

Silver City Food Co-op — Board Meeting Minutes
Wednesday, May 27, 2020 — 5:30 P.M. to 7:30 P.M.
Meeting will be via Zoom *

Present:

Board Members - Laurie Anderson, Shanti Ceane, Gwen Lacy, Kristin Lundgren, Julianna Albershardt, Scott Zager

New Board Members - Tuan Tran, Emma McKinnley, Susan Golightly

GM and AM - Kevin Waters, Mike Madigan

Scribe - Jo Lutz

Section One: Outgoing Board Business

I. Welcome / Membership-board discussion (5:30-5:45, 15 minutes)

- A. Board approves the agenda by consensus with corrected times.
- B. Directors' Announcements. Shanti thanks Laurie and Jennifer for their work and commitment. Congratulations are accepted. Laurie says that she feels secure leaving with the group that's on board.
- C. Members' comments. None received.

II. Old Business (5:45-6:00, 30 minutes)

- A. April board meeting minutes approved by consensus via email on April 23rd.
- B. Proposal to extend Board Member Term. The Board approves the extension of Kristin's term by consensus through the next year.

III. New Business (6:00-6:15, 15 minutes)

- A. Approve FN recommendations for application of net savings. Scott says we have unresolved matter about surplus funds. In bylaws and statute we are required to put 10% of net savings from last year into surplus fund account. We have \$300 in account before we do that. Kevin recommends we do the 10%. Doesn't see a driving need to get the balance up. It looks like a liquid account because money has gone in and out. Would be more comfortable trying to build the account over time. Scott asks where to put the other 90%. Scott moves that the 90%, amounting to \$12,858 will go into the capital improvement fund. The board approves the motion by consensus.
- B. The Board approved the Annual Report by consensus via email on May 25th. Kevin will send out the link when the final one gets posted. It will also appear in the next Garbanzo Gazette.
- C. Certify validity of election and terms of newly elected Directors. Close to 400 verified votes were counted. Three new board members were elected. Length of term is assigned by number of votes: Tuan and Emma have three year terms, Susan gets a one year term. Terms can be extended by appointment if someone leaves or if terms are extended.
- D. Report of executive sessions: the Board had two sessions, one immediately after the last board meeting and the other was on May 6th. The purpose was to discuss how to support the staff and management. The board decided to write thank you cards and include gift cards. Laurie thanks Kristin for her coordination efforts on this.

IV. Committee Decisions and Announcements (6:15-6:30, 15 minutes)

- A. Member Connect (MC) no meeting
- B. Recruitment, Orientation and Development (ROD) Election Results. See above. Jennifer reminds board that normally there is a retreat in June and offers to reach out to Martha to get that rolling if the incoming ROD chair wants.
- C. Board and Management Evaluation (BME) no meeting

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- E. Finance Committee (FN) meeting notes. Most important item regarding savings is approved. When a retreat is scheduled, Scott wants to invite the CPA to talk about last year's annual review and a refresher on co-op finances.

V. Monitoring Reports (6:30-6:45 pm, 30 minutes)

- A. The Board Acknowledges B7 (Communication to Board/ Manager's report) by consensus. Kevin asks for questions. April was up 10%, had a fairly solid net profit of \$5,354 (does not include estimated PPP loan forgiveness). Accountant Mike Morones said a monthly distribution of PPP loan forgiveness would be done as we do payroll. Need to clarify detail on how to calculate forgiveness. Applied for PPP at height of the coronavirus scare, not knowing how much would be needed. It turns out the business has remained healthy. However a significant portion may still be forgiven. Forgiveness will be applied for in three weeks. Scott asks about criteria for forgiveness, including maintaining salary and number of employees. Kevin said co-op has kept all its employees. Salaries are well within the required 75% threshold, any difference is due to staff on leave not counting toward current vs. past salary ratio.
- B. The Board acknowledges B1 (Financial Conditions and Activities) by consensus. Scott congratulates operations. Sales grew faster than personnel costs. Kevin's comments are in the report. Laurie understands that bonuses earned in March are paid out in April and will show up in April payroll. Kevin says table in B1 report reflects those payouts. Jennifer asks if Kevin attended the quarterly NCG meeting, which he did. She asks about why other co-ops are not trending as positively. C.E. Pugh of the NCG attributed it to trading down to lower price items in the face of economic insecurity. Many co-op did not rebound as well. Co-ops in urban areas are in hot zones where the economy and operating environment are more difficult. Laurie reminds new board members to look at their B-Policies when evaluating manager reports.

Section Two: Continuing Board Business

VI. Seating of New Board Members

- A. Outgoing board members accept the certification of new officers by consensus. All New and continuing Board Members read and acknowledge the code of conduct in Policy C5 and signed the Code of Conduct Form. They are reminded to disclose any potential conflicts of interest. Shanti's job as the engineering firm and Julianna's husband's mechanical contracting job are used as examples of conflicts in the case of Pope street building. Signed codes of conduct will be put in the file folder of the secretary. Board members can choose a discount or gift card and should contact Judith. Susan suggests a full operations tour, which Jennifer says can be considered if operations is able to do it. Scott likes it too, and thinks it's fiduciary responsibility. Laurie says to be careful not to cross the governance-operations line. She suggests discussing this with Martha. Gwen got a tour and thought it was helpful, but seconds the hesitation about crossing over into operations. Julianna says maybe now is not the time. Everyone agrees we should take to Martha. Jennifer says to use reporting to get information and trust GM unless other information comes to light, in which case the Board can and should mobilize quickly to get answers. Susan clarifies that she just wants to know the basics of how the co-op runs, and agrees the Board should not be inspecting.

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VII. Election of Officers

- A. Election of President. Hand over of meeting to New President. Gwen and Julianna nominate Shanti. The Board approves the nomination by consensus.
- B. Election of Vice-President, Treasurer and Secretary. Scott nominates Julianna, Gwen seconds. The Board approves the nomination. Julianna nominates Scott to continue, Shanti seconds. The nomination is approved by consensus. Shanti nominates Emma, Julianna seconds. Shanti explains there was some discussion between Shanti and Emma ahead of time, that Emma is excited about the position. The nomination is approved by consensus.
- C. Selection of Committee Chairs and Memberships for BME, FN, MC and ROD. (Each board member is expected to be on at least 2 committees). Gwen is chair of BME: Gwen (Chair), Shanti will be a member.
Finance: Scott (Chair) Julianna, Susan, Tuan, Shanti and Emma will be members.
MC: Kristin (Chair) Susan, Tuan, Scott, and Emma will be members.
ROD: Julianna (Chair) Scott, Gwen, Susan, and Kristin will be members.
- D Assign Concern Coordinator (see procedure for member concern handling in board book). Shanti nominates Gwen as concern coordinator. Gwen accepts the nomination. Scott will be back-up concern coordinator. The board approves nominations by consensus. Susan asks about the role. Shanti says they make sure concerns that come in on the shared board email. They also coordinate the board to speak with one voice to queries that come to individuals. Laurie points out guidelines for addressing concerns under the MC committee section of the Board book. Scott recommends new board members create separate email accounts from their personal emails.

Board Meeting Closure (7:15 – 7:30 pm, 15 minutes)

Review task list, tabled items, if any, and calendar.