

CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS

BOARD MEETING MINUTES

Wednesday, May 17, 2017, 5:30 PM, New England
College, Concord, NH



Cathy Menard, President, called the meeting of the Concord Food Cooperative Board of Directors to order at 5:30 PM. A quorum was present.

Attending: Cathy Menard, Derek Owen, Jim McConaha, David Marshall, and Krista Helmboldt. Tracie Sponenberg joined at 5:53PM. Staff: Chris Gilbert (General Manager), Peter Deleault (Finance Manager).

Absent: Tedd Evans, Charlie Cole, Finis Williams

Agenda - desired outcomes for meeting amended - FY18 budget will be discussed today, voted on next meeting, Employee Concerns policy will be taken up In June.

B1 FINANCIAL CONDITION - Chris Gilbert

The Co-op experienced a better quarter in Q3: as a result of eliminating green stamps, we hit our target gross margin. Current ratio improved but still below goal; quick ratio improved but still low; membership is growing. Flatter sales growth is the "new normal," affecting NCG stores and even Whole Foods. In future charts presented, Krista suggests identifying major events affecting financials. David suggests a longer term view in the annual Financial Condition report.

Cash flows showed significant improvement for the quarter. The Board reviewed debt covenants required by National Cooperative Bank, noting that this loan will be fully paid in December 2017.

BOARD VOTE: Accept B1 Financial Conditions report, recognizing areas of non-compliance, including 1.4, debt to equity ratio.

(Motion by Krista Helmboldt, seconded by David Marshall; approved unanimously).

B2 PLANNING AND BUDGETING FY18 - Chris Gilbert

Chris presented the proposed budget for FY18, which is conservative in all areas. Major assumptions are described in the budget narrative: sales growth (year over year) is projected at 4% on a combined basis including Concord and Kearsarge stores; this growth rate is conservative as the prior year was affected by construction on Main Street. On a combined basis, sales are projected at \$7.9M; operating profit is forecast at \$126k; after interest expense and taxes, a modest net profit of \$3,413 is budgeted.

The Co-op anticipates drawing on our line of credit in June for working capital, as an installment of member loan payments is due in June 2017. A potential plan for FY18 to restructure debt incurred to finance the store expansion was presented by Pete Deleault and is reflected in the Projected Balance Sheets & Statements of Cash Flows. A vote will be taken on the FY18 budget at next month's meeting.

GENERAL MANAGER'S REPORT - Chris Gilbert

April was a good month overall; sales are slowly improving; transaction trend is positive; positive comments were received from customers regarding price image. Overall cash on hand improved greatly through April; Chris is continually working on reducing costs and prices; nicer weather has improved the lunch crowds; local farmers have started delivering fresh product. Co-op e-shop is live. The Co-op is planning a "hot Memorial Day flyer." The "Spring Into Healthy Giving" event is looking to be outstanding (for example, there will be competition by Concord police and fire departments in the ping pong event).

NOMINATING COMMITTEE REPORT - Jim McConaha

Four seats on the board are up for election this fall. All four incumbents intend to run for re-election. Three seats will be for 3-year terms, one seat for a 1-year term. Announcement of the board election has been posted around the Co-op and regularly on the Co-op website. Applications are due Saturday, July 1, by 5:00PM.

MINUTES APPROVAL

The minutes were amended to correct spelling.

BOARD VOTE: Approve the April 19, 2017 minutes as submitted, and amended.

(Motion by David Marshall, seconded by Krista Helmboldt; approved unanimously).

EXECUTIVE COMMITTEE

□ **BOARD VOTE: Enter Executive Session at 7:10PM to discuss personnel matters.**

(Motion by Jim McConaha, seconded by David Marshall; approved unanimously).

□ **BOARD VOTE: Exit Executive Session at 7:30PM.**

(Motion by Derek Owen, seconded by David Marshall; approved unanimously).

ADJOURNMENT

□ **BOARD VOTE: Motion to Adjourn at 7:35PM.**

(Motion by Derek Owen, seconded by Jim McConaha; approved unanimously).

The meeting adjourned at 7:35PM. The next meeting is scheduled for Wednesday, June 21, 2017, 5:30PM at New England College in Concord.