

CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS BOARD MEETING MINUTES

Wednesday, November 15, 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 5:33 PM. A quorum was present.

Attending: Cathy Menard, Derek Owen, Finis Williams, Pete Engle, Jim McConaha, David Marshall (5:37pm) and Krista Helmboldt (5:38pm). Staff: Chris Gilbert (General Manager), Melanie Waldvogel (Board Administrator).

AUDIT REPORT

The Co-op received a clean audit opinion, indicating that our financial statements are a fair representation of the financial condition of the Co-op. The Co-op incurred a net loss of \$224,959 in FY17 due to well understood factors, primarily construction on Main Street which is not expected to reoccur. Discontinuance of the green stamp program also created a one-time charge in FY17.

Management has a plan to restructure debt in order to improve working capital (see Loan application section later in the minutes); at year end, current liabilities exceeded current assets by \$45,031. Both the Auditor and Finance Committee expressed confidence in management's plan to increase working capital.

Next year, the auditor will present to the board rather than the finance committee.

BOARD VOTE: Approve audit report 2016-2017 as amended (note 14, last page).

(Motion by Finis Williams, seconded by Jim McConaha; approved unanimously).

POLICY GOVERNANCE: FIRST QUARTER FINANCIALS

Data for the first quarter ended September 30, 2017 is shown below:

SALES

	Q1	Last Year	% diff vs ly	Budget	%diff vs budget
Concord	1,631,239	1,525,869	6.91%	1,598,548	2.05%
Kearsarge	185,270	173,886	6.55%	182,167	1.70%
Total	1,816,509	1,699,755	6.87%	1,780,715	2.01%

CUSTOMERS

	Q1	Last Year	% diff vs ly
Concord	69,707	59,690	16.78%
Kearsarge	7,162	7,221	-0.82%

NEW MEMBERS

	Q1	Last Year	% diff vs ly
Concord	79	37	113.51%
Kearsarge	5	2	150.00%

Chris noted that October sales growth was 8.5%. Chris and staff were congratulated on improving sales and keeping expenses within budget.

BOARD VOTE: Approve B1: Financial Condition, as presented.

(Motion by Finis Williams, seconded by David Marshall; approved unanimously).

LOAN APPLICATION

Management proposes to apply for a line of credit with our existing lender, the Cooperative Fund of New England (CFNE). Then next spring, we would re-write our current CFNE loan and roll the line of credit balance into the refinance under the same terms as our current loan. The monies would be used to restructure the remaining balance of our renovation member loans from 2012 which is \$394,624.

- Continued sales recovery and growth since late spring are important favorable trends supporting this proposal.
- In addition, two separate apartment projects that are slated to **begin** next spring will mean the creation of 150 apartment units coming to downtown within a block of our store - and a corresponding potential increase in sales.
- Steady increases in membership leading to increased sales are another supporting factor.
- In December our loan with the National Cooperative Bank will be paid off resulting in a monthly savings of \$4,843 which will be used to help reduce our borrowing needs.

BOARD VOTE: Approve CFNE loan application letter as submitted.

(Motion by Finis Williams, seconded by David Marshall; approved unanimously; Cathy Menard abstained).

EXECUTIVE SESSION

BOARD VOTE: Enter Executive session at 6:17pm.

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

BOARD VOTE: Exit Executive session at 6:27pm.

(Motion by Derek Owen, seconded by Krista Helmboldt; approved unanimously).

NEW BUSINESS

BOARD VOTE: Approve the current slate of officers as nominated: Cathy Menard as President, Krista Helmboldt as Vice-President, Finis Williams as Treasurer and Jim McConaha as Secretary. Jim McConaha will also continue to serve as Chair of the Nominating Committee.

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

BOARD VOTE: Approve the Ends Report as presented at the October Board Retreat.

(Motion by Derek Owen, seconded by Finis Williams; approved unanimously, Krista Helmboldt abstaining).

GENERAL MANAGER'S REPORT

525 turkeys have been sold to date and there has been increasing demand for organic turkeys. The Marketing department is working hard on "telling our story." Online sales have picked up.

THE CO-OP CALENDAR

Annual Meeting De-Brief: The Annual Meeting was great fun and was well-attended (150 members)! The co-op's parking lot was a good and accessible space for the event. Ideally the business meeting would take place before food is served. We plan to improve access to voting, membership sign ups and the board recruitment table. Finis suggested use of the poster which features Derek as Uncle Sam.

Board Training: The Board discussed the CBLD 101 conference in Keene, NH on January 6th, 2018. New members, as well as those considering running for the Board, were encouraged to attend.

Board Survey: After Thanksgiving, Michael Healy of CDS will conduct a board survey for the purpose of monitoring our C & D policies, covering governance and board relationship with management. The survey will be completed in December and reviewed in January. There is no Board meeting in December.

Draft Calendar: Cathy presented a draft 2018 board calendar which includes time for discussion of long term planning goals raised by Chris at the retreat. Krista noted that key deadlines for communication with members are also included. The board continues to discuss ideas for the best way to handle the annual board retreat.

MINUTES APPROVAL

BOARD VOTE: Approve the August 16, 2017 minutes as Submitted.

(Motion by Finis Williams, seconded by David Marshall; approved unanimously).

ADJOURNMENT

BOARD VOTE: Motion to Adjourn at 7:29PM.

(Motion by Derek Owen, seconded by Krista Helmboldt; approved unanimously).

The meeting adjourned at 7:29PM. The next meeting is scheduled for Wednesday, January 17, 2018, 5:30PM at New England College in Concord.