

LMC Board of Directors Monthly Meeting
Tuesday, June 18, 2024
Next meeting Tuesday, July16, 2024 5:45 pm

Attendees:

Brian Naughton
Liz Davenport
Peter Chestnut
John Kwait

Pete Clark
Ching Lu
James Esqueda
Rob Dixon
Randy Evans

Jonathan Loth

Absent:

Nini Sulamoyo
Maggie Seeley
Nina Rosenberg

Open Meeting

- Approved the agenda unanimously (we do have a quorum)
- Approved the minutes for May unanimously

Member Comments

- No members present

GM Update – May 2024

Sales

- The total sales at our co-op for May increased by 5.65% compared to the same period last year, which is 2.55% higher than last month. Transactions at our retail locations grew by 4.80%, and the average basket size was up 2.8% compared to last year. However, the sales at the Distribution Center decreased by 8% compared to last year. This was mostly because our largest Albuquerque accounts updated their purchasing projections from our Distribution Center, which significantly changed their buying patterns. The Distribution Center is expanding its capacity with the Senior Centers after receiving bids for NM-grown certification, enabling it to start selling local dairy, cheese, and meats for the food programs supported by the Farm Bill & USDA grants.

Round up for change

- The Round Up For Change recipient for May was Feed New Mexico Kids. Feed NM Kids is on a mission to end childhood hunger in New Mexico. They deliver nutritious snack packs to schools within the Albuquerque Public School system for distribution to children in need. I am delighted to report that we successfully raised \$6,400 for the Feed New Mexico Kids organization.

Other news

- Our membership has officially grown to over 15,000 members. We achieved our goal of surpassing 15,000 members by the end of the calendar year, six months ahead of schedule! In 2018, the highest number of memberships we reported was just over 16,000. We are excited about expanding our membership base and are also close to reaching 1,000 lifetime memberships!

- Early tenant improvement construction has officially started at our new store location! The foundation is now complete, and the patio has begun its first phase of construction. Storefront windows have arrived, been installed, and the building has received its first round of weatherproofing before the stucco is applied in July. Management is working with the general contractor, Jayne's Corporation, to update the construction timeline now that tenant improvement construction has started. Stay tuned for more updates in The Scoop and on our Coop website.

GM Monitoring Reports – L5 Asset Protection & L10 Data Privacy

- **Update from last month's L9 Membership Engagement**
 - Postponed to next board meeting
- **L5 Asset Protection & L10 Data Privacy**
 - L5 Asset Protection Request for Clarification
 - GM clarified that the retirement plan audit is a required activity and wanted to highlight that particular asset by placing it up front in monitoring report.
 - We had questions about the various audits listed under 5.3. Some of the dates look like maybe they were 2023. Not all audits are done each year so the older audits were provided for context on the overall scope of audits in the organization.
 - GM provided additional detail regarding the broader security approach to alcohol sales at the Avanyu location including additional training, limiting sales to packaged sales to begin and expanded liability coverage.
 - GM Provided additional perspectives on the risks and benefits for the current allocation of cash investments that the Co-op has and felt it was a balanced approach and noted its ultimately something the board could request a different investment and insurance strategy from management if desired.
 - GM shared some additional detail on the more general approach to cybersecurity in the stores and IT systems including staff training, updated equipment and software, and improved remote backups and operations to better respond to a possible incident.
- **Acceptance of GM Reports: L5, L10**
 - Board voted unanimously to accept both reports
- **Reviewed Board Policy B8 - BOD Governance Investment**
 - The board discussed B8 and in particular the point 7 regarding development of an annual board budget. The development of the board budget was referred to the Finance Committee for discussion.

Finance Committee Report - Peter

- Numbers for Period 8 were excellent – within 1 100th of being all green (see chart below) i.e. meeting our goals/benchmarks
- Avanyu update
 - Final loan terms are in the works – expected July/August

- James has applied for 3 grants totaling \$500K
- The staff seems excited about the move

Indicator	FY'22	FY'23	FY'24	Target
Comp Sales	9.67%	6.64%	2.99%	3%
Net Income	1.42%	3.42%	2.00%	1%
Days Cash on Hand	40.85	45.19	40.89	12
Current Ratio	3.68	3.31	4.03	>1
Debt to Equity	.31	.34	.38	<2
Legend:		At target		
		Below Target		

Membership Engagement Committee Report - Ching

- Final dates for the first meetings of the Book Clubs:
 - Albuquerque
 - Thur., June 27 5:30 to 7 at Books on the Bosque
 - Ching will be the facilitator
 - Light refreshments and coffee will be offered
 - Santa Fe
 - Sun., June 30 10 to 11:30 at Collected Works
 - Nina will be the facilitator
 - Light refreshments will be offered. Attendees encouraged to buy drinks from the venue
 - Agenda
 - Guided questions will be provided
 - Introduction about the author
 - Break into groups for discussion
 - Regroup and share
 - Board members encouraged to participate

Board Elections, Nominations & Development Committee Report - Brian

- An onboarding session was held for Pete on May 17. Brian, Nina and John participated
- The application packet has been forwarded to the board
 - Applicants will be able to type directly into the application or into MSWord
 - Applications will only be accepted electronically, no mail in
 - Board voted unanimously to accept the new materials
- Plans to create a Board Handbook
 - Will contain best practices
 - Some coops at CCMA had examples to share
- Board unanimously voted in Brian Naughton as chair of the BEND committee, replacing Nina Rosenberg in her interim role.

CCMA Report - Brian

- Brian and Nina attended CCMA in person in Portland, Maine

- Next year will be in Duluth, Minn.
- Brian will attempt to give the board access to the sessions that were recorded
- Brian's observations:
 - It was excellent; energizing, friendly, open with sharing ideas
 - Coops come in all shapes and sizes
 - Most co-ops use policy governance and it's common that the meetings can feel a bit sterile but better than without policy governance
 - 2 coops had held book clubs on Grocery Story by zoom with mixed results
 - Focus for newer coops seems to be LILA hybrids
 - Geographic map of coops centralize in the upper Midwest, New England and the West Coast
 - Many were revisiting their pre-Covid plans as many now have large cash reserves
 - Some co-ops have tried to have members vote on Round Up for Change as a way to engage members. Some have done this vote at same time as election.
 - The session on regenerative agriculture labeling led by PCC was the best session that Nina attended. Others may be interested in that.
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Look Ahead (committee meetings start at 6pm unless otherwise noted)

- Membership Engagement - Tue., June 25 @ 6pm
- BEND - Tue., July 2 @ 6 pm
- Finance Committee – Tue., July 9 @ 5:15 pm
- Board Meeting – Tue., July 16 @ 5:45 pm
- Policy Committee – possibly Tue., July 30 (it is a 5th Tue.)