



# CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS

## BOARD MEETING MINUTES

**Wednesday, August 15, 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, Tracie Sponenberg, Jim McConaha, Tedd Evans, Krista Helmboldt and David Marshall. **Staff:** Chris Gilbert (General Manager) and Melanie Waldvogel (Board Administrator). **Guests:** Gary Janinda (Board candidate).

### **POLICY GOVERNANCE - B1: Financial Condition**

Upward trends in financial performance continued for the fourth quarter (Q4), improving results for the year ended June 30, 2018 (FY2018):

#### Gross Margin

Prices have been lowered, especially in the bulk and meat departments, but the drag on margins was offset by tighter management of cost of goods; consequently, gross margins held steady for Q4 and were slightly above the goal of 39.5%.

#### Sales Growth

- a. Sales for Q4 improved 2.38% over fourth quarter last year.
- b. Sales for the entire year were 2.99% higher than last year.

#### Net Income

Net income is steadily improving due to an increase in sales and a decrease in expenses.

- a. Net income for Q4 was \$24,169.
- b. Net income for the year was a loss of (\$7,680) which represents a \$223,066 (97%) improvement over last year.

#### Liquidity Ratios

Although Current and Quick Ratios strengthened because the Co-op is generating more cash from operations, these measures remain below target.

#### Debt to Equity

Debt to equity ratio is 3.01, barely missing the goal of 3.0 and significantly better than the prior 5 quarters.

#### Membership Growth

Membership for Q4 was a 4.1% increase over last year, well above the 2% target.

Highlights from board review of the June 30, 2018 year-end financial statements:

- a. Working capital has improved by \$104,000 compared to last year.
- b. Inventory is reduced by \$50,000 compared to last year, tying up less cash.
- c. The Co-op has been unable to fill some open positions with qualified candidates; staff have responded by finding efficiencies and increasing productivity.

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

*(Motion by David Marshall, seconded by Krista Helmboldt, all in favor).*

## **POLICY GOVERNANCE – B3: Asset Protection**

- a. Insurance coverage levels and carriers have remained consistent compared to last year.
- b. In the area of contracts, the new Point of Sale (POS) system contract has been added.
- c. The specific process outlining Board records was discussed. Executive and non-Executive copies are kept off site by the General Manager and Board Secretary, while the Board Administrator maintains Executive records. Back-ups are provided yearly.

### **BOARD VOTE: Accept Policy B3: Asset Management as submitted.**

*(Motion by Krista Helmboldt, seconded by Tedd Evans, all in favor).*

## **BOARD SELF-ASSESSMENT**

Board members completed a board performance self-assessment using a survey tool developed by CDS. Jim McConaha raised a concern about the methodology. After discussion, it was agreed that results will be tabulated in two different formats and will include last year's results for comparison.

## **GENERAL MANAGER'S REPORT**

Chris Gilbert reported that July sales increased 3% over last year's sales, which is significant considering summer months are traditionally the slowest due to vacations.

Over 60 customers expressed interest in participating in the New Hampshire Community Seafood cooperative. Based on this favorable response, Concord Food Co-op is planning to be a pick-up location for locally sourced fish offered by the seafood cooperative.

## **ANNUAL MEMBER CELEBRATION**

Last year's party was highly successful with record attendance and wonderful community spirit. A few changes will be implemented to make the balloting and the business meeting run more smoothly at this year's party on September 15th starting at 2:30PM. Board members are expected to be available at the designated Board table to answer questions from members.

## **BOARD RETREAT**

Nick Schneider, Operations Manager, will be invited to participate in the morning session of the October board retreat. The Board will schedule the Canterbury Shaker Village meeting room well in advance for next year's retreat.

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

*(Motion by David Marshall, seconded by Pete Engel; approved unanimously).*

### **BOARD VOTE: Motion to Adjourn at 7:07PM.**

*(Motion by Tedd Evans, seconded by David Marshall; approved unanimously).*

The meeting adjourned at 7:07PM. The next meeting is the annual Member Celebration scheduled for Saturday, September 15th, 2018, 2:30PM at the Co-op in Concord.