

## Minutes for LMFC Board of Directors Monthly Meeting

Tuesday, August 19, 2025

5:45 – 7:45 pm

### Attendees:

| Board Members Present | Management Present | Guests Present |
|-----------------------|--------------------|----------------|
| Brian Naughton        | James Esqueda      | John Holland   |
| Carter Rook           | Randy Evans        | Nicki Handler  |
| Peter Chestnut        |                    | Kyeann Sayer   |
| Ching Lu              |                    |                |
| Liz Davenport         |                    |                |
| Lewis Creekmore       |                    |                |
| John Kwait            |                    |                |
| Nathan Baker          |                    |                |

### Open Meeting

- Board unanimously approved the agenda and July 2025 meeting minutes

### Member Comments:

We had three member-owners join us. No comments were made.

### GM Update

#### *Sales*

In July, total sales grew by \$51,077, marking a 1.26% increase compared to the same month last year. Retail stores experienced an increase of \$42,035, or 1.18%, while the Distribution Center reversed its negative growth trend from last year, increasing sales by \$9,042, or 1.82% year over year. Our priority remains on delivering savings, solutions, and support to our stores through transfers. The Distribution Center's internal transfers of goods rose by 6.42%, demonstrating our commitment to enhancing product availability and supply of key items.

#### *Membership*

By the end of July, our membership reached 16,049, surpassing 16,000! Our goal was to surpass 16,000 and restore membership levels to their pre-pandemic numbers by the end of this fiscal year and we did it! We appreciate the ongoing efforts of our

management and staff that made this rebound possible and setting us up for the new store later this year.

### *Round Up for Change*

In July, we teamed up with the Public Lands Interpretive Association (PLIA), which is dedicated to educating and inspiring people to responsibly explore and care for New Mexico's public lands. They actively fulfill this mission through the Whiptail Trails Club. I am proud to share that our Round Up For Change program helped raise \$7,800 for our non-profit partners.

### *Other News*

We are continuing to upgrade the flooring at the Santa Fe Deli. The team has been collaborating effectively to prepare for the highly anticipated back-of-house flooring renovation. Their coordination and teamwork—helping with deli goods at other stores and supporting our Santa Fe team—is a great example of cooperation. We will keep members updated through our website, social media, and in-store communications to ensure our shoppers stay informed.

I'm pleased to announce that the loan package for the Avanyu project is now complete. Managing funding gaps mid-project was a significant challenge, but our team stayed focused and persistent. After months of effort, we achieved our goal! The closing and funding of the loan are happening as we speak, and I am very proud of the teamwork that made this milestone possible. Updates on the project will become available on our website, The Scoop, and social media.

**A special appreciation and acknowledgement to James, Randy, and all the staff that have been engaged on the multi-year process of putting together a solid business plan and financing package for our new Avanyu Plaza location in Albuquerque. It was a process full of unanticipated challenges that the management team overcame with persistence, contingency planning, skill and a huge amount of grit. This is a huge milestone for La Montañita Food Coop and we are excited for the next phase!**

### **GM Monitoring: Budgeting and Fiscal Planning (L4)**

- **The Board voted unanimously to accept the GM Monitoring Report L4. By accepting this report which included the annual budget for fiscal year 2025, the budget has also been approved.**

## Report from Finance Committee

The Finance Committee discussed financial performance indicators for June, noting a slight decrease in comparable sales and net income due to distribution center challenges and an IT incident impacting a major national distributor which has since been resolved. Peter reported that the Avanyu Plaza project lenders are closing tomorrow, enabling the project to move forward with tenant improvements and equipment orders.

### Public Indicators

| Indicator            | FY '23 | FY '24 | FY '25 | Target |
|----------------------|--------|--------|--------|--------|
| Comp sales           | 12.07% | 3.23%  | -0.46% | 3%     |
| Net income           | -0.22% | -0.92% | -0.53% | 1%     |
| Days of cash on hand | 44.62  | 33.91  | 16.62  | 12     |
| Current ratio        | 3.57   | 5.75   | 1.87   | >1     |
| Debt to equity       | 0.31   | 0.89   | 0.85   | <2     |

- **The Board voted unanimously to accept the GM recommendation regarding exploring new banking partners. A formal resolution was later signed by the President and Secretary to authorize staff to engage on behalf of LMFC with banking partners.**

## Report out from the CCMA Conference

Nathan Baker shared a summary of key take-aways from the CCMA event for the Board to consider moving forward. Those points were:

#1: A Board Administrative Assistant could address some of the challenges of the board and help increase effectiveness and impact

#2: Revisiting our Board Compensation could address real and perceived inequities and potentially enhance recruitment of new candidates

#3: Build Community Through Action – exploring new ideas for engaging with our membership to increase the impact of the Co-op towards our Ends.

Brian said he is working on gathering information regarding a shared administrative assistant with management and will provide that input to the Board when it is available. He also suggested that the other topics are timely inputs to the upcoming Strategic Visioning retreat for the Board in October.

## **Report from the Membership Engagement Committee**

Ching announced his transition out of the Membership Engagement Committee chair role, with Carter taking over as chair for the remainder of the term. Brian confirmed that the recent member survey, which received nearly 500 responses, would inform future communication strategies, board recruitment, and strategic visioning.

## **Report from the Board Elections, Nominations, and Development Committee**

The BEND committee reported receiving 20 expressions of interest and 58 inquiries about board positions from members based on the survey that was issued, with the first board application submitted. The committee praised the successful implementation of the online application process, and noted that the application window would close on September 5th, with elections scheduled for November 1st.

## **Report from the Policy Committee**

The board discussed updates to the bylaws, particularly section 6.2 regarding financial authorization, which Lewis identified as needing significant updates to reflect modern payment methods. Lewis will draft a revised version and seek input from James and Randy, who offered to review the language.

## **Strategic Visioning Meeting**

The board approved plans for an in-person strategic visioning meeting on October 25th, with our Columinate consultant facilitating, and discussed potential locations in Albuquerque or Santa Fe. This will be a first step in developing a fresh vision for our co-op as we complete the new store and start thinking ahead to new challenges and opportunities.

## **Action Items**

- James: Prepare public announcements in September regarding the Avani project timeline following remobilization discussions with the general contractor and Indian Pueblo Marketing Institute.
- James and Randy: Proceed with setting up services with the new bank institution using the approved resolution.
- Board: Incorporate discussion of administrative assistant position into the strategic plan. Explore different compensation package options for board members to attract a more diverse applicant pool.
- ME Committee: Review member survey results to inform discussions about board recruitment and compensation.

- Brian: Discuss with management consultant and James about shared administrative assistant roles at other co-ops and share findings with the board.
- Board Elections Working Group: Continue reaching out to potential board candidates who expressed interest in the survey.
- Carter: Chair the Membership Engagement Committee for the remainder of the term.
- Lewis: Send the drafted bylaws section 6.2 revision to James and Randy for review.
- Brian: Work on developing the agenda for the October 25th strategic planning meeting.