

LMC Board of Directors Monthly Meeting
Tuesday, May 21, 2024
Next meeting Tuesday, June 18, 2024 5:45 pm

Attendees:

Nina Rosenberg
John Kwait
Liz Davenport
Brian Naughton
Pete Clark

Ching Lu
Nini Sulamoyo
Maggie Seeley
Peter Chestnut
James Esqueda

Rob Dixon
Lea Quale
Pat Swan - member

Open Meeting

- Check in
- Approved agenda
- Approved minutes for April

GM Update – May 2024

Sales

- Total sales at our Coop for March were up 3.10%, transactions at our retail stores were up 1.95% and the average basket size was up 1.4% compared to last year. The Distribution Center sales grew by 0.70% for the month.

Round up for change

- The Round Up for Change recipient for April was the Rio Grande Community Farm (RGCF). RGCF provides underserved communities with equitable access to urban farmland and education in sustainable agriculture, prioritizing food justice, biodiversity and climate resilience. I am delighted to report that we successfully raised \$5,900 for the Rio Grande Community Farm organization.

Other news

- Our membership is at 14,796 as of the end of April and it continues to grow every month. We are on track to surpass 15,000 memberships this calendar year. The highest number of memberships we have had was just over 16,000. We are thrilled about expanding our membership base and are also approaching 1,000 lifetime memberships.
- With respect to progress on Avanyu Plaza, the shell is nearing completion and soon the construction company will begin the tenant improvements on the store interior. We are excited to begin this stage of development and are looking forward to seeing our building come to life. Keep an eye out for updates on the Coop website.

GM Monitoring Reports

This month's Policy Monitoring Reports including L8 Emergency Management and L9 Member Engagement.

For L8, we discussed management training for the GM’s identified successor and plans for a 2nd successor in the future. The Board voted to accept the GM’s L8 report.

For L9, the Board asked for additional information from the GM, mainly on broadening the information provided on on-way communication out to members with what the Co-op is doing with respect to two-way engagement (e.g., EarthFest, Annual Meeting). In-store channels for communication, updates to the Co-op’s website and details of the Volunteer program were also discussed. The Board postponed voting to accept the GM’s L9 report until receiving an updated report next month.

Board Monitoring

We reviewed Board Policy B4 Board Meetings & B5 Agenda Planning.

Finance Committee – Peter Chestnut

The Finance Committee reviewed the GM Report on Period 7 which was March 2024

- Comp sales were up to almost 8% compared to last year despite lower inflation.
- Net income exceeded our benchmark at 1.16% for the first time in many months and follows a consistent trend as the perpetual inventory systems are in place and improving.
- The membership database was integrated into the new computer systems and resulted in an updated count that is nearing 15,000 members.
- Gross margin exceeded the budget and brings continued progress on the gross margin roadmap which aims to bring our performance in line with the Avanyu Plaza proforma
- A new format was proposed for the GM financial period reports regarding how the key indicators are presented for the board meetings and the finance committee purposes. This will be adopted for future GM reports.

Key Indicators. LMFC Monthly Financial Grid: Period 07, March 2024

Indicator	FY ‘22	FY ‘23	FY ‘24	Target
Comp Sales	10.76%	6.84%	7.92%	3%
Net Income	.57%	-1.03%	1.16%	1%
Days of cash on hand	38	47	41	12
Current ratio	3.93	3.34	3.95	>1
Debt to equity	.29	.34	.33	<2

Legend		At target
		Below target

The main focus of the Finance Committee meeting was the GM’s request for up to \$1.7 million of cash investment to purchase (mainly long-lead time) equipment and begin tenant improvement construction activities (electrical, concrete, plumbing) for the new Avanyu Plaza. James presented an overview of this request and the committee discussed the pros and cons of the investment vs alternatives. James told us that the various project partners and stakeholders are aware of this approach and supportive.

The Finance Committee recommended that the Board vote to approve this request. A vote was taken and the Board voted unanimously to approve this GM request.

Membership Engagement (ME) Committee – Ching

- EarthFest Celebration
 - Scheduled for April 21st.
 - A large Earth Day event at Balloon Park scheduled the same day may affect attendance.
- Plans for upcoming Bookclub events
 - Due to EarthFest activity, these events have been pushed out.
 - The updated plans are to hold the first event in Albuquerque followed by a second event in Santa Fe.

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

- The committee discussed various methods of distributing candidate information this year, such as pre-recorded videos and in-person or virtual interviews, and decided in the end to recommend continuing with the original process of posting candidate written responses online.
- The committee considered establishing a new process for board endorsements of candidates but, again, in the end decided to recommend the status quo for this year.
- The committee is working with Co-op management on a timeline for this year's election and a simplified candidate application form. The committee expects that this form will be ready for review by the Board at next month's BOD meeting.
- There was a question about whether it was necessary to include a clause in the application noting the applicants must agree to be fingerprinted. Peter Chestnut answered that this was necessary for businesses holding a license to sell alcohol and La Montañita's plans to sell alcohol at the new Avanyu Plaza store.

Upcoming calendar - Nina

- May 28 – Membership Engagement Committee @ 6 pm
- May 30 – June 1: Consumer Cooperative Management Association (CMMA) conference
 - Nina and Brian will be attending in-person from the Board.
 - No one will be attending from the management side this year.
- June 11 - Finance Committee @ 5:15 pm