

## Minutes for LMFC Board of Directors Monthly Meeting

Tuesday, June 17th, 2025

5:45 – 7:45 pm

### Attendees:

Board members	Management	Member owners
Nini Sulamoyo Nathan Baker Ching Lu Carter Rook Liz Davenport John Kwait Peter Chestnut Lewis Creekmore	James Esqueda	Stephanie Holt

### Meeting opened

Unanimous vote to approve minutes for May BOD meeting minutes

Unanimous vote to approve agenda for July meeting

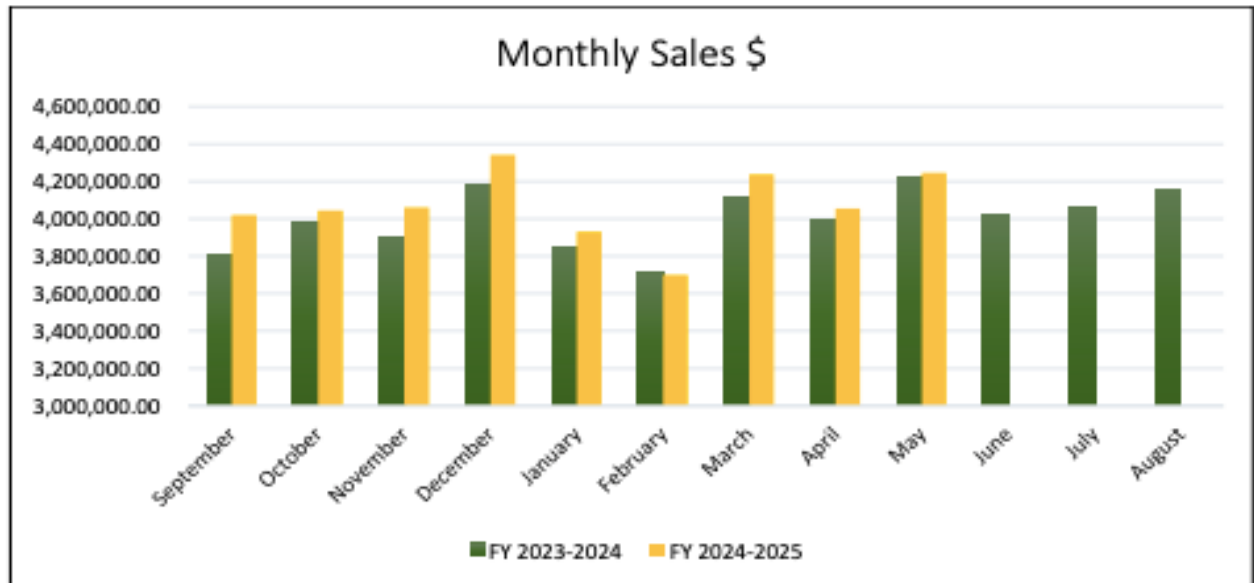
### Member Comments

No member comments

### GM update

Sales In May,

total sales increased by \$24,000, or .57%, compared to the same month last year. Retail stores experienced a 1.3% increase, while the Distribution Center saw a 6% decline in outside sales. However, internal transfers through our DC rose by 8% this month, due to the restocking of essential items after months of availability disruptions. Our strong connections with local and regional producers allow our coop to provide a distinctive product mix, helping to maintain inventory levels amid national supply chain issues. Management remains committed to addressing the costs associated with goods and to reviewing our categories to align with profit targets while managing price inflation. This process is ongoing and remains a top priority for the team as we aim to enhance customer satisfaction and the overall experience at our coop. As the weather warms, I become excited about all the local and regional fruits and vegetables that will soon be available in our stores!



Membership At the end of May

Membership reached 15,987, representing a growth of 156 member-owners from last month! All retail locations stay enthusiastic and committed to maintaining this membership rise as we near 16,000 member-owners in our coop. We are thrilled about achieving our goal of surpassing 16,000 members prior to the close of our fiscal year!

### GM monitoring report

#### Asset Protection (L5)

The General Manager is responsible for obtaining insurance coverage for the co-op's property, inventory, vehicles, and commercial business interruptions. The General Manager must maintain adequate liability insurance to effectively protect the Co-op's assets in the event of a legal judgment. The coverage should encompass general liability, workers' compensation, directors and officers, fiduciary liability, and umbrella coverage. The General Manager is required to adhere to specific procedures to safeguard cash handling, inventory, payables, retirement plans, and fixed assets, ensuring compliance with all federal, state, and relevant legal requirements. Furthermore, management must safeguard the principal funds that are invested or deposited to maintain liquidity and fulfill financial obligations when they are due. The General Manager is responsible for implementing security measures or standards to avoid material losses. The General Manager protects the cooperative's assets by establishing thorough purchasing controls covering all purchasing activities, such as products for sale, supplies, and capital expenditures. Additionally, the management team must comply with a Conflict of Interest policy that applies to all employees, including the General Manager. Effective contract

management is vital for the Coop, and all stakeholders share the responsibility of ensuring that the terms of executed agreements are followed. Specifically, the General Manager (GM) cannot sign or enter into any long-term contracts over \$25,000 without first obtaining review and feedback from the Board. This process is key to upholding transparency and accountability within the organization.

#### Data Privacy (L10)

The GM must ensure that all sensitive cooperative information is adequately safeguarded. The GM is responsible for making sure that member-owner and customer information is collected only when necessary and used appropriately. This is crucial for fostering a trusting relationship with our member-owners and customers. The General Manager must provide a detailed report on database usage, including member names, addresses, phone numbers, and reasons for usage if a database breach occurs. The General Manager ensures that point-of-sale data and member-owners database information remain confidential and are not shared or sold to outside organizations. The collected information must be kept secure and can only be used in ways deemed appropriate by management. The General Manager will include a written data privacy policy with every La Montañita membership application. Members can request information about how their data may or may not be used.

#### Vote to accept GM report

Unanimous vote to accept General Manager's Report for June 2025

#### Report from Finance Committee

The committee recommended using last year's budget with a \$1,000 addition for member surveys and will present budget assumptions at the July meeting. Management confirmed the Avenue Plaza loan closing for next week, and the finance committee decided against changing the bylaws regarding life memberships due to the high percentage of long-term members and the importance of annual dues as a safety net for the cooperative.

#### Financial Indicators for Period 8, April, 2025

Indicator	FY '23	FY '24	FY '25	Target
Comp sales	6.64%	2.99%	1.47%	3%
Net income	3.42%	2.00%	(0.58)	1%
Days of cash on hand	45.19	40.89	18.95	12
Current ratio	3.31	4.03	1.74	>1
Debt to equity	0.34	0.38	0.91	<2

## **Report from Membership Engagement Committee and Report from Board Elections, Nominations, and Development Committee**

The board approved a board-sponsored survey with a \$300 incentive budget for gift cards, replacing the previous 15% discount offer. Ching presented an introduction text for the survey and discussed plans to communicate updates about the new plaza project through the website's board message section. James offered to share project narrative summaries that could be included in the general report about the new store.

The board discussed proposed changes to the cooperative's bylaws, focusing on two main items. They decided against implementing lifetime membership status for long-term members due to significant financial implications, and agreed to review language regarding annual rebate checks. The board also considered removing a provision about liquor license applications, as Peter suggested it wasn't necessary. Regarding SNAP benefits, James reported on exploring alternative membership models where community members could sponsor low-income individuals, and the board agreed to pursue this further. The board tabled a discussion about financial commission conditions until the Finance Committee could review it first.

## **Legal Education for the Board**

Board Treasurer, Peter Chestnut, presented a legal review of La Montanita, covering its cooperative structure, patronage dividends, and tax implications. He explained that patronage dividends are based on a flat rate for all members, with at least 20% paid in cash or store credit, while the rest is retained as capital. Peter also discussed the cooperative's financial records, audit requirements, and the process for dissolving the cooperative, noting that it requires a two-thirds vote of the membership. The presentation concluded with an overview of the cooperative's bylaws, capitalization, and policy manual, emphasizing the importance of following these rules and utilizing resources like Columbate for board education.

## **Meeting Adjourned**