

LMC Board of Directors Monthly Meeting
Tuesday, April 16, 2024
Next meeting Tuesday, May 21, 2024 5:45 pm

Attendees:

Nina Rosenberg
Liz Davenport
Maggie Seeley
John Kwait
Peter Chestnut

Brian Naughton
Nini Sulamoyo
Ching Lu
James Esqueda
Rob Dixon
Randy Evans

Lea Quale
Niki Handler – member
Absent:
Peter Clark

Open Meeting

- Approved agenda
- Approved February & March 2024 Minutes

Note: We changed the order of the agenda due to some participants experiencing technical difficulties.

Board Monitoring

We reviewed B6, the Board policy on the Code of Conduct.

Member comments

- Niki asked about what is happening with the Rio Grande store and the new store at Avanyu. James responded that the Rio Grande store employees will go to Avanyu and Rio Grande will eventually be phased out.

GM Update – April 2024

Sales

- Total sales at our Coop for March were up 8.03%, transactions at our retail stores were up 6.34% and the average basket size was up 4.49% compared to last year. The Distribution Center sales were down by 15% largely impacted by the lack of sales this month to the school systems, as last year the cafeteria buyers rushed in to spend their remaining budgets for local food purchases for the lunch programs.

Round up for change

- Last month, the recipient of our Round Up for Change program was Nature Ninos. Established in 2019, Nature Ninos is engaging New Mexicans of all ages in outdoor learning and adventure. The organization partners with schools and teachers across the state to expand the horizons of outdoor education and reduce barriers to participation in outdoor recreation. I am thrilled to report that we successfully raised \$6,484 for Nature Ninos non-profit organization.

Other news

- Our annual front of our Nob Hill store in Albuquerque for our tradition of celebrating the Earth Day Festival is scheduled for this Sunday, April 21st starting at 10 am and ending at 4 pm. Join us in Earth with your community. We will be hosting a mix of local, social, economic and environmental advocacy groups to further your knowledge of sustainable living. We look forward to seeing you all actively support our community!

GM Policy Monitoring (L3)

- This month’s Policy Monitoring Report was Financial Conditions Q2 (L3).
- The Board asked about when and how the financial statements will be updated to reflect the newly adopted GAAP guidance regarding the recording of lease agreements across the financial statements, as it did not appear that the February statements had yet incorporated this change nor the impacted Key Indicators. The GM clarified that these numbers are in the process of being added to our previous financial reports and that he will republish previous month’s numbers for comparison.
- The Board voted unanimously to approve GM’s L3 report.

Finance Committee – Peter Chestnut

- The committee reviewed reports for both Period 6, February 2024 and for Q2 (Dec-Feb).

Key Indicators

Q2 FY24

Indicator	FY ‘22	FY ‘23	FY ‘24	Target
Comp sales	9.75%	5.81%	2.84%	3%
Net income	.85%	-2.37%	-1.09%	1%
Days of cash on hand	42.57	45.81	38.67	12
Current ratio	3.61	3.26	3.38	>1
Debt to equity	.32	.35	.33	<2

Period 6, February 2024

Indicator	FY ‘22	FY ‘23	FY ‘24	Target
Comp sales	12.12%	6.31%	-1.68%	3%
Net income	-0.64%	-9.07%	-0.90%	1%
Days of cash on hand	42.57	45.81	38.67	12
Current ratio	3.58	3.26	4.03	>1
Debt to equity	.32	.35	.33	<2

Legend	9.8	At target
		Below Target

- Finance Committee still has plans to review Financial Key Indicators and recommend potential changes this year after the Avanyu Plaza store investment package is complete. Will begin by gathering information on current key indicators and benchmarks used by other NCG cooperatives.
- Reviewed latest information on Avanyu Plaza business model and potential loan offers. A special in-person board meeting will be held at the Support Offices to hear from the General Manager on the latest details and investment proposal structure. Meeting will occur on Friday May 3rd.
- Management continues to implement new inventory management practices to work towards target margin per the margin improvement roadmap. The benefits are starting to show up in the financial indicators in addition to daily operations improvements for staff and management.

Membership Engagement (ME) Committee – Ching

- Ching started his report with plans for the Board’s participation in EarthFest, asking Board members to sign up for time slots. It was noted that there is a large Earth Day event at the Balloon Park the same day.
- Ching also updated the Board on plans for the new La Montañita Bookclub. Due to EarthFest activity, the initial events have been pushed out to June, with a focus on Albuquerque and Santa Fe stores.

Board Elections, Nominations & Development (BEND) Committee - Nina

- Nina reported that the committee discussed various methods of communicating board candidate information to members, such as online videos and a forum where candidate could be interviewed or give brief remarks, and concluded that for now it was best to keep the process simple by continuing to communicate to members by posting candidate written responses online.
- Nina also reported that the committee discussed various approaches to endorsements of candidates by the current Board and decided that it would not recommend changes from last year’s practices at this time, and that it will continue to look into how other coops handle their elections.
- John, who is leading the Committee’s Nominations & Elections Working Group, reported that he had developed a timeline which he forwarded to James for his comments as board-management coordination in this area is essential for success. John also said that the committee was working on updating the candidate application materials to streamline them and address template issues candidates experienced last year.

A Look Ahead

- April 21. EarthFest
- April 23. Membership Engagement Committee @ 6pm. This meeting is open to members.
- May 30-June 1. Consumer Cooperative Management Association (CMMA) annual conference

- May 3. Special Finance Committee mtg on Avanyu Plaza
- May 14. Finance Committee @ 5:15