

La Montañita Co-op
Board of Directors Monthly Meeting
Tuesday, January 18, 2022 5:45 PM
Next Meeting: Tuesday, February 15, 2022

In Attendance: Valerie Smith, Michael Smith, Nina Rosenberg, Kari Sutton, Elias Murray, John Kwait, Peter Chestnut, James Esqueda, Rob Dixon, Lea Quale, Joanne Burns, Thane Joyal, Michael Keller, Nicki H.

BOD Absent: Liz Davenport, Maggie Seeley

Open: 5:48pm

Check In

Member Comments: none at this time

Announcement: **Recap of Board decision regarding staff bonus request.** The Board voted (8:0, 1 abstain) not to pay a staff bonus due to the lack of operating income last year.

VOTE: That vote was confirmed by Board members present at this zoom meeting.

The Board requested management research on profit sharing options or future program. The report from the GM will be on the February agenda.

Board Administration: November & December Board minutes approved via email.

Open Officer Position: Nina Rosenberg has agreed to serve as the Vice President.

VOTE: Valerie made a motion to nominate Nina for Vice President; John seconded and voted all in favor. Congratulations Nina.

Purpose of Committees – Policy B5 & B7

All board members shared input regarding what committees were crucial to the function of the board. Finance committee, nominations and elections in some capacity, board and staff engagement, board development, and policy were determined essential. It was stressed that a goal of this Board is to have the level of work expected of Board members to be manageable, fewer meetings is best. Committee reports only come onto the agenda when they have something to present.

Thane Joyle, Columinate consultant, spoke to the importance of the Board driving the work of the committee as opposed to the committee driving the work of the Board. Committees should be based on what the board needs.

What do successful membership committees at other coops look like? Discussion revolved around making some committees into a task force. These task forces would be given a clear task and timeline to report to the Board. This would eliminate ongoing committees that may not serve the better function of the Board. It was reiterated that the Carver model of policy governance speaks strongly about task forces.

In addition, it was suggested via email that Board Development, Anti Oppression (BOD Dev topic) committees and Nominations and Elections committee could be a combined group in order to both support existing board members, potential new board members, continued training, recruitment and election process. Anti-oppression and DEI work could come under this group as part of Board Development. Follow up with Liz will take place. (Valerie, Kari and Nina interested)

Policy committee will start with executive limitations to ensure they are worded effectively, followed by Board Relationships Policies and interactions with each other.

(Valerie and Nina interested)

Membership and Staff Engagement requires clarity regarding staff roles and Board boundaries. It is crucial to ensure healthy and good boundaries monitoring policies that exist that the GM is held accountable to. Follow up with Maggie will take place.

"What would a Membership Committee do?" "What would a Staff Committee do?"

"Is this really a sub-committee?" Would the same tools apply for membership and staff?

Clarity regarding LMC staff roles & board boundaries required.

(Michael, Maggie, Elias, and Lea Quale interested)

Board Monitoring Calendar - R6 revisions: Thane Joyal spoke to the overview, mentioning not many co-ops monitor staff treatment and membership treatment twice a year. Discussion followed. A question to keep in mind: Are our conditions adequate now? An extra monitoring report can be requested at any time of the year based on current circumstances. James mentioned he likes staff treatment twice a year. James is to propose final changes to the R6 chart after talking with staff and send them to Joanne.

Finance Committee Report: Peter Chestnut

La Montanita Monthly/Quarterly Financials Fiscal Year 2021-2022

reporting period Nov. period 3 & Q1

Indicator	Nov. 2019	Nov. 2020	Nov. 2021	Min. Target
Comp Sales	1.37%	-4.98%	2.39%	3%
Net Income	-6.01%	0.26%	0.00%	1%
Days Cash on Hand	12.83	31.06	43.32	12
Current Ratio	2.1	1.48	3.62	1:1
Debt to Equity	0.47	1.08	0.28	<2
Q1 Net Income	-1.89	0.58%	0.76%	1%

Legend: At or above target
 Within range of target
 Significantly off target

We are looking to see improvement on operations to increase net income. Quarter 1 net income is slowly improving but still below minimum target. Next steps include strengthening quarterly reporting. CPA finished annual review and has been emailed to the board. Internal systems are superb and the board appreciates the quality of staff awareness and reporting. Peter is awaiting a final form regarding patronage refund. Efforts will be made to streamline the process. An alternative for members receiving less than five dollars is to offer a coupon.

ACTION: James will share last year's retained patronage report with the finance committee as an example. A retained patronage refund report (the funds that people do not redeem) will be run 90 days after distribution.

GM Report:

Sales Recap: Webcart adding online prepared foods & sandwiches, consistent offerings and catering menu for all locations

December 2021 End Sales: +8.44%, \$294,537

Sneek Peek: January trend +8.18%

Margin: Sept/Oct/Nov Qtr report down 2% to budget for 1st Qtr, Food inflation trending +10% over this time last year, hundreds of price increases from vendors.

Labor/Other Costs: Beat budget by 2%, Staffing 63% turnover last year / 57% turnover this year, currently 265 staff members. Looking at staff recruitment communication & processes. Focusing on inside research regarding “Why” work at LMC and what makes us unique. R&M exceeding budget .25% due to increase in C19 remediation services. Discussion followed on processes used in what areas of the stores, changes in processes based on new research. Safety for staff and customers are the high priority.

Other: February is volume discount month, plans for Earth day celebrations (plan A, B, C).

GM spoke to shipping expenses and ability to adjust prices and shelf strips. Working toward “Eight Steps of Perpetual Inventory” using technology to be more efficient.

GM Monitoring Report: (To be sent to BOD)

Non-compliance Report Policy F3 - Financial Conditions

1. Comp sales down .11% (\$11,815) vs >3% Benchmark
2. Margin = 34.02% vs >36% Benchmark
3. Operating Income = \$16,268 or .15% vs 50% Benchmark
4. EBITDA = 1.31% vs >1.5% Benchmark

Non-compliance Report Policy L3.2 - Net Income

1. This period .76% vs >1% net income Benchmark
2. This period .15% vs >.5% operating income Benchmark
3. This period 1.31% vs >1.5% EBIDTA Benchmark

ACTION: James will share his report pages to distribute to the Board. Visuals extremely helpful for the Board. Consider for each Qtr, charts to show how it’s going, show trends, or area of concern without overwhelming BOD with details.

VOTE: Valerie made motion to accept GM Reports, Michael second, all voted affirmatively. The GM Reports were accepted along with the steps for improvement.

Board Open Forum:

Discussion from January 8th - BOD Gathering with Thane Joyal - no comments

Michael recognized the inordinate amount of time that everyone spends to be prepared to share effectively at meetings and the Board retreat. Valerie commented that the GM & Board reports are getting richer and that the level of trust has increased between GM and Board. She noticed a greater level of comfort when sharing things that aren't perfect.

GM Reporting for next month:

Counsel to the Board - B6

BOD Logistics - L7

Meeting Adjourned at 8:13 pm

Minutes submitted by

Joanne Burns, Board Administrative Assistant