

Minutes for LMFC Board of Directors Monthly Meeting

Tuesday, April 15, 2025

5:45 – 7:45 pm

Attendees:

Board Members Present	Management Present	Guests Present
Brian Naughton	James Esqueda	None
Nini Sulamoyo	Rob Dixon	
Nathan Baker		
Ching Lu		
Carter Rook		
Liz Davenport		
Lewis Creekmore		

Summary

The board meeting covered various operational and governance topics, including a General Manager update, policy reviews, and committee reports. Financial matters were discussed, including the decision not to declare a patronage dividend this year. The meeting also addressed upcoming changes and plans, such as proposed amendments to the Policy Manual and Bylaws, and the opening of the new La Montañita location at Avanyu Plaza.

Open Meeting

- **Board unanimously approved the agenda**
- **Board unanimously approved the March 2025 minutes**

GM Update

The GM update for April 2025 reports that sales increased by 3.03% compared to the previous year, with retail stores experiencing growth while the distribution center faced a sales decline. Supply chain challenges are improving slightly, but egg shortages have hindered fulfillment for schools and senior centers. Overall sales returned to a positive trend after a decline in February. Membership reached 15,752, with 64 new members added in March. The annual Earth Fest at Knob Hill was successful, increasing membership sales by over 100% compared to last year. The financing package for the Avanyu Plaza store has been approved by the board.

GM Monitoring: Financial Conditions (L3)

The Finance Committee reviewed the Q2 Financial Report the previous week, noting that the steps to improve performance needed to be included before recommending acceptance of the report. The GM provided the steps to improve performance and reviewed it to the Board.

- **The Board voted unanimously to accept the GM Monitoring Report L3.**

Review Board Policies

The board reviewed the B6 policy on Board Code of Conduct. Nini read through the policy, which outlines expectations for board directors' behavior, responsibilities, and ethical conduct. Brian provides clarification on specific points, particularly regarding the separation of staff and board responsibilities for members who are also employees.

Report from Finance Committee

The Finance Committee reports on the Q2 financial reports and the treasurer's report for FY 2024. Peter presented a draft treasurer's report for board approval before distribution to members. The report shows positive financial results, with \$67,000 in net income. However, no patronage dividend will be declared this year due to the small amount available (less than \$1 per member). The board discusses how to communicate this decision to members, emphasizing reinvestment in the co-op's future. James is preparing a separate letter explaining the dividend decision, which will be circulated to the board for review.

- **The Board voted unanimously to accept the draft of the Treasurer's Report to be distributed to members.**

The Finance Committee reviewed monthly performance for Period 6, February presented here as the public indicators

Indicator	FY '23	FY '24	FY '25	Target
Comp sales	6.31%	-1.68%	-0.19%	3%
Net income	-9.07%	-0.90%	0.07%	1%
Days of cash on hand	45.81	38.67	14.13	12
Current ratio	3.27	3.38	2.03	>1
Debt to equity	0.35	0.33	0.83	<2

The Finance Committee also reviewed Quarter 2 performance February presented here as the public indicators

Indicator	FY '23	FY '24	FY '25	Target
Comp sales	0.70%	-2.20%	2.04%	3%
Net income	-2.37%	-1.09%	0.26%	1%
Days of cash on hand	45.3	38.51	15.59	12
Current ratio	3.55	4.11	2.04	>1
Debt to equity	0.35	0.33	0.83	<2

Report from the Membership Engagement Committee

The team discussed the Earth Fest event, with Ching, Brian, Peter, and Nini attending. Some found the music too loud to have meaningful conversations, and the board recruitment aspect wasn't very fruitful. However, they noted a record number of sales in the store during the event. Peter appreciated the location of the board tent, feeling it was more integrated with operations. James mentioned the successful membership drive and the need to improve engagement with member owners. Ching noted that the Board-issued member survey will be finalized at the upcoming ME meeting.

Report from the Board Elections, Nominations, and Development Committee

The draft Board Candidate Application Packet was presented to the Board with some modifications over last year's packet. There are fewer questions but with more words per answer and some other minor changes. The Board discussed the changes and made a few final decisions regarding some language that will be incorporated.

- **The Board voted 8 in support of the revised Board Candidate Application Packet and 1 abstained (Liz).**

Report from the Policy Committee

The Policy Committee, led by Lewis and Nini, reviewed comments on the Bylaws and Policy Manual prepared by Nina last year and plans to propose amendments to the documents. They are considering making long-time members who have paid over \$200 in annual fees automatic lifetime members. The committee also suggests reconsidering the approach to GM monitoring in light of upcoming changes like the Avanyu Plaza store opening, potentially moving away from concrete measuring sticks to a more flexible perspective. Lewis and Nini will draft language for these proposed changes and circulate it for discussion at the upcoming Policy Meeting on April 29th at 6 PM, which Lewis expects to last less than an hour.

Next steps

James: Circulate updated draft of patronage dividend letter to the board incorporating feedback from discussion. Add educational content about how patronage dividends work to the patronage letter.

James: Work directly with Board members attended CCMA to book their remaining travel.

Nathan: Update board candidate application packet to change professional references section and incorporate agreed changes.

Ching: Draft content for the "Message from the Board" section on the new website for discussion at next week's Membership Engagement Committee meeting. Plan to finalize board-sponsored survey draft at next Tuesday's Membership Engagement Committee meeting.

Brian: Send out meeting invite for Policy Governance Committee meeting on the 29th at 6:00 PM.