

Silver City Food Co-op — Board Meeting Agenda
Wednesday February 20, 2018— 4:30 p.m. to 7:30 p.m. —
LOCATION: 907 Pope St.

In attendance: Board Members – Jennifer Johnston, Jean-Robert Beffort, Shanti Ceane, Julianna Albershardt, Scott Zager, Laurie Anderson; BIT - Gwen Lacy; Co-op Management – Mike Madigan, Joe Z; CDS Consultant – Garland McQueen; Co-op Members-Owners – Sheila Sherling, Joni Kay Rose, Catalina Rivera, Nate Young, Jody Andrews, Juan Velasco, Jenny Morgan, Ki Barton, Marguerite Bellringer, Susan VanAuken, Betty Mishuk

I. Welcome (4:30-4:50pm, 20 minutes)

- A. Approve agenda – agenda approved by consensus
- B. Directors' Announcements – Member Connect Committee is looking for volunteers for the GMM. Any members that are interested in volunteering, please come to the next MC meeting.
- C. Approve Gwen Lacy as B.I.T. – Approved by consensus.
- D. Members' comments (10 minutes are set aside at each board meeting for any comments from members. Much more time is allocated at non-business meetings.)

Member-Owner – Read from front page of GG. “If we do what we want to do, we don’t have enough space.” Concerned that we aren’t starting with the basics that we have today. Concerned about size and cost of the Pope Street project.

Volunteering skills for the project. Experience with SCORE and feels that they may also be helpful for the relocation.

Member-Owner – Co-op Basics items – haven’t heard much about it for a while. Joe – all of the Basics are signed with a purple sign in the store. Increasing items as possible. Staff can show where the basic items are. Needs to be promoted better.

Susan VanAuken – Expansion Toolkit references readiness to proceed. Need to add the decision point on whether or not to proceed with the project to the

PSPC project schedule.

II. Old Business (4:50-5:05pm, 15 minutes)

- A. Approve January board meeting minutes – approved by consensus
- B. Approve BME recommended change to our B.O.D. code of conduct (italics are new addition):

The board of directors shall expect of itself ethical and businesslike conduct. This commitment includes proper use of authority and appropriate group and individual behavior when acting as directors. *As representatives of our Cooperative, board members shall project a positive image and communicate with each other, staff, and member/owners with honesty and respect at all times.* Change approved by consensus.

- C. CDS contract with Martha Whitman, Board-GM relations and development liaison has completed and will not be renewed at this time. Per decision in executive session, CDS consultant Garland McQueen has been hired as GM coach, as next step in leadership and communication development for board and GM.

III. New Business (5:05-5:30pm, 25 minutes)

- A. First read of current Strategic Plan, recommend updates for 2019.

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Strategic plan is a changing document that is reviewed and updated. A board member states that building membership should be included in the strategic plan. It is proposed that the GM update the strategic plan Objectives and Dates column. The time of year that the plan will be updated shall be decided in the March Board Meeting.

- B. New proposal: Changes to Policy D5: Appendix D5.2: BOARD COMPENSATION – Board compensation in the form of gift cards is subject to gross receipts tax. Change to Policy D5.2 is approved by consensus.

IV. Monitoring Reports (5:30-6:40pm, 70 minutes)

- A. B4 (Financial Condition) 20 min presentation by GM, 10 min Q & A
1. Comparison report - GM explains discounts as they relate to sales. Peak of 2,247 members in 2016, but sales were down that year. Sales totals in the comparison report are for 520 only. Try to keep discounts at 2%, was higher last year. Board Member asked about numbers compared to the graphs. Difference between catapult numbers (comparison report tab only) vs. sage.
 2. Growth – bottom line is consistent when compared apples to apples back to 2005 (membership dues versus equity). Would prefer that payroll be below 25% of sales. 2016 and 2017 reductions in payrolls was partly due to wage rate increase freeze. 2018 wages increased with pay rates increases that were deferred in 2016 and 2017.
 3. Balance sheet – donations are included in the balance sheet.
 4. 520 statement – personnel costs are up, occupancy up (614 rent), member discounts up (\$27K), governance up (CDS). Member-owner asked if MAD applies to Revel. GM responded no, they have a different mark up when they're invoiced. Board member asked if sales are proportional to personnel cost. GM and AM responded that yes, but there are some efficiencies. Increases in personnel are primarily due to rate increases in 2018.
 5. 907 statement – (\$14,468.86) bottom line
- B. B3 (Annual Budget) 15 min presentation by GM, 5 min Q & A
1. 1% sales increase, 0.3% increase in margin, 26.13% personnel cost in increased from 2018.
 2. Board member inquired into wage rate increases. WNMU has frozen wages for five years. GM is concerned that the co-op won't have the dollars for increases that may be forced by the state with increase in minimum wage, so is doing steady increases. With 1% increase and payroll increase, margin going up, discounts going down, shows increase profit.
- C. B6 (Manager's Report) 5 min presentation by GM, 5 min Q & A
1. Member owner stated that capital outlay money for Main Street may mean that the Farmer's Market parking lot will be closed for a while for development. Estimated schedule is spring 2020.
 2. Board member concern that loss in last quarter of 2018 wasn't mentioned in this B6 report.
- D. Acknowledge B4 Monitoring Report – The B4 Monitoring Report was acknowledged by consensus.

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- E. Acknowledge B3 Monitoring Report – The B3 Monitoring Report was acknowledged with the stipulation that the capital expenditures budget will be completed and submitted for the May Finance Committee Meeting.
- F. Acknowledge B6 Monitoring Report – The B6 Monitoring Report was acknowledged by consensus, with stipulation that additional reporting would be submitted in one week regarding how and why discounts in December were handled, as well as how the Medalot changes were decided on and handled.

V. Break (6:40-7:00pm, 20 minutes)

VI. Committee Decisions and Announcements (7:00-7:20, 20 minutes)

- A. Member Connect (MC) Notes
 - 1. Approve general plan for GMM proposed in MC notes
 - a. Approved by consensus
- B. Recruitment, Orientation and Development (ROD) notes
 - 1. Gwen, Scott, and Julianna will most likely run for the Board.
- C. Board and Management Evaluation (BME) no meeting
 - 1. Cooperative Café is being held in Albuquerque on March 2nd. Jennifer, Gwen, and Bart may attend.
- D. Finance Committee (FN) notes
 - 1. Recommends approval of B4 report, with attached B4.c Additions and Deletions, general ledger account
 - 2. Recommends approval of B3 report, but will recommend that capital expenditures be included in May's B3 report.
- E. Pope Street Project Committee (PSPC) notes - None submitted
 - 1. Finance committee members will attend PSPC on the second Thursday of the month when they don't have a finance committee meeting
- F. Bylaws Review Committee (BR) - No meeting

VII. Board Meeting Closure (7:20 – 7:30, 10 minutes)

Task list

- Shanti will check that mission and vision, and code of conduct, on the website are up to date.
- The January B6 Monitoring Report will be revised with further explanation of Medalot change and explanation of revenue losses in November and December of 2018. The Report will be revise and submitted to the Board by February 27th.
- Jennifer will sign up Jennifer, Gwen and maybe Laurie for the Cooperative Café.

Tabled items

- Strategic plan update

Calendar

- Not discussed