

**Springfield Food Co-op
Board of Directors Meeting
October 24, 2019**

Directors present: Lindsay Post, Steve Greene, John Vorder Bruegge, Jane Sandelman, Alysia Wolf, Sarah Bolaski, Caitlin Christiana, Marianne Chapin, Brooke Decker

Ex-officio: Neomi Lauritsen, Larry Kraft

Recording Secretary: Lucy Georgeff

Guest (Board consultant): Marilyn Scholl

Call to order: 6:10 p.m.

Co-op stories: Caitlin: went to the Putney Co-op for hot bar and enjoyed the offering. Neomi: great feedback from member-owners who say, "I wish I could invest, I can't, but I support the co-op 100%." People are so glad to be able to swing by the co-op and grab lunch.

Minutes from August 22nd will be approved in a future meeting.

Approving the minutes from September 26th: Jane moves to accept minutes, Sarah seconds, motion passes unanimously

GM Monitoring

B1: Financial Condition

GM reports out of compliance on sales growth - 2.3% growth vs. 3% growth as benchmark, and for net income. Jane notes that meals growth has slowed down. Neomi mentions that Ron has a full kitchen staff now which drives labor up, but sales are not quite there yet. Neomi thinks prepared foods sales will come back up. Plan is to report on sales growth by department on a quarterly basis.

Q2 results

Questions about workers comp expenses and health benefit. Lucy explains those increases are due to a workers comp audit and an increase in full-time employees.

Questions about new location expenses. Lucy explains breakdown of expenses that show up on profit and loss statement and those that are capitalized as a current asset.

Board discusses income for the relocation project.

Neomi asks Board about paying off the Springfield Town Revolving Loan from 2017. Board discusses cash position of co-op and benefit of paying off this loan.

Co-op paid 3 years of rent to the Condo Association on the walk-in cooler this year.

Board acknowledges non-compliance for sales growth and net income.

Marilyn mentions that sometimes with non-compliance the Board would want to monitor more frequently. Board acknowledges that negative net income was in the budget due to new location expenses and asks for sales growth numbers at the next board meeting.

Steve moves to accept B1 as submitted with plans to revisit sales growth at the next board meeting and acknowledgement of negative net income; Lindsay seconds; motion passes unanimously.

FYI

Ali and Lucy are getting patronage dividends into place by Halloween. Neomi has had a few conversations with member-owners about their dividends.

Neomi reports on NCG Fall Meeting. NCG is going through lots of changes, celebrating their 20th anniversary. Neomi took a strategic planning workshop. Part of the plan she's been talking about with Lucy is Diversity, Equity, and Inclusion. Board is interested in participating. Member drive - 60 new members as of this board meeting!

Board self-monitoring

D3: Delegation to the Board

Lindsay reads aloud.

Board self-rating: 4.75/5

D4: Monitoring GM Performance

Lindsay reads aloud.

Board discusses. Board is behind in GM review and compensation. Brooke will send checklist of monitoring reports to Lindsay.

Board self-rating: 4/5

Expansion discussion

6 Main LLC/ Expansion Committee

Steve: Expansion Committee getting together 1x week. People's is okay with our situation, even though we're behind. Their tenants are not out yet. Bank going to issue an extension for closing. Neomi sent out equipment list to dealer. No estimates from construction companies other than what Steve provided

Some community co-ops or non-profits are interested in buying preferred shares.

Expansion committee is hoping to set some benchmarks for “go/no-go decisions” at Board retreat before spending money on architectural plans and other high expense items.

Larry working on Change of Use form for the town - has gone through several versions.

Expansion committee shares with Board some of the “promises” for more preferred shares, grants and donations that we could add to total. Jane explains discussion she had with Lane Fury of Cooperative Fund of New England about out of state members donating to CFNE and then the Co-op can take a loan.

Capital Campaign

Lindsay reports on investments committed, received. Board is looking forward to some larger investments. Hoping to wrap up this phase by the end of October. Larry is following up with a lot of the “yes” and “strong maybe” calls. Radio ad donated through WCFR. Lucy and Neomi will go on Okemo TV. Mailing went out to vendors encouraging local businesses to donate.

Marilyn:

What is the final go/no-go decision? Is it signing the lease? What is the decision that the Board has in front of them still? Then follow up question is what do we need to do to reach that decision?

Expansion committee is interested in coming up with this list at the Board retreat, as well as digging deep into the pro forma.

“What does it mean to go?” To sign a lease, borrow the gap funding.

Next question: what do each of you as directors need to know in order to make that decision.

Board will spend at least an hour going over sources and uses.

How does the market study compare to pro forma?

Timeline and next steps.

What are you worried about? Board gives Marilyn a list.

Board will work with pro forma at the retreat.

Board will provide Marilyn with information on the arrangement between the LLC and the co-op.

Retreat logistics: everyone bring something for the potluck that they can eat, some vegetarians on the board. Gather by 8:30 for coffee and breakfast, start retreat by 9. Go until 4. Lucy will be on call for pro forma questions.

Jane moves to adjourn at 8:05 p.m.; Lindsay seconds; motion passes unanimously.

Respectfully submitted,
Lucy Georgeff

