robert Beffort by phone; Members Betty Mishuk, Nancy Coates, Susan Van Auken, Sharon Bookwalter, Alexandra Tager, Julianna Albershardt. Dean Jarosh, Bill Lindenau, Stella Herbison, Veronique de Jaegher, and Jackie Cusick

Meeting called to order 4:37

A. Welcome

1. Introductions
2. Agenda approved by consensus. Susan Van Auken suggested separating the agenda into old and new business in the future.
3. April board meeting minutes are approved by consensus pending Laurie's edits, which she will email.
4. The Board approves newly elected and re-elected board members, Jennifer Johnston (3 years), Shanti Ceane (3 years), Dan Herbison (2 years); appointee, Julianna Albershardt (1 year). In order to better stagger elections, Dan is fine with committing to a 2-year term. Julianna introduces herself and her credentials. Her appointment was approved by consensus.
5. New board members signed Code of Conduct.
6. Member Comments
Bill Lindenau is concerned about the co-op's contemplated move to the old Lifequest property. He thinks the co-op is fine as it is, but recognizes differences of opinion. He asks that board does due diligence in assessing costs. Betty asks about availability of Strategic Plan. Final draft has been delayed due to too few board members, but Jennifer agreed it would be ready for next month's meeting. Susan says we should explore possibility of Lifequest building as soon as possible because it's a rare opportunity. Joe says the co-op is working on a decision, and if any are made between GG issues, they will be announced immediately, on the website.
7. Kudos: Jennifer thanks Karen for three years of service, and Mike for the last few months of board service. Jennifer also thanked Laurie for help making all the new board books.
8. Directors' Announcements

B. Certify Election, Appoint Officers, and Assign Committees (4:45-5:15pm, 30 minutes)

1. Jean certifies that the election was valid and that all three candidates received at least 50% of the votes.
2. The Board approves by consensus that Jennifer Johnston is President, Jean-Robert Beffort is Vice President, Laurie Anderson is Treasurer, and Dan Herbison is Secretary.
3. The Board chooses committee chairs for ROD, MC, BME, and Finance Committees: First, Jennifer explained role of Recruitment, Orientation, Development, which is responsible for Board retreats, training, and has a role in elections. The Member Connect Committee interfaces with members, helps with GMM, assigns writers to GG articles, and selects Roundup program recipients. Board and Management Evaluation Committee spends half a year evaluating said entities; the Finance Committee meets quarterly to review budgets and financial reports; the Bylaws Committee examines the Bylaws. The Board approved by consensus that Laurie is chair of finance, Jean is chair of MC, and Laurie is chair of ROD; ? is chair of BME; and Dan is chair of Bylaws.

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4. Assign members to each committee: Board members expressed interest or committed to join the following committees: Shanti to ROD and MC, Julianna to MC, Jennifer to BME and Finance, Dan to Finance, and Jean to ROD.
5. The Board approves by consensus that the Concern coordinator, who responds to member concerns submitted by email or phone, will be Dan, and that Jennifer will be back-up CC when Dan is not available.

C. Committees Decisions and Announcements (5:15 – 5:45, 30 minutes)

1. Member Connect (MC) Meeting notes: Only topics discussed were last minute details of GMM planning, new development with Lifequest building; Jean will coordinate Board article for June's GG.
2. Recruitment, Orientation and Development (ROD) Meeting notes
3. Board and Manager Evaluation (BME) did not meet.
4. Finance Committee (FN) acknowledged that there were no patronage refunds to distribute in 2017. They could not discuss Mackie Reid review because it wasn't prepared in time, but co-op management does not anticipate surprises and the committee will convene a meeting as soon as the review is available. As for the finances of the potential Lifequest acquisition, Joe says still in information gathering phase for potential bank loans, the next step being a pro forma that reflects plans to renovate. Other alternatives include loans from members or green loan organizations, or having a third party "buy and hold" until the co-op is able to purchase the property. NCG is helping with the financial analysis. Joe feels there will be significant increase in revenue after move. Based on comparable co-op moves that resulted in 25-33% revenue increases, management forecasts a jump from \$3.5million to \$4.5 or \$5million for SCFC. Laurie pointed out that we must also consider the age and condition of the current building, which will require major renovations in the next several years – although nowhere near the cost of moving. Renovation of new building is the as yet unknown cost. The building is in good shape, but our current refrigeration units don't meet current specs so we would have to invest in new ones. Jennifer said other Co-ops used as comparisons spent no less than \$3million on property and renovations, so our estimate of \$1 million for both is significantly less. Julianna suggests staging new additions, but it is pointed out that they still must be accounted for in initial renovation loan packages. Lifequest wants to liquidate quickly, but Joe urges caution despite the timeline, and would rather stay where we are than factionalize the co-op. But he said there has always been a schism between members regarding "downsizers" and "upsizers," so we need to address that. The move could be a very positive thing looking forward decades. Mike pointed out we can use this sense of urgency to do all the planning we would have to do regardless of when we move, that it is good work either way.
5. Bylaws Review Committee (BR) did not meet.
6. Feasibility Committee Meeting did not meet. Charter has lapsed and there are no immediate plans to renew it.

D. Monitoring Report

1. The Board acknowledges by consensus B4 (Financial Condition) Monitoring Report. Joe says we are doing very well, but that the market is volatile and though the trend is positive it is difficult to project into the future. 5% profit gains come largely from payroll cuts and increased margins.

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2. The Board acknowledges by consensus B6 (Communication and Counsel to the Board) Monitoring Report. Joe asks for comments on the GMM. Everyone was pleased at audience willingness to drop volleyball and listen to co-op business. More people attended and were engaged than in previous years. Jean said there was a little “fair” atmosphere with vendors and music, but laments the absence of an EMO. Shanti wondered why the GMM and picnic were ever separated, which was apparently due to the timing of the annual financial report. Mike prefers to put on one event instead of two, given staff resources, and wishes there were more children. Joe suggests pony rides.

E. Break

F. Discussion – Business Plan for Lifequest building update

1. SBDC is working with management to gather and analyze detailed financials from the past few years to be used in a pro forma, which is now waiting on renovation plans. There is a database for all co-ops by department in order to project costs and sales. Joe is confident he can plan and estimate, but needs to back it up with research and quotes. The plans need to account for converting a woodshop on the Lifequest property because without it the current 5400 square feet used by the co-op will not expand, but stay the same. Joe is speaking with an architect named Dave Vesica with whom he worked on plans for 614, and has confidence in. Shanti remarked that his offer is by far the most reasonable, but that we don’t have to commit to him just because we get the initial cost proposals. Dan has looked into another firm called JLL, who would charge 3-5k for an initial assessment. Joe says refrigeration costs will be separate and significant. It is still unclear if the co-op would need to hire a project manager in addition. Jean questions Vesica’s ambiguous estimates for travel cost to give an estimate, and Joe assured him it was management’s idea. He says the cost estimated by this analysis will be accurate barring scenarios like at the Murray Hotel or Tres Rosat where the original floor is discovered to be unsound once construction began.

G. New Proposal – Every Other Month Business Meetings

Jennifer proposes that after June, the Board adopt a meeting schedule that alternates between business/decision-making meeting and discussion-based meetings, which she proposes will allow more communication between management and the board and allow members a more accessible forum, and also allow more time to achieve consensus on decisions to be voted on later. She concedes that B reports might need to be acknowledged at discussion meetings. Betty is assured that members would be invited to all meetings, and wondered if they would participate more or less. Susan suggested it was premature to do this with new board members, and comments that there are too many committee reports in Board meetings. Jennifer agreed on one point, saying the Board has been very bureaucratic for better and worse, and too much time is spent discussing what happens in committee, rather than just decisions. She considered whether committees should submit reports on alternate months. Shanti suggested that decisions can be added to discussion meetings if necessary, Jennifer again agrees. Laurie wants to make sure a small change to the finance schedule will work for co-op finance staff. She wants to “season” the proposal, in reference to the Quaker practice of discussing in one meeting and voting in a subsequent one, which had initially inspired this proposal. Other members agree they have not had enough time to discuss. In the spirit of the proposal, the proposal is tabled until the June meeting.

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H. Meeting Adjourned 7:22.

Task list and out-of-town dates reviewed.

I. Board moves to Executive Session on real estate matter