

LMC Board of Directors Monthly Meeting
Tuesday, October 15, 2024
Next meeting Tuesday, November 19, 2024 5:45 pm

Attendees:	John Kwait	James Esqueda
Liz Davenport	Pete Clark	Randy Evans
Nina Rosenberg	Nini Sulamoyo	Member: M.L.
Maggie Seeley	Ching Lu	Absent:
Brian Naughton	Peter Chestnut	

Open Meeting (Meeting held in-person at the Indian Pueblo Cultural Center)

- **Unanimously approved agenda**
- **Unanimously approved September minutes**
- A discussion was held regarding increasingly sophisticated phishing emails that mimic communications between board members and management. Our current practices still prevent unauthorized payments but a reminder to question emails regarding money transfers and confirm by phone, text or in-person.

Member Comments:

- We had one member join the meeting. She chose not to provide any comments.

GM Update October '24

- **Sales:** September kicks off a new fiscal year for our Co-op. We are excited to enter our 49th year in business! Sales showed a 5.8% increase, and transactions continued to grow, finishing the month with a 3.6% growth. Total company web sales were up 4.6%, with a .68% transaction growth. Last year in September, the DC's largest customer moved to direct sourcing for its meat products. This change accounted for an average sales gap of \$5,000 per week. We are looking forward to moving forward by opening new channels for local meat sales and beginning to see a positive trend in comparative sales as we compare ourselves to normalized weekly sales in the Distribution Center.
- **Round Up For Change:** The recipient of the September Round Up For Change was the Rio Grande Food Project (RGFP), an independent nonprofit organization that provides free groceries to thousands of people each year. In addition to food distribution, RGFP offers services and resources to address the root causes of food insecurity through its community hub. The organization operates a vibrant onsite garden, growing fresh fruits and vegetables that are harvested for immediate distribution back into the community. Last month, we raised over \$8,900 for RGFP at our registers.
- **Avanyu Store Update:** In September, the General Contractor completed a large portion of the building shell as we approached the final stages of tenant improvement construction inside the building. Refrigeration equipment has started arriving and is being staged for installation over the coming months. Lead times for equipment are showing improvement as we move closer to completing our project. Stay tuned for updates in the weekly Coop and on the Co-op website.

GM Monitoring

- **Revised L4 Report**

- The Finance Committee reviewed and recommended to the full board to accept a full year FY25 budget as provided by the GM. The budget does not include the new Avanyu store and meets the L3 financial conditions. Once the new Avanyu store is opened, management may propose a new mid-year budget that incorporates the new store.
- **Board voted unanimously to accept the revised L4 GM Monitoring Report**

- **Ends Report**

- GM provided examples of additional supporting data, notably multi-year trends, on the Ends policy in response to Board requests for revising the Ends report based on the study session.
- The Board requested that the GM revise the Ends report with the suggested changes and review it at the next Board meeting in November.

Plans for Annual Member Meeting

- Member meeting will take place on November 14 at 5:45 pm at the Indian Pueblo Cultural Center in the Turquoise Silver room.
- There will be a full dinner provided. Other details on the agenda are still being worked out.
- The Board requested a copy of the Annual Report to review before it is finalized.

Report from Membership Engagement (ME) Committee

- The Committee is working with Membership and Marketing on planning details for the upcoming Annual Membership Meeting
- Some potential activities for engaging with members at the meeting include different topical tables (e.g. plastics) an easel or suggestion box for gathering feedback on what's good, what can be improved.
- ME is brainstorming engagement activities building off the book club to include other mediums like podcasts or films.
- A general discussion was held regarding single use plastics at LMFC based on multiple member comments. The GM mentioned gathering data from current and previous years on plastic use based on purchasing data to build a quantitative baseline to report from in future years. We also discussed venues like Earth Fest to report that data and also bring additional engagement opportunities around plastic reduction opportunities by members in addition to the work the Co-op does on the purchasing end.
- We discussed other recycling and sustainability efforts currently at the coop including the use of cardboard boxes in Santa Fe for checkout (but regulations restrict this in Bernalillo). Also we discussed the Little Green Bucket composting partnership at some of the stores and opportunities to expand or bring in new programs with the additional space at the Avanyu store.

Report from Board Elections, Nominations and Development (BEND) Committee

- Election updates were shared. Four candidates made it through the full application and screening process. The voter guide is available online and in the stores. Membership and Marketing will be highlighting the election via Scoop and other digital media throughout the time before and during the election which runs November 1-14.
- The Committee noted that there was a staff member running for the board that did not indicate they were staff. This was noted as an oversight on the application form that will be updated for next year.
- **A motion was made to include a note about which candidates are staff on the election ballot. The motion passed with a vote of 7 for and 2 against.**
- Board candidates have been invited to the Annual Member Meeting, but there will not be a formal introduction or discussion about the candidates at the meeting itself.
- The Committee has been noting additional process and document changes to improve the election process for next year
- The Columinate consulting contract has been renewed for 2025. Included in the contract is an annual retreat for the board. Additionally, our consultant Thane offered to provide a specialized finance training if desired given they didn't offer as many classes this past year.
- The Committee will work to plan out a retreat for early next year, January or February timeframe after the new board is seated.
- The Committee also is proposing to work with the ME Committee to revive the annual survey as a Board-directed survey to gather member input and also to identify members interested in serving on the board. This was a noted deficiency in the nominations process this year as the list of interested members was a year old.

Report from Finance Committee

Financial indicators for FY24 Q4

Indicator	FY '22 – Q4	FY '23 – Q4	FY '24 – Q4	Target
Comp sales	5.23%	7.48%	3.41%	3%
Net income	-0.93%	.05%	.85%	1%
Days of Cash on hand	38.80	44.03	29.55	12
Current ratio	3.80	3.53	2.84	>1
Debt to equity	.30	.32	.82	<2

Financial indicators for August '24, period 12

Indicator	FY '22	FY '23	FY '24	Target
Comp sales	5.60%	4.44%	4.75%	3%
Net income	-2.24%	-2.98%	3.57%	1%
Days of Cash on hand	38.55	41.27	27.12	12
Current ratio	3.78	3.49	5.61	>1
Debt to equity	.30	.32	.82	<2

- The year ended with a positive net income which is a big improvement over last year.
- General trends over the year look encouraging on the financial indicators, though there is still some improvement needed.
- The financing package for the Avanyu store continues to be delayed primarily from one of the three lenders, but the process is continuing to move forward without any serious concerns. This has caused some impacts to the general schedule and construction process, but management has been able to work with partners to minimize overall schedule and budget impacts thus far.

Look ahead

- Membership Engagement – October 22
- BEND – November 5 – This meeting is cancelled
- Finance – November 12
- BOD – November 19
- Election results will be communicated to membership after November 20