

Los Alamos Co-op Board Meeting Wednesday, 28 August 2019

Agenda item 1. Meeting Commences Call to order 6:05 PM

Board members in attendance: Joshua Faulconer (President), David Hampton (Vice-president), Robi Mulford (Secretary), Jeff Jansen, Marshall Jansen
Jaimé Barber
Also present: Tim Morrison (General Manager), Tracy McFarland (Member-owner), Ed Santiago (Member-owner)

Agenda item 2. Agenda Review

Agenda approved 6:0

Agenda item 3. Review of June Meeting Minutes

June minutes accepted with corrections
June minutes approved 7:0 (one absentee)

Agenda item 4. Open Member/owner time and comments

Members should have been informed by e-mail of the selection of a new General Manager before the information was posted on Facebook.

Agenda item 5. GM Reporting

Staff changes

Michelle Stallings the accountant has reduced her hours to half time, to attend to family needs. Esteban is going back to school.

GM transition details

General Manager transition requires official posting of the minutes of the meeting at which the new General Manager was hired, in order to provide the bank with clear evidence that the accounts may be altered to reflect the new management of the Co-op. The special meeting was considered to be an executive session. Minutes exist but were not published.

Natural Grocers has broken ground on a new store in a central location. The store opening is expected in spring or summer of 2020. Road construction between Los Alamos and the front gate is decreasing Co-op business at lunchtime, and is anticipated to continue doing so for another 18 months.

Peaches and green chile are in the store.

Refinancing of the building has been delayed because timely financial documentation, specifically X3, cannot be produced. At present, the bank balance is not in agreement with the data from Quickbooks. (vide infra)

Agenda item 6. Staff Auxiliary Board Member Reporting

At present there is no Staff Auxiliary Board member.

Agenda item 7. Treasurer Updates:

Status of letter to member investors / Special investor meeting

In the absence of the treasurer, discussion of this matter is deferred.

Agenda item 8. X3 – Financial Conditions for Q2

The first quarter (Q1) shows a loss of 10K, which is a mistake. The actual income for Q1 was 45K.

The second quarter (Q2) exhibited discrepancies, which Chris Laino and Michelle Stallings were able to identify as resulting from back stock inventory that had not been properly entered, or not properly counted.

Payroll accrual can also distort the quarterly report, in cases where 3 payments occur in a month, causing a disproportionate fraction of the payroll expenses to fall in a particular quarter even though the actual work benefits a different quarter.

The net income for Q1+Q2 is 20K, which is in agreement with the bank balance. This indicates a 1% margin for Q1+Q2. When payroll accrual is complete, the Q1+Q2 balances will be revised slightly.

X3 has not been submitted, and no Board approval is in order. X3 will be submitted once payroll accrual is complete.

Agenda item 9. Staff Survey Committee Reporting

The Staff Survey requires 90% of the staff to participate in order for the survey to be legitimate. A legitimate survey is an NCG requirement.

At present the response comprises only 59% of the eligible staff. Currently 3 of the Co-op's 30 employees cannot participate. Responses are anonymous to both the Co-op and CDS (sic) so Tim will make an effort to guess who has not completed the survey, and he will make an effort to provide them with time and a computer in order to get the job done. CDS issues coded keys to all employees, to provide anonymity.

Starting the entire survey over again is a possibility. Jim will provide time at work for employees to complete the survey, should a restart become necessary. This would require 30 hours of payroll.

The decision as to whether to redo the survey will be taken on August 31, by Jim in consultation with Sarah Dahl.

Agenda item 10. Retreat Committee to organize retreat and set agenda with Todd

The retreat will occur on October 19, 2019. Todd has this date on his schedule. Joshua will book a room at the Holiday Inn, possibly with a discount. Marshall will investigate obtaining a reduced rate for use of the Lodge at the ski hill. We expect the retreat to run from 9:00 to 4:00, 4:30, or 5:00, as needed. Jim will attend.

Topics and theme for the retreat need more discussion, but at present the identified topics include

- Conflict of interest: what is it and how should it be monitored?

- Team building and communication for the new president, vice president, and new members. What constitutes appropriate communication? What communication should occur between the Board and employees? Can we better define guidelines for Board-employee communications?
- NCG requirements overview.
- NG Arrival. What can we learn that is pertinent to maintaining our success while meeting new competition from Natural Grocers?

Note: NCG is effectively a Co-op of GMs. NCG interfaces with UNFI, our supplier, to provide the level of financial responsiveness that is beyond the means of most individual Co-ops, including paying for all goods within 24 hours. Accordingly, NCG requires each Co-op to contribute to a fund to cover NCG in case of sudden financial failure of a Co-op. Co-ops pay between 8% and 100% according to the perceived risk of bankruptcy. While our rate has been reduced from 100%, we still pay 2100% (54K\$) so that in case of a financial squeeze on our Co-op, we aren't faced with a sudden increase in our NCG bill, precisely when there is no spare money to pay it.

Agenda item 11. Other business

We need to review the signatures to the Co-op account. The accountant and one Board member should have read-only authority.

Next Board meeting September 25

Monthly GM/Board meetings: Dave Hampton was scheduled for 14 August, and Marshall Jansen is scheduled for September 11.

Adjourn 7:18 PM Approved 6:0