



CONCORD FOOD COOPERATIVE

BOARD OF DIRECTORS

BOARD MEETING MINUTES

Wednesday, November 14, 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 5:29 PM.

Attending: Cathy Menard, Pete Engel, Jim McConaha, Krista Helmboldt, Finis Williams, Gary Janinda, Traci Komorek, and Chuck Gilboy. **Staff:** Chris Gilbert (General Manager), Peter DeLeault (Comptroller) and Melanie Waldvogel (Board Administrator). **Guests:** Eric Rowley (Rowley and Associates) and Lane Fury (Cooperative Fund of New England).

AUDIT REPORT

Eric Rowley, CPA presented the Fiscal Year 2018 audit report to the board noting the following highlights:

1. The audit opinion is an unmodified, clean opinion indicating that management's financial statements present fairly the Co-op's financial position, results of operations and cash flows.
2. Working capital (total current assets less total current liabilities) increased by \$185k over last year, a significant improvement in financial stability.
3. Inventory turned more quickly as evidenced by a reduction in Days Sales Outstanding from 22 days last year to 19 days this year.
4. Net Sales were \$7.6 million for the year, an increase of \$220k over last year.
5. Net loss for the year was near breakeven at (\$8k), a 96% improvement over last year.
6. Even with increased sales, expenses were controlled at prior year levels. Operating expenses were generally stable across all categories.
7. Cash flow generated from operations was \$171k this year.

Board members are encouraged to contact Rowley and Associates with any questions regarding the audit.

Chris Gilbert, Peter DeLeault-and the Co-op staff were congratulated on turning the financials around during the last year.

BOARD VOTE: Approve the Fiscal Year 2018 Audit report as submitted.

(Motion by Finis Williams, seconded by Gary Janinda, all in favor).

SLATE OF OFFICERS

BOARD VOTE: Approve the following slate of Officers for the 2018-2019 Board year:

Cathy Menard, President

Krista Helmboldt, Vice-President

Jim McConaha, Secretary

Treasurer: Pete Engel

(Motion by Finis Williams, seconded by Chuck Gilboy, all in favor).

Jim McConaha is willing to continue as Chair of the Nominating Committee.

POLICY GOVERNANCE: B1: Financial Condition as of September 30, 2018

Chris Gilbert, General Manager and Pete Deleault, Controller, presented the first quarter financial results:

- a) Sales for the combined stores were \$1.8 million, exactly on target with the budget.
- b) Total expenses were \$743k, below budget favorably by \$13k.
- c) Historically the first quarter results in a loss; this is the most successful first quarter the co-op has seen since 2013. Although we budgeted a (\$47k) loss, results for the quarter were a (\$26k) loss, a 46% improvement over first quarter last year.

The GM, Controller and all Co-op staff received a round of applause from the board.

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

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

BOARD SELF-ASSESSMENT SURVEY

The board conducts an annual self-assessment survey to monitor C&D policies (which cover board performance) using questions from a survey tool provided by Cooperative Development Services (CDS). Scores increased for nearly every question indicating that we are making progress toward our goals.

- There is a high level of agreement that we're doing well on items related to the board and General Manager relationship.
- The board would like to strengthen our recruitment process to increase the number of candidates in order to hold contested elections for seats on the board.
- The board would like to develop a better understanding of the capital needs of the Co-op.

Gary Janinda and Finis Williams will take the lead on our plan for next year's board survey.

ORGANIC PRODUCE

For the past year and a half, the Co-op has proudly offered 100% organic produce. As we know, the board has delegated responsibility for store operations to the General Manager (see B5 Treatment of Consumers). Jim McConaha offered a preview of the discussion of local food (apples in his example) and the organic label which will continue at our February meeting.

ENDS REPORT

BOARD VOTE: Accept the fiscal year 2018 Ends Report as submitted at the retreat.

(Motion by Finis Williams, seconded by Pete Engel; approved unanimously).

GENERAL MANAGER'S REPORT

Concord Food Co-op is the NH Grocers' Association "Grocer of the Year!" This award is given on the basis of store visits and outstanding contributions to the community. Mention was also made of the Co-op's catering service called *The Jury Box* at UNH Law.

Chris Gilbert reported on a great month for sales in October, which were above budget.

The co-op expects to sell 500 turkeys this year.

CONTRACTS

The Board discussed a proposal from Melanie Reid, CDS consultant, to conduct a B6 policy compliance Staff survey for 2019.

BOARD VOTE: Approve the CDS proposal for 2019 staff survey.

(Motion by Finis Williams, seconded by Gary Janinda; approved unanimously).

Enrollment for the Cooperative Board Leadership Development (CBLD) program is underway at CDS, offered on a calendar basis. It was decided to contract with Michael Healy, CDS consultant, for the 2019 board retreat, as we did in 2018. Separately, the Co-op will cover the training costs for new members to attend Cooperative Board Leadership 101 in Keene on 1/12/19.

BOARD VOTE: Approve a contract with Michael Healy for a board retreat on 10/5/19.
(Motion by Jim McConaha, seconded by Finis Williams; approved unanimously).

BOARD VOTE: Approve the August 15, 2018 minutes as submitted.
(Motion by Finis Williams, seconded by Jim McConaha; approved unanimously).

EXECUTIVE SESSION

BOARD VOTE: Enter Executive Session at 7:45pm.
(Motion by Jim McConaha, seconded by Krista Helmboldt; approved unanimously).

BOARD VOTE: Exit Executive Session at 8:03pm.
(Motion by Finis Williams, seconded by Chuck Gilboy; approved unanimously).

BOARD VOTE: Motion to Adjourn at 8:03PM.
(Motion by Traci Komorek seconded by Finis Williams; approved unanimously).
The meeting adjourned at 8:03PM. The next meeting is scheduled for January 16, 2019, 5:30PM at New England College in Concord.