



# CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS

## BOARD MEETING MINUTES

**Wednesday, June 20, 2018, 5:30 PM, Concord Co-op, 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, Tedd Evans, Finis Williams, and Krista Helmboldt. **Staff:** Chris Gilbert (General Manager), Peter DeLeault (Controller) and Melanie Waldvogel (Board Administrator). **Guests:** Gary Janinda.

### **POLICY GOVERNANCE – B2: Financial Planning and THE BUDGET**

The only revision to the proposed FY2019 budget from the version reviewed by the Board in May is that the Point of Sale (POS) system was determined by management to be an operating lease rather than a capital equipment purchase. Sales for the combined stores are projected at \$7.8 million (3% growth over FY2018), with a 39% Gross Margin consistent with prior years. Personnel expense of \$2 million (27% of Sales) includes a 3.1 - 3.2% increase related to a starting wage increase and higher health care benefits expense.

Management described the budget as conservative and fair, expressing confidence in the Co-op's ability to meet FY2019 projections.

**BOARD VOTE: Accept the FY2019 Budget as presented and revised.**

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

**BOARD VOTE: Accept Policy B2: Financial Planning as submitted.**

*(Motion by Jim McConaha, seconded by Finis Williams, all in favor).*

### **GENERAL MANAGER'S REPORT**

Sales and customer counts continued their upward trend in May, resulting in an improvement of the Co-op's cash position by \$110,000. Sales for sushi and catering were exceptional. Catering is pursuing opportunities to provide commissary services at two Concord establishments. LED lights have been installed. A check for \$3,000 from Albert's (perishable warehouse) arrived due to increased ordering. The lease at our New London location will be renewed.

The Board acknowledged staff for the positive financial trends. Chris noted that the new POS system will greatly enhance their ability to manage both stores. Some files have been loaded, and the POS installation is set to install July 16<sup>th</sup>, with training taking place for the following two weeks in Concord and New London. The system will go live August 1.

The annual financial statement audit will be underway soon. The audit report will be presented at the November 14<sup>th</sup> Board meeting.

### **MEMBER LOANS**

Member loans will be paid off this month, financed by the Co-op's line of credit from The

Cooperative Fund of New England (CFNE), which has supported the Co-op at critical stages of organizational growth. The board wishes to thank Betsy Black, Co-op member and CFNE Loan Officer, for her assistance in presenting our successful loan request to the CFNE Loan Committee.

Some generous members have also donated their loans or converted them to B shares!

### **POLICY GOVERNANCE B-6: Staff Treatment and Compensation**

The Board discussed the CDS staff engagement survey, noting an improvement over last year in staff responses for 13 out of 15 survey questions. Chris expects the staff survey results to improve every year. The Board absolutely supports this effort and has budgeted for an expanded confidential staff survey in FY2019 with more questions and the ability to analyze departmental responses.

Staff engagement declined slightly for 2 survey questions; communication by department managers was a factor in these results. The number of managers who attending training during the year increased from 3 managers in FY2017 to 8 managers in FY2018.

Management acknowledges that fair pay was the major theme for staff and has developed a plan to address this concern, noting that increased productivity has been a key factor in the Co-op's improving financial results. We know that other co-op's nationally are focusing on productivity as an important metric for thriving in the competitive landscape. The Board supports management's plan for continued progress and the 3.1 – 3.2 % increases in wages and benefits which are budgeted for FY2019.

**BOARD VOTE: Accept Policy B6: Staff Treatment and Compensation as submitted.**

*(Motion by Finis Williams, seconded by Jim McConaha, all in favor).*

### **NOMINATING COMMITTEE**

Jim and Pete reported that incumbent candidates Finis Williams and Tracie Sponenberg have submitted their applications, while applications seem certain by the July 1 deadline for the other three open positions.

**BOARD VOTE: Approve the May 16, 2018 minutes as submitted.**

*(Motion by Finis Williams, seconded by Krista Helmboldt; approved unanimously).*

### **MESSAGE TO MEMBERS**

Krista and David wrote a board update for members explaining our new definition of local foods (grown or produced within 100 mile radius) and attention to genetically modified organisms (GMOs). The Co-op's fresh produce is 100% organic and organic sales in FY2017 were \$1.06 million (14%). Local sales in FY2017 were \$1.04 million (14%); local defined at that time as being grown or produced in New Hampshire.

### **ADJOURNMENT**

The Board acknowledged and thanked David Marshall and Tedd Evans for all of their years of dedicated work on behalf of the Co-op.

**BOARD VOTE: Motion to Adjourn at 6:54PM.**

*(Motion by Jim McConaha, seconded by Pete Engel; approved unanimously).*

The meeting adjourned at 6:54PM. The next meeting is scheduled for Wednesday, July 18, 2018, 5:30PM at the Concord store. The Shaker Village Garden Party will be July 25th.