

LMC Board of Directors Monthly Meeting
Tuesday, September 17, 2024
Next meeting Tuesday, October 15, 2024 5:45 pm

Attendees:

Liz Davenport
Nina Rosenberg
Maggie Seeley
Brian Naughton

John Kwait
Pete Clark
Nini Sulamoyo
Ching Lu
James Esqueda

Randy Davis

Absent:

Peter Chestnut

Open Meeting

- **Approved agenda**
- **Unanimously approved July and August minutes**
- **Member Comments:**
 - No members present but one email. Magnolia recommended we use Terracycle for our harder to recycle items. GM reported NH is currently using another company and volunteers to accomplish this. RG does not have the room for the NH program but it does have a robust compost recycling which recycled over 7500 lbs of food waste that did not go to the landfill. Will check on possibility of using Terracycle at Avanyu. Nina took the action to respond the member (Magnolia) who raised this concern.

GM Update September '24

Sales

- At the end of August, total sales showed a 4.76% increase compared to last year. Transactions at the stores increased by 5%, and the average basket size grew by 2.75%. The distribution center successfully sold local products to schools and senior centers before the end of the summer and provided the stores with a consistent supply of Rancho Durazno peaches and New Mexico green chile this month.
- The fourth quarter of the fiscal year ends in August. During Q4, sales increased 3.41% compared to the previous year. This period, period 12, marks the conclusion of the FY 23-'24 fiscal year. The Coop achieved a 3.48% increase in annual sales, generating \$47,969,049 in sales revenue for this fiscal year.

Round Up For Change

- The August Round Up for Change recipient was Amparo Housing Assistance, which means “shelter.” Amparo works with schools, including McKinney Vento social workers, to provide emergency rent assistance to families of school-age children in Bernalillo County facing eviction and homelessness. Last month, we raised over \$8,000 through the Round Up for Change program at the registers.

Avanyu Store Update

- After a jam-packed summer of tenant improvement construction, the new store location is now 70% complete. Early tenant improvement construction started in June and finished at

the end of August. Stucco, storefront windows and doors, and the outdoor patio are now finished. In the next phase of construction, the Coop will begin the interior design programming, storefront signage, installation of equipment, and preparation for merchandising setup. This phase will start in October and carry on through January. Stay tuned for more updates on the weekly Scoop and the Coop website.

Other news

- The 2024 Annual Report is currently being produced as we finalize end-of-the-year financials. The Membership & Marketing Team is working closely with individual departments at the Support Offices to finalize the design and prepare the report for printing next month. Additionally, we will begin advertising the Annual Member Gathering as we approach November.

Annual Membership Meeting

- Annual Membership Meeting is planned for Thursday, Nov. 7 starting between 5-6. Several locations are being considered, including the IPCC or the Abq. Art Museum. Details to follow from Lea.

GM Monitor Report – L4

- GM requests we extend the use of last years budget another month due to loan approval delays.
- Once Avanyu opens (Q2) a full year budget with revisions to L4 will be available

The BOD unanimously voted to approve using the '23-'24 Period 1 (Oct 2023) budget for the '24-'25 Period 2 budget (Oct 2024) and will revisit the rest of the budget at the next Finance Committee and next BOD meeting.

- The BOD voted unanimously to accept the L4 report

Website update

- James provided BOD members with a confidential link to the new website to have a sneak peek at how the update is progressing. Management is working to ensure that the update does not disrupt Webcart and that the user experience is improved. Management is also working to include an online membership payment option in the new website.
- In response to a question about *The Bean*, which has been on hiatus since the Winter 2022 issue, James said that there may be a limited online and hardcopy version published as a trial in the future.

BOD Policy Review – B3

- The Board reviewed policy B3 “Board Duties”. Consensus among the BOD members at the meeting is we are doing well on B3 items
- James noted we did not have a BOD retreat facilitated by Columinate this year. The BOD members at the meeting agreed to work towards one in 2025.

- Pete recommended we do more sharing of BOD member's individual learning/experiences as related to LMC

Finance Committee Report – Brian

- We reviewed the numbers for July '24, period 11
- Margin numbers continue to rise as well as other indicators
- There were unfortunate one-offs in labor and infrastructure
- Cash on Hand is reflecting our Avanyu investments but will recover once we receive the Avanyu loan
- Discussed the DC performance and James and Rob explained the steps to improve performance
- Gross Margin was >1% showing the perpetual inventory efforts are paying off with added benefits to staff in time savings
- Updating of the Key Financial Indicators we will use in our reporting going forward is still under construction.

GM requested a further financial release to finish the Avanyu construction.

- On Sept 11, 2024, James sent an email request to the Board asking for an increase to the previous authorization of \$1.7 million of cash investment for Avanyu Plaza (voted at the May 2024 BOD meeting) to \$2M to pay the invoice for construction work done in August for the Avanyu Plaza project tenant improvement, a request necessary due to the delays in finalizing the loan for this project.
- BOD voted unanimously to authorize \$2M which will cover the rest of projected expenses and then some. This is still under the original budget projections

BEND Committee – Brian & John

- Candidate deadline for submission of applications was Sept 5
- There were 5 member applicants and 1 staff member
- Currently conducting membership and background checks
- Loading the candidate info now to be available to membership Oct. 2. Using the same web page we've used previously
- Discussing notification processes
 - Exclusive membership email list
 - SCOOP and social media as well
- Election will run Nov 1 – 14 using third party service, Simply Voting
- Working on a Board Handbook
- Recommend reinstating an annual Member Survey but to be driven by the Board as a method of finding potential board candidates and obtain other useful (tbd) information
- The Tabeing exercise to generate Board candidates (at RG and SF) was successful. It was appreciated by members and staff. Consider doing more, not just for elections

Membership Engagement – Ching

- Reiterated the Board driven annual member survey idea

- Member interest in single-use plastic packaging
 - We talked about the potential of this topic for a future LMC “Book Club”
 - We also talked about the possibility of including a page on the new website with resources on the plastics issue
 - Recommend GM report on the Co-op’s practices and products with respect to plastic packaging at the annual meeting

Look ahead

- Membership Engagement – Sept 24
- BEND – Oct 1
- Finance – Oct 8
- BOD – Oct 15
 - In person meeting at IPCC (to be confirmed)
 - Avanyu tour 3pm (arrive at 2:45 to check out hardhats)
 - There will be time for dinner before meeting at 5:45
- James will run the Duke City Marathon - Oct 20 (GO James!)