Minutes for LMFC Board of Directors Monthly Meeting

Tuesday, July 15, 2025

5:45 – 7:45 pm

Attendees:

Board Members Present	Management Present	Guests Present
Brian Naughton	James Esqueda	Keith Lefort
Nini Sulamoyo		Nicki Handler
Peter Chestnut		Carlos Garcia
Ching Lu		
Liz Davenport		
Lewis Creekmore		

Open Meeting

- **Board approved the agenda: 6 for and 1 abstain (Nini)**
- **Board approved the June 2025 minutes, 5 for and 2 abstain (Nini and Brian)**

Member Comments:

Carlos Garcia, LMFC Member and Santa Fe real estate broker, presented a proposal for a new La Montanita location at Sendero Marketplace, highlighting its potential as a food desert solution and offering details about the property's visibility, size, and available tenant improvements. The board did not make any decisions about the proposal, but Carlos offered to arrange a property tour for interested members. James will follow up with Carlos to thank him for the presentation and explain our current efforts with the Avanyu store and the process and timeline we generally take to consider new locations.

GM Update

Membership

At the end of June, our membership hit 15,982, bringing us very close to exceeding 16,000! Our goal was to go beyond 16,000, restoring our membership levels to what they were before the pandemic.

Round Up for Change

In June, we partnered with Equality New Mexico. The organization emphasizes that everyone deserves safety, security, and access to resources for genuine community engagement. Their mission is to act as a trusted advocate, amplifying community voices and leadership to promote equity, full access, and sustainable well-being for LGBTQ people in New Mexico. I am pleased to share that we raised $8,223 for Equality New Mexico last month.

Other News

We are finalizing our plan to upgrade the flooring at Santa Fe Deli starting next month. The team has been working together to prepare for the much-anticipated back-of-house flooring renovation. This project will be implemented in several phases as repairs and upgrades are completed. The team is coordinating efforts to meet production needs and facilitate transfers among our locations, utilizing our DC truck to transport goods from Albuquerque stores to Santa Fe. Their collaboration is commendable and shows our collective strength. Additionally, our Marketing Team will handle updates across our website, social media, and in-store communications to keep our shoppers informed

GM Monitoring: Financial Conditions (L3)

The Board discussed the Q3 financial performance at the Finance Committee meeting the prior Tuesday. No additional requests for information, clarification or suggestions were provided by the Board to management.

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

Report from Finance Committee

Peter shared that our CPA provided an explanation for an apparent discrepancy for how the National Co-op Grocers reports our patronage dividend and how LMFC reports the dividend per GAAP guidelines. The discrepancy is similar to how LMFC has retained earnings from all members over the years vs any actual patronage payouts.

A summary of the status of the Avanyu Plaza store project was provided, primarily focused on additional documentation and requirements arising recently from one of the lenders. This will delay the project by another month, but management continues to work closely with the 19 Pueblos as our landlord to keep the project on track and successful. Opening is likely delayed into late fall.

The Finance Committee reviewed monthly performance for Period 9, May 2025, presented here as the public indicators

Indicator	FY ‘23	FY ‘24	FY ‘25	Target
Comp sales	7.81%	5.63%	0.57%	3%
Net income	5.40%	2.54%	2.14%	1%
Days of cash on hand	47.79	33.99	14.49	12
Current ratio	3.54	3.14	1.91	>1
Debt to equity	0.32	0.27	0.83	<2

The Finance Committee also reviewed quarterly performance for Quarter 3, FY25 presented here as the public indicators

Indicator	FY ‘23	FY ‘24	FY ‘25	Target
Comp sales	7.10%	5.50%	1.70%	3%
Net income	2.65%	1.91%	0.55%	1%
Days of cash on hand	44.79	38.69	17.40	12
Current ratio	3.32	4.14	1.84	>1
Debt to equity	0.33	0.34	0.87	<2

- **The Board voted unanimously to approve the Board of Directors Budget for FY25-26 and also accept Management’s budget assumptions for the overall co-op.**

Report from the Membership Engagement Committee

Ching provided an update on the Board Survey noting he would be sending Lea the final survey following the meeting so that could be issued to membership. Ching also noted that the next ME Committee Meeting would focus on developing a strategy for content on the Board portion of the website. Other’s noted that the Treasurer’s Report, the Ends Report, and some generalized responses to members’ questions could also be added to the website as content.

Report from the Board Elections, Nominations, and Development Committee

Lewis presented some brief points from Nathan’s notes regarding his summary of the Consumer Cooperative Management Association (CCMA) meeting in Duluth, Minnesota. Due to Carter and Nathan’s absence at the Board meeting, the Board moved to shift further discussion of CCMA to next month to allow Carter and Nathan to participate.

John provided an update on the elections process, noting that the Candidate Packet was complete as was the website. After final review and approval, Lea will make the website live and available at: https://lamontanita.coop/elections/

John also asked James to provide a new list of those members that checked a box on the membership application indicating they were interesting in potentially serving on the

Board. James agreed to help provide that information. John also shared that there would be a specific in-person event to invite those members that are interested in learning more about becoming a board member. Details are TBD but John will notify all board members about the event details so they may chose to participate.

Report from the Policy Committee

Lewis reviewed the status of suggested changes to the Policy Manual and Bylaws. Brian asked Lewis to keep track of the discussion within the comments of the editing document itself. There was a brief discussion regarding a comment in the Policy Manual regarding check writing controls. It was noted that this comment may have actually originated in Section VI of the Bylaws from an observation John had a few years ago. John will work with Lewis to clarify the comment and the precise location of the language in the Bylaws.

There was also a discussion about changes to the financial conditions policies for management. Peter said these were in the agenda for the Finance Committee to discuss and provide recommendations and that it was less time sensitive than changes to the Bylaws which must go in front of membership for any changes.

Action Items

- James: Work with NCG to develop reporting format for combined organization financial conditions and separate project reporting
- Brian: Draft a response to members regarding lifetime membership decision and run it by Peter
- James: Contact Brian Naughton to get confirmation as new Board president for liquor license renewal with 19 Pueblos district
- James: Follow up with Carlos regarding the Santa Fe store proposal and explain the current focus on Avenue store development
- Finance Committee: Review and discuss L3 financial conditions benchmarks in August/September meetings
- Lewis: Review bylaws to find the section about check writing/financial controls
- James & Carter: Continue research on accommodations for SNAP benefit members
- Ching: Email Lea the final board survey after the meeting
- Brian: Add CCMA conference report to next month's agenda and ensure Carter and Nathan can attend