

Silver City Food Co-op — Board Meeting Agenda
Monday August 15, 2018— 4:30 p.m. to 7:00 p.m. —
LOCATION: The Volunteer Center - 501 East 13th Street.

28 Present: Shanti, Julianna, Laurie, Joe, Mike, Jean. Jane from SBDC.

I. Call to order 4:36. Welcome (4:30-4:40pm, 10 minutes)

- A. Agenda approved by consensus with changes to wording of VI. D4. FROM “All Pope Street Project board-suggested expenditures must be reviewed by the Finance Committee before release of funds.” TO “The finance committee recommends that all further board approved expenditures related the new building be subject to review by the treasurer by the finance team prior to making commitments.”
- B. Board member in training Scott Zager is approved by consensus.
- C. Board Member thanks the Board, saying they are all working incredibly hard.
- D. Directors’ Announcements: Due to outside scheduling conflicts, a Board member proposes next meeting be moved to September 12, which will be a Board—Member-Owner Interactive meeting at 907 Pope Street. The Board approves the date change by consensus.

II. Board Presentation to Members on Pope Street Project (4:40-5:50pm, 60 minutes)

- A. Board members take turns at podium providing an overview of the Pope Street Project Status.
- B. Member Comments: A Member asks what year was roof replaced. The Board replies that it was replaced in 1988 by Mark Hotchkiss. It is a 16 mil roof. He also asks who moderates the website forum. Management says it will prevent attacks, but not interfere beyond that. She asks what is the estimated cost of the member survey/marketing? The Board so far has one high bid of \$10k for a suite of related services, and is still looking for an appropriate bid. A Board Member with knowledge in the field says a survey alone should be more than \$1,000 and less than \$5,000. In response to another member question, First New Mexico Bank is carrying the mortgage. Another member would like the Board to reconcile competing narratives about engaging membership. Are we serving just member who purchase, all members, or potential future members? The board emphasizes that membership is open to everyone. Management clarifies that identifying different levels of engagement the co-op can better serve everyone, for instance the 1200 members who do not shop or shop infrequently, why aren’t they coming to co-op? What about the 30,000 Grant County residents who aren’t members? These questions speak to vision and mission of the co-op as well as the bottom line. Members ask about outreach and “in-reach” efforts. The Board points out the Member Connect Committee for in-reach, and refers further to the strategic plan, with an imperative to increase membership. The Marketing survey will also address this, including specific questions relating to diversity. A member asks how much the co-op spends on personnel. Spend 25% on personnel. A member clarifies the difference between the marketing survey and the business plan. Management explains that results from marketing survey would be used in business plan. The member thinks there is valuable data about untapped health-conscious consumers in the area that would be worth paying for. The Board said that marketing professional would provide some of that. Another member thinks mission of co-op is watered down and is concerned about consulting with CDS. He would like to

Silver City Food Co-op — Board Meeting Agenda
Monday August 15, 2018— 4:30 p.m. to 7:00 p.m. —
LOCATION: The Volunteer Center - 501 East 13th Street.

see a budget for move. The Board thinks his question will be answered best by moving on to the presentation by SBDC.

- C. Jane Janson of SBDC, which is working closely with the co-op to build projection models and assess risk. Jane clarifies that SBDC can't give legal or tax advice, can't organize the co-op internally, and can't make decisions for it. SBDC is looking at costs, borrowing scenarios, collateral scenarios, and building models. They are still working on what the basic assumptions of these models are and are not prepared to present any numbers yet, in the interest of due diligence. Jane is less enthusiastic about market research than previous speakers, saying it's impossible to know what the market share of different grocery stores is because they won't reveal sales. She is optimistic about the location next to Q's, whose customers are people who don't otherwise go downtown. Something like this won't be captured by a survey. A member asks her opinion on making this capital investment before without knowing if we can afford to move in. Jane says it's not a high-risk move, that other buyers are lined up. Another member asks about the risks of staying in the current location. Jane says the SBDC has not yet considered that but it should and will; it is in the business plan. The current business plan, which can be found on the co-op website, is broad and will be developed into more elements. SBDC is creating a pro forma, which is projection based on real financials. The assumptions must be explicit and reflected in the numbers, and the refinement process is iterative. A Board member emphasizes the importance of making numbers public as soon as they are known to eliminate the appearance of ambiguity for the member-owners. Jane agrees these things are important, and progress is being made. A member says that another member put together a plan for what the move would cost and sent it to board. The Board says this plan was based on \$1.5 million build-out, which is not accurate, but that his report should be reviewed. A Board member pointed out that in ideal world they would not purchase building first, before having financial plan, including architectural plans, but that the price convinced her, and she hoped the members understand why the decision was made and that there will now be ample opportunity for member involvement.

III. Old Business (5:40-5:45pm, 5 minutes)

- A. The Board approves August board meeting minutes by consensus. Board decides by consensus that for future minutes, speakers will be identified generically unless speaker requests their name used.

IV. Monitoring Reports (5:45-6:15pm, 30 minutes)

- A. Board acknowledges B4 (Financial Condition) Monitoring Report by consensus.
B. Board acknowledges B6 (Communication and Counsel to the Board) Monitoring Report by consensus. Management is in the process of revising personnel policies, of which the communication section has been addressed and the next section is Pay/Benefits, which will be out within the next week. Management and Board discuss the parking issue around sharing the lot with Q's. The Board wants to see information from the insurance company and possible legal follow-up documenting

Silver City Food Co-op — Board Meeting Agenda
Monday August 15, 2018— 4:30 p.m. to 7:00 p.m. —
LOCATION: The Volunteer Center - 501 East 13th Street.

different liability scenarios and probabilities. The Board adopts by consensus the request for this documentation to be included in the next Manager's Report.

V. Break (6:15-6:35pm, 20 minutes)

VI. Committee Decisions and Announcements (6:35-6:55, 20 minutes)

A. Member Connect (MC) no decisions; CDS letter regarding Take Back the Co-op to share with members. Letter and its dispersal were discussed with members present. Letter addresses the La Montanita history, and the lack of involvement of CDS. Merits of different venues for distribution of the CDS letter are discussed, including the website, Garbanzo Gazette, and in person delivery at informally organized meetings. The Board tables the letter issue for an executive or work session.

B. Recruitment, Orientation and Development (ROD): The Board approves Shanti Ceane for secretary by consensus.

C. Board and Manager Evaluation (BME) did not meet.

D. Finance Committee (FN) Meeting notes.

1. FN approved distribution of quarterly finances summary to member-owners in attendance: B4 narrative, B4 quarterly report, Betty's narrative.

2. Board approves by consensus finance committee charter amendments.

3. Board approves by consensus member-owner share increase to \$20 in 2020.

4. Board approves by consensus that "The finance committee recommends that all further board approved expenditures related the new building be subject to review by the treasurer by the finance team prior to making commitments."

E. Bylaws Review Committee (BR) did not meet.

VII. Pope Street Project (6:55-7:40pm, 45 minutes)

A. Expansion Project Consolidation committee proposal

A Board member proposes a committee to take on an interim-project manager role that would address priority Pope Street expansion tasks. The committee could also pull talented staff and members. Another Board member says the committee must have a strong chair, and stick to board decisions but not get into operations. Shanti volunteers to chair. The Board approves by consensus the Pope Street Project Committee for a six-month temporary charter with Shanti as chair, and Scott responsible for taking notes. Committee members will include Mike, Joe, Jean, Scott, Julianna, and Betty.

B. Pope Street project timeline

The Board discusses adoption of a Pope Street project timeline. Management says timeline is important for outside funding, but that we are caught in a Catch 22 of no money to get renovation plans to get the Pro Forma to get money. Another member asks Management how much beyond 3k/month the co-op can afford. Management reiterates not much, especially since the staff are due for raises. A Board member wants to see numbers and a timeline on staff raises. A member points out that staff was upset about labor subsidizing 614, and would feel the same way if they don't get raises because of Pope Street. The Board tables the timeline for the Pope Street Project Committee to address.

Silver City Food Co-op — Board Meeting Agenda
Monday August 15, 2018— 4:30 p.m. to 7:00 p.m. —
LOCATION: The Volunteer Center - 501 East 13th Street.

VIII. Board email account (7:40-7:45pm, 5 minutes). Jennifer is nominated to check the email account by a one-round rock paper scissor contest with Jean.

IX. Board Meeting Closure (7:45 – 8:00, 15 minutes)

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

Time Unavailable:

Shanti will be gone 8-22 of September.

Laurie will be gone the 13-17 of September.

Joe will be out of town for dates in late September TBA.

Next Board-Membership Interactive meeting scheduled for September 12, 5:30-7:30pm, 907 Pope Street. Make note that this meeting was moved from the 3rd Wednesday of the month to the 2nd Wednesday of the month.