

**Springfield Food Co-op
Board of Directors Meeting
December 5, 2019**

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

Ex-officio: Neomi Lauritsen, Larry Kraft

Recording Secretary: Lucy Georgeff

Call to order: 5:00 p.m.

Co-op stories: Many Board members hearing concerns that being downtown will deter customers, that they're resistant to having to shop near a traffic light, people are concerned about the amount of traffic.

Approving the minutes from August 22nd: *Lindsay moves to accept the minutes from August 22, 2019 as submitted; Sarah seconds; motion passes unanimously.*

Approving the minutes from October 24th: Lindsay noted there was no plan for compliance for B1 item out of compliance. Jane mentions that Neomi was asked to start reporting on sales growth on a quarterly basis. Steve amends a comment to reflect that People's United Bank extended the closing date from November to January due to their current tenants not yet having vacated. *Jane moves to accept the October 24, 2019 minutes as corrected; Lindsay seconds; motion passes unanimously.*

Pro Forma Deep Dive and Expansion Discussion

The Board talks through a few scenarios and Lucy demonstrates impact on key indicators (EBITDAP, days cash on hand) using pro forma. Board looks at what happens if the current building does not sell for a couple years with current estimated project costs. Board also looks at the impact of project cost overruns in two scenarios: in which we do not sell our current building for a year or two, and one in which we sell it prior to opening the new store. As the Co-op is planning to rent, not own, the new building, it will lack that collateral. Board acknowledges a senior debt ceiling of \$500,000. Board sees that project can only go forward if all sources are obtained. Project overruns would have to be covered by an increase in preferred shares and/or grants and donations.

Expansion committee leads a review of current sources committed and in the bank. Looks like we have nearly \$1 mil committed.

6 Main LLC ("MI6") is fully funded at this point, has a closing date with the bank for Jan 15, and will expect to hear from the Board on a project update.

Expansion committee is working on a plan for the next 2 weeks to obtain costs based on store design plans submitted by PJ Hoffman of Seven Roots.

MI6 is purchasing building for \$400,000 and will pay \$275,000 worth of project bills for items that can be depreciated.

Board looks at the progress list according to the Expansion Toolbox list. At the Board retreat in November, certain items were identified as still needing to be accomplished.

What does the Board need to have in order to make a "Go" decision?

- * acceptable road map for sources and uses
- * understanding adjustments needed to plan and contingencies
- * proper monitoring of achievable project timeline
- * have all estimates finalized
- * have all financing finalized
- * finalize site and store design plans
- * seek contractor bids and preliminary bids
- * change of use permit from town
- * understand Letter of Intent and lease with 6 Main LLC

Board intends to vote Go/No-go at the January 23 meeting.

Capital Campaign update: Team will start calling again in January.

Site design update: Neomi met with PJ Hoffman of Seven Roots and he submitted 4 proposals. Board looks at the one currently favored by the management team. Neomi will be having more conversations with PJ. Among other things, they will analyze the linear footage and space allocated to each department. Neomi reviews PJ's package - including refrigeration plan, floor drains, and more. Neomi is meeting with the equipment supplier Kittredge during the week of 12/10.

Project Manager update: Larry Kraft has an upcoming meeting with the USDA, and will be meeting with Bob Flint regarding economic development.

Member Engagement Committee (John, Marianne, Brooke): They met last month. Would like to create more of a board presence in the store, post agendas, board photo. One goal of this committee is to encourage people to join the Board. Committee will start coordinating with Neomi to write some newsletter items. Committee started looking at the Gantt chart developed by the Brattleboro Food Co-op during their expansion. Committee would like to hold a

community forum prior to restarting the capital campaign. Committee will nail down a date in January and discuss “breakfast” or “bagels with the Board.”

Planning meeting will include Lindsay, Sarah, along with the current committee.

Avoiding Board burnout:

Planning appreciation of the Board as well as staff.

Staff appreciation in January - Jan 30-31. Board will plan to bring desserts and order pizza.

Board self-care: will consider ideas and come back to this.

January board meeting will include creating a list of 25 potential members.

GM Monitoring

B1: Financial Condition (update from October meeting)

B7: Board Communication

FYI usually covers most non-urgent issues. Otherwise, Neomi calls the President or Vice President.

Jane moves to accept B7 report as submitted; Sarah seconds; motion passes unanimously.

B8: Board Support

Neomi thanks Board members for covering minute-taking when Lucy is out.

Jane moves to accept the B8 report as submitted; Lindsay seconds; motion passes unanimously.

FYI - September and October

Lots of new members during October member drive, Lucy and Ali got patronage dividends disbursed and notices out. Sales growth over 6% in November. Meals growth 17%. Gift sales down.

Board self-monitoring

C6: Directors' Code of Conduct

Lindsay and Brooke read aloud.

Board self-rating: 4.9/5

Next meeting review and schedule: Board discusses meeting informally on January 2 AND sending out bullet points from Expansion Committee meetings. Any Board member is welcome to come to the weekly Expansion Committee meeting, held Tuesdays at 10 a.m. in the Co-op community room.

Next meetings: January 23, February 27, March 26

Steve moves to move into Executive Session at 7:55 p.m.; Brooke seconds; motion passes unanimously.

Executive Session: General Manager Review *Marianne moves to accept the GM review and compensation letter dated December 1, 2019; Steve seconds; motion passes unanimously.*

Steve moves to adjourn meeting at 8:12 p.m., Jane seconds; motion passes unanimously.

Respectfully submitted,
Lucy Georgeff

