

# Board Meeting Minutes

## La Montañita Co-op

June 20, 2017

5:45 pm Santa Fe Community College

### Board Directors:

*Present at SFCC:* E. Wheeler, A. Satpathi, J. Anaya, C. Jones

*Present via phone:* G. Dennis, M. Joe, G. Gould

*Absent:* J. Glover

Quorum Present? Yes

### Others Present:

R. Dixon (COSO), W. Prokopiak (CRO) D. Duran, HR Director

### Members Present that signed in:

A. Hardage, M. Lane, J. Esqueda, C. Norris, E. Boyles, P. Boyles, D. Zeaman, D. Finnigan, T. Purley, S. Grogan, A. Watkins, M. Hildebrand, C. Norre,

### Proceedings:

E. Wheeler called the meeting to order at 5:55 pm, welcomed everyone, and asked them to sign in. She noted that there were some technical difficulties, but they were attempting to resolve them.

#### I. Discussion Forum: Meet Your CDC!!.

J. Esqueda –He stated he has been with LMC since 2004, and it has been an amazing role. Now, he's at the Westside store, after a decade at Nob Hill, but originally started working for LMC at the Rio Grande store. Also at the Cooperative Distribution Center (CDC) is M. Franklin, with the Co-op for over 32 years, and during the last 10 years has been helping to establish the Food Hub, also known as the CDC. He then summarized some of the activities at the CDC, including various avenues such as: sales revenue, how the CDC impacts local agriculture, services provided, and how we can grow within the local community.

- **Ongoing Need for Local Products from Farmers and Producers.** There is currently a large consumer need for more local products to be offered in LMC Grocery stores. The CDC is working with over 400 producers, and is now ramping up for the summer harvest season. During this season, we are offering many avenues for farmers, growers, and producers, including educational programs on how to create and maintain sustainable practices. We have also included Protein producers such as Sweetgrass, Kyzer Farms pork products. Four Daughter's product, establishing stepping stones to get Hopi Native Beef
- **The CDC Facility, and Sales Projections.** The facility is unified with the support offices, and includes a 17,000SF warehouse. We expect to finish this fiscal year with \$9.5M in sales revenue. We have shown an increase from 2M – 8 M+ in local sales.
- **Educational Program for Growers/Producers.** We have made a big commitment to the growers by providing them with the educational assistance they seek. We have 4 walk-in coolers, procure from NM & southern CO. Our educational program extends from the warehouse to the grower/producer. Many farmers in Abq, SF, Taos, south, etc. use that as an avenue to get their products in the market. Some came selling via markets & CSA. Our focus is to help them throughout the entire process, from the initial concept to maintaining successful business

practices. The Co-op helps them with the marketing and planning necessary to reach their business goals.

**Topic Discussion - Questions and Comments – Meet Your CDC!!**

1. Redefining “Local” Products.

*Member Question: Asked to redefine what is considered “local”? 300 miles is too far away, the delivery trucks burn diesel fuel, causing pollution. At a distance of 300 miles, it should not be considered “local”. There are other businesses that are trying to disrupt. How are they doing that?*

J. Esqueda: I want to be clear about the Co-op CDC, we do focus on buying in NM. This is a big state. We aren’t crossing the border, they are procured from another source. Anything the CDC gets in, is from Southern Colorado or 4 corners.

Competitors may challenge our COGS (Cost of Goods), with bigger, better, and nicer, or by offering an enticing retail experience, such as full cafes, breweries, and dispensaries. We don’t compete with these types of companies. Any time we have the option to procure closer to our markets, we use that to disrupt their efforts. While everyone can carry the same products we carry, they don’t have the same history with the local producers as we do, with relationships spanning over 30 years. Our goal is to procure more local produce, and not to focus on big-box brands. Our focus now is the same focus as when we first started, to grow from the ground up. “Let’s revitalize connections from 1976, when this market started!”.

2. Tours at the CDC.

*Member question: Can members tour the CDC? Is it possible?*

J. Esqueda: Kids get excited, it’s a warehouse, there must be safety precautions in place. We will want to make sure Safety comes first. Just contact the CDC

**Action:** James will share contact info. and start the dialogue.

3. Livestock Feed/ GMO Concerns.

*Member question: Transparency of ingredients and feed, what is used for the livestock?*

J. Esqueda: GMO feed, etc. need to understand and we are working on it.

Outreach to Growers/Producers.

*Member question: what is your outreach and how do you do outreach?*

J. Esqueda: We have 2 staff members that are paid for by USDA grants. They connect growers and producers to resources.

*Member: “Thank you for your comments, important to understand what the CDC does, with regard to question about outreach, more than a decade working with Steve, Steve is doing a great job.”*

4. Future of the CDC.

*C. Jones question: Where do you see the CDC in 1 years’ time?*

J. Esqueda: I would like to see the CDC have an abundance of produce, 100 more producers, contribute to the overall La Montañita income, food hubs not built on profitability, that’s not to say we can’t be profitable.

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### 5. Board Director Position Posting.

*Member question: for the Board, was this position posted?*

D. Duran: it was posted for 1 month on the LMC website. All jobs are posted on our website.

J. Esqueda: it's a great opportunity, we invite you to add, challenge, give feedback, or anything that can contribute to the role and grow with the Coop.

### 6. Expanding Partnerships with CDC

*Member question: Do you see partnerships with the distribution center expanding in the future?*

J. Esqueda: Yes, there is lots of distribution out there. We err on the side of caution, but want to look at how we can explore how NM products are getting out. We have the best interest of the Co-op at heart, and have put lots of time and effort into this, and are very committed to the growers, as well as the Co-op.

E. Wheeler noted that J. Esqueda will attend the board meeting in September to discuss the CDC again. She explained that the technical difficulties were unresolvable, which significantly affected the directors attending by phone. She asked if there were any more questions or comments, and there were no further questions or comments.

The topical discussion ended at 6:26 pm.

## II. **LMC Business Meeting**

E. Wheeler opened the meeting at 6:53 pm. She explained that due to ongoing technical difficulties, the meeting length would be cut short.

### 1) Approve the Agenda:

*Issues Raised:* E. Wheeler requested a motion to modify the agenda to include the consent agenda items only, and to reset the Executive Session and Director's Only Meeting, due to the unresolvable technical difficulties.

*Actions Taken:* G. Dennis motioned to modify the agenda so that it is truncated to reflect a continuance to the next meeting of the Board, due to technical difficulties.

J. Anaya seconded the motion. Unanimous approval.

*Actions Required:* Remaining items on the agenda to be moved to the next meeting of the Board.

### 2) Approve Consent Agenda

*Issues Raised:* None.

*Actions Taken:* J. Anaya motioned to approve as written.

G. Dennis seconded the motion. Unanimous approval.

*Actions Required:* None.

#### a) Consent Agenda Items:

##### i. Approve May 16, 2017 Business Meeting Minutes

*Issues Raised:* None.

##### ii. Proposal for Board of Director Terms

*Issues Raised:* None.

##### iii. Proposal to Appoint New Director

*Issues Raised:* None.

##### iv. Approve New Chairs for Committees

*Issues Raised:* None.

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- III. **Committee Updates** –Continued to the next meeting of the Board.
- IV. **LMC Business** – Continued to the next meeting of the Board.
- V. **Member Questions/Answers/Comments** –Continued to the next meeting of the Board.

**Adjourn Member Session.** Motion was made by G. Dennis to adjourn; Motion was seconded by J. Anaya. The meeting was adjourned at 6:57 pm.

**Executive Session** – Not held due to technical difficulties.

**ATTEST:**

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**ALLENA SATPATHI, BOARD SECRETARY**

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