

Minutes for LMFC Board of Directors Monthly Meeting

Tuesday, September 16, 2025

5:45 – 7:45 pm

Attendees:

Board Members Present	Management Present	Guests Present
Brian Naughton	James Esqueda	Janice Crosby
Carter Rook	Randy Evans	
Peter Chestnut	Rob Dixon	
Ching Lu		
Liz Davenport		
Lewis Creekmore		
John Kwait		
Nathan Baker		

Open Meeting

- **Board unanimously approved the agenda and August 2025 meeting minutes**

Member Comments:

Janice – Santa Fe Store, just wanted to keep up on the new Avanyu store and other co-op happenings.

GM Update

Sales

August saw a 0.35% increase in total co-op sales, up \$14,753 from the same month last year. Retail stores showed a 0.60% rise in sales, with \$22,008 more sales than last August. However, the Distribution Center's sales dropped 1.5%, down \$7,255. Despite this, the Distribution Center's internal transfers of goods jumped 11%, as we continue to work on improving product availability and ensuring a steady supply of key items. Overall, our Co-op's annual sales increased from \$47 million to \$48 million, a 1.9% gain, with sales growth in all four fiscal quarters. Next month's financial report will break down the Co-op's financial trends for the fiscal year, as we finalize end-of-year processes.

Membership

By the end of August, our membership hit 16,203! We're seeing steady growth in our membership month after month, and it's great to have our base back in the sixteen-thousand-plus range. I'm incredibly proud of our team for their hard work in helping new and returning members understand the real value of being part of your local food co-op.

Round Up for Change

In August, we partnered with Gallup Solar, which is dedicated to working with New Mexico communities, elected officials, utilities, and industry to bring solar power to everyone in our state. I am proud to share that our Round Up For Change program raised \$9,200 for our non-profit partners.

Other News

I am pleased to announce that the financing package for the Avanyu project has been successfully secured by our lender. We have received the full disbursement of our loan funds and have initiated the process of remobilizing the tenant improvements necessary to complete the project and prepare for its opening later this year. The pre-opening campaigns are underway, involving a series of internal and external communications to keep our team members and member owners informed with updated information and an overview of the upcoming steps as we resume the project. Stay tuned for updates on the project's progress on our website, The Scoop, and social media platforms.

GM Monitoring: Staff Treatment (L2)

Prior year mid-year follow up staff survey have been shifted to on-going feedback methods, including payroll systems, and on-boarding survey at 30,45 and 60 days.

- **The Board voted unanimously to accept the GM Monitoring Report L2.**

Board Monitoring: Board Duties (B3)

The Board reviewed their performance on the B3 policy and felt overall they have been compliant with meeting the policy.

Special Topics:

Membership Structure Article

The board discussed a new article about the membership structure, which was written by Brian after previous discussions about membership questions. The group decided to

archive the article as a reference document on the board MS Teams site rather than distributing it more broadly. John suggested adding an asterisk to the membership form noting that annual memberships cannot be combined to equal a lifetime membership, and he also proposed changing the terminology from "lifetime membership" to "ownership share" in future bylaws. This was handed over to Lewis to discuss as part of the Policy and Bylaws Committee. Carter confirmed that phone numbers are already included on the membership agreement form.

Strategic Visioning

The Board Strategic Visioning Education workshop will take place at the Indian Pueblo Cultural Center on October 25th. Six Board members expressed interest in a social dinner the evening prior (Oct 24th). An ad hoc committee will continue to work with Thane Joyal to build the agenda.

Admin Assistant

The board discussed implementing a shared administrative assistant role, with Brian sharing a draft document outlining potential responsibilities and three proposed structural models for time allocation between board and management functions. Liz suggested dividing the assistant's time by days of the week (e.g., Tuesdays/Thursdays for board, Mondays/Wednesdays/Fridays for management) to improve productivity and create clear expectations. The group agreed this structured approach would help establish consistent availability for board communications while addressing the challenge of maintaining a full-time equivalent role. Brian invited the rest of the Board to review the proposed roles in a document he shared as a next step towards a future job posting.

Report from the Finance Committee

The Finance Committee meeting covered several key updates, including the successful closure of Avenue Plaza loans, with funds now in the bank and a PDF loan binder to be shared with the committee and board. The July 2025 financial report showed comparable sales and net income below targets, partly due to supplier system issues and increased medical benefits costs. The committee reviewed plans for transitioning from the North Valley Rio Grande store to Avenue Plaza, including staffing changes and timeline for the December opening. They also discussed the need to review key financial indicators and EBITDA goals set by the board, with James tasked to prepare recommendations for the October meeting. The committee requested their national consultant Thane to attend the October meeting to help with strategic visioning, and James confirmed that the loan funds would improve the days of cash on hand.

Financial Indicators for Period 11, July 2025.

Public Indicators

Indicator	FY '23	FY '24	FY '25	Target
Comp sales	6.30%	2.23%	1.30%	3%
Net income	1.75%	-0.17%	-3.57%	1%
Days of cash on hand	46.20	27.61	13.06	12
Current ratio	3.50	2.68	1.83	>1
Debt to equity	0.32	0.86	0.85	<2

Report from the Membership Engagement Committee

The Membership Engagement Committee reported on their recent meeting where they reviewed past activities and discussed preparations for the upcoming annual member meeting. Carter and Ching agreed to determine a date for the annual meeting and send out an agenda for the next committee meeting. Brian emphasized the importance of reviewing the recent survey data, suggesting it be anonymized for privacy and used to inform future membership engagement strategies.

Report from the Board Elections, Nominations, and Development Committee

John reported on the board elections, highlighting a strong candidate pool of nine applicants, including two staff members, and noted the effectiveness of direct outreach through phone calls in increasing participation.

Report from the Policy Committee

Lewis reminded management that he was awaiting their input on proposed language changes to Bylaw 6.2. The Board expressed that there was no urgency on this and that any Bylaws changes would be better addressed next year as we are too close to the Annual Member Meeting to propose changes and get membership votes.

A Look Ahead

- Ends report coming next month

Action Items

- James: Prepare and present the annual ends report for next month's board meeting
- Brian: Set up a study session to review the upcoming annual ends report
- Brian: Finalize the strategic visioning meeting agenda with Thane
- Brian: Organize a dinner for the board on October 24th
- Brian: Archive the membership structure article to the board Team Site
- Board members: Review and add comments to the administrative assistant roles document
- John: Follow up on ensuring phone numbers are included on future survey questions