



# CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS

BOARD MEETING MINUTES

**Wednesday, May 16, 2018, 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.

**Attending:** Cathy Menard, Pete Engel, Jim McConaha, David Marshall, Tracie Sponenberg, Finis Williams, Krista Helmboldt (5:34pm) and Tedd Evans (5:37pm). **Staff:** Chris Gilbert (General Manager) and Melanie Waldvogel (Board Administrator). **Guests:** Gary Janinda, Suzi Pegg, Monica Rico and Susan Stevens.

## INTRODUCTION OF GUESTS

Gary Janinda and Monica Rico both attended as board candidates and described their involvement in the Co-op. Monica is a longtime member, Certified Organic Farmer, manager of the Henniker farmers market, and an employee of Northeast Farming Association of NH (NOFA). Suzi Pegg, City of Concord Economic Development Director, outlined redevelopment construction taking place in the Co-op's neighborhood and the importance of the Co-op to help attract talented people to Concord. Susan Stevens manages USDA interim loans for farmers at harvest time and attended the meeting as an interested member.

## POLICY GOVERNANCE - B1: Financial Condition for 3rd quarter ended March 31, 2018

Chris reported a continued strengthening of financial trends, especially an increase in the daily sales average, resulting in sales growth of 1.13% for the quarter. Net income is steadily improving due to Q3 sales growth and a decrease in expenses. Expense savings are primarily due to buyers monitoring costs and negotiating better deals. Net income for the 3rd quarter was \$11,604 which is a \$25,866 improvement over Q3 last year. Membership growth for Q3 was 4.1% over last year.

On a year-to-date basis, the Co-op reports a Net Loss of (\$32,295), reflecting the final write-off of the green stamp program early in the fiscal year. The Co-op continues to demonstrate substantial recovery from last year's Q3 YTD (\$220,013) loss resulting from Main Street construction. Inventory control measures have resulted in a \$31k reduction in inventory stocks compared to last year. With less cash tied up in inventory, the Co-op generated positive cash flow from operations of \$77,519 year-to-date.

Financial ratios for liquidity and debt-to-equity are below target levels due to the Co-op's debt burden to finance the store expansion. It will take time to steadily reduce liabilities and rebuild cash position in order to improve these ratios.

**BOARD VOTE: Accept Policy B1: Financial Condition as submitted.**

*(Motion by Finis Williams, seconded by Tedd Evans, all in favor).*

## **POLICY GOVERNANCE - B2: Planning & Budgeting for FY19**

The Board reviewed the Draft FY19 Budget (July 1, 2018 to June 30, 2019) in detail. A conservative approach is taken with the budget; management considers this to be a practical, attainable budget. Some key highlights include:

1. Income projections based on weekly customer counts are 3% for Concord (compared to 5% last year) and 4% for Kearsarge (vs. 2% prior year).
2. Personnel costs are budgeted to increase by 3.2% in Concord and 3.1% in New London. These increases are due to increases in rates for starting pay and for health care benefits.
3. Occupancy expense is expected to decline primarily due to installation of LED lights.
4. Operating expenses are projected to decrease for both stores for a combined reduction of \$18,600 due to savings achieved with the new Point of Sale system. Based on feedback from the Customer Survey, the online shopping program (Rosie) will be discontinued.
5. Administrative expense will increase to support an expanded staff survey.
6. Promotions expense will decrease slightly from the current year level.

A vote on the FY19 budget will be taken at the June meeting.

## **NOMINATING COMMITTEE**

Jim and Pete reported that incumbent candidates Finis Williams and Tracie Sponenberg will be running for their positions again, while Tedd Evans, Derek Owen and David Marshall are retiring. The Board would love to see as many candidates as possible for the 5 open seats. There are 3 seats for 3-year terms, 1 seat for a 2-year term and 1 seat for a 1-year term. The candidate application is posted online. Please refer interested candidates to Jim or Pete, noting that applications are due by July 1. The Board expressed interest in having a candidate night or lunch where members could interact with candidates.

*Chris Gilbert left the meeting at 6:42pm.*

## **MESSAGE TO MEMBERS**

Krista and David are drafting a message from the board describing our work on GMOs and re-defining "local", to be published in the Co-op newsletter with a reminder about the candidate application deadline of July 1st.

## **FINANCE COMMITTEE**

Current board members on the Finance Committee are Finis (Treasurer) and Cathy. Betsy Black also serves as a non-board member, along with staff members Chris and Pete Deleault (Controller). After discussion about transparency and board fiduciary responsibility, it was decided to add members to the committee, to hold meetings quarterly and to request attendance by the Controller at the June 20th board meeting for the budget vote and at the November 14th board meeting for the audit presentation.

## **BOARD VOTE: Approve the April 18, 2018 minutes as amended.**

*(Motion by Finis Williams, seconded by Tracie Sponenberg; approved unanimously).*

## **BOARD MEETING LOCATION**

While the NEC location is convenient and spacious, it is sometimes unavailable. The Board decided to hold the June meeting at the Co-op. Returning to the Nature Conservancy space is also a possibility.

## **ADJOURNMENT**

**BOARD VOTE: Motion to Adjourn at 8:02PM.**

*(Motion by Krista Helmboldt, seconded by David Marshall; approved unanimously).*  
The meeting adjourned at 7:31PM. The next meeting is scheduled for Wednesday, June 20, 2018, 5:30PM at the Co-op in Concord.