

Minutes for LMFC Board of Directors Monthly Meeting

Tuesday, November 18, 2025

5:45 – 7:45 pm

Attendees:

Board Members Present	Management Present	Guests Present
Brian Naughton	James Esqueda	Nicki Handler - member
Carter Rook	Randy Evans	Stacey George - member
Ching Lu	Rob Dixon	Courtney Williams – staff and member
Liz Davenport		Nagisa Suzuki – staff and member
Lewis Creekmore		Willie Nelson – staff and member
John Kwait		
Nini Sulamoyo		
Nathan Baker		

Open Meeting

A motion was approved to add an executive session to the end of the agenda for Board Members and the GM to discuss the election results.

- **Board unanimously approved the revised agenda and October 2025 meeting minutes**

Member Comments:

A few staff / member owners made comments regarding concern about the recent increase in health care premium increases for staff of the Co-op. This topic is being explored by the Board at the November Finance Committee meeting.

GM Update

Sales

October experienced a 0.1% decrease in total comparative co-op sales with a total of \$4,036,000, a difference of (\$7,854) compared to the same month last year. Retail stores combined saw a 0.2% increase in sales, with a total of \$3,590,000, with

transactions up 0.5% and the average basket size down 0.3%. The Distribution Center's outside sales were down 3.2% with a total of \$446,000, with transactions down 8% and the average order size up 5.6%. Internal transfers to our stores decreased by 0.5% compared to last year.

Membership

By the time this report is shared, our annual Board of Directors election period will have concluded. Our team has put in significant effort to support another successful election cycle, and we are pleased to welcome the newly elected Board Members next month. Please stay tuned for updates via our website, newsletters, and social media platforms.

As of the end of October, membership stood at 16,351, a 0.70% increase from the previous month. Later this week, we will host our Annual Member Gathering here in Albuquerque, and I am eager to connect with and meet the members attending. For more information on this event please visit our website.

Round Up for Change

In October, we partnered with Bienvenido's Outreach Inc. to support vulnerable populations, including the homeless, elderly, children, and members of our communities with disabilities. Based in Santa Fe, Bienvenido's Outreach has been serving the community with food boxes and other essentials since 1989. Their mission is to address issues faced by the unhoused, food-insecure, and vulnerable individuals. I am pleased to announce that we have raised \$8,900 for our nonprofit partners through our Round Up for Change program.

Other News

In October, we continued to receive the remaining store equipment needed for setup and preparations for the new store opening. Items ranging from shopping carts and kitchen appliances to grocery aisle shelving are arriving and staged for installation by the contractor. It's remarkable how much equipment a grocery store requires—everything from cash registers and bulk bin dispensers to scales across the sales floor. Grocery retail involves coordinating many moving parts. I am excited to be nearing the final stages of our store construction and proud of this multi-year project that will position our co-op for the next fifty years! We plan to open the new location in January 2026 and will keep you informed of our progress as we get closer.

Many individuals, families, and community members faced confusion, delays, and temporary suspensions of their federal Supplemental Nutrition Assistance Program (SNAP) benefits. Our Governor joined six other states in deploying emergency funding to ensure that children, families, seniors, and residents with disabilities continue to receive the food support they rely on. To meet the increasing demand, our co-op collaborated with local food banks to support their vital work feeding our neighbors

during these unforeseen events. Since we understand that the disruption of SNAP benefits affects everyone in some way, we also took internal steps to support our team. I am pleased that the government shutdown has ended and funding has resumed for this critical resource in our communities. We have faced challenges before, and each time we have emerged stronger because we faced them together. We will continue to provide a cooperatively owned business where people can buy great food, knowing their purchases make a difference.

GM Monitoring: L3 Financial Conditions

The Board previously discussed the supporting materials for the L3 Financial Conditions for Q4 at the October Finance Committee meeting. The Board reviewed and discussed the areas of non-compliance and the GM's plan to improve performance.

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

Per the Board calendar, we would also review the CPA reviewed end of year financials and consider a dividend recommendation from our GM. Our CPA is in the process of reviewing our financials and will provide that report to the Board in December for consideration.

Board Policy B2- Our Deliberation Process

The Board reviewed the B2 Policy. A prior discussed recommended the removal of the term "sociocracy" from the policy and was incorporated into a draft of a Policy Document revision, maintained by the Policy and Bylaws Committee. Lewis will recirculate that draft for the Board to review and approve at the December meeting.

Special Topics

Columinate Consulting Package

The Board discussed the utility of a renewed contract with Columinate to provide education and consulting services to the Board for 2026. The basic package has been used in recent years and was already included in the FY26 Board budget. The "CBLD Complete" package which has additional consulting hours or an additional in-person training/retreat was discussed as desirable.

- **The Board voted unanimously to enroll in the CBLD Complete package**

Member Comments regarding Boycotts

The Board discussed the next steps regarding a request to boycott products produced in Israel by some members at the October meeting. The GM reported back that there is currently no ability in the inventory and sales system to identify country of origin of

products specifically, thus requiring a manual audit of goods if we wanted to identify specific products. Pilar Salazar provided the Board with a copy of the presentation given at October's meeting, along with some additional informational links. The Board will consider this information and the development of a more general product boycott policy at the next Policy and Bylaws Committee Meeting. This would address any kind of boycott or request for product removals from membership.

Leadership Transition

A discussion was had regarding transition of leadership at the President departs the Board in December. Officers will continue in interim roles until new officers are elected in December or subsequent meetings. The President will work with the Vice President in the coming month to prepare for the December meeting and a smooth transition.

Report from the Finance Committee

The Finance Committee discussed the financial performance for September 2025, Period 1 of the new fiscal year. Comparative Sales continue to decline along with net income. The days of cash on hand has rebounded and stabilized well above the target as the loan funds arrived in accounts. A plan was submitted to improve financial performance for 2026 last month and those measures are being implemented.

Financial Indicators for Period 1, September 2025.

Public Indicators

Indicator	FY '24	FY '25	FY '26	Target
Comp sales	4.30%	5.73%	0.48%	3%
Net income	-0.40%	-2.61%	-3.07%	1%
Days of cash on hand	41.20	26.01	28.86	12
Current ratio	3.50	2.42	1.80	>1
Debt to equity	0.32	0.86	1.37	<2

Avanyu Plaza

We also received an update on the Avanyu Plaza store including:

- Resumption of construction activities to complete the tenant improvements with the Deli area being the biggest remaining activity

- The 19 Pueblos District have been working with LMFC on opportunities to strengthen the partnership through events and other means.

CPA Review

The Board's CPA provided an update on the Annual Review of Finances and also provide a proposal on Agreed-Upon Procedures Engagement for Property and Equipment.

The CPA said the Annual Review of Finances was going well and anticipated a final report would be available in early December for review and the upcoming Finance Committee Meeting.

- **The Board approved a motion to accept the CPA's proposal regarding Agreed-Upon Procedures Engagement for Property and Equipment.**

Report from the Membership Engagement Committee

- The Membership Engagement Committee reported that they are continuing to work with Membership and Marketing to develop the details of the upcoming Annual Member Meeting which has been set for November 20th.
- A brief summary of some of the Board-sponsored member survey were shared and will be presented at the Annual Member Gathering
- The agenda and speaker list for the event was discussed in preparation for the meeting on 11/20/2025

Report from the Board Elections, Nominations, and Development Committee

- The Board election period has ended and the Board will review the election results in the Executive Session following this Board Meeting and notify members after that review
- John shared the plan for orientation of new Board members to make use of the upcoming Committee meetings as mini-orientations on various topics. The Membership Engagement Committee meeting will be first on 11/25 if the new members are available.
- The idea to incorporate more rigorous Board candidate qualification requirements was discussed briefly.

Report from the Policy Committee

A Look Ahead

- Notification and orientation process for new Board members to start
- Annual Member Gathering to take place on 11/20/2025

Executive Session

The Board, General Manager, and Membership and Marketing Director held an executive session to review the Board election results that were received shortly before the Board meeting. Board candidates will be notified of their individual results first and then a general announcement will go out to Membership at the Annual Member Gathering and electronically after that.