

**Los Alamos Co-op Board Meeting**  
**Wednesday, 23 October 2019**

**Agenda item 1. Welcome and Introductions** Call to order ~6:10 PM

Board members in attendance: Joshua Faulconer (President), David Hampton (Vice-president), Robi Mulford (Secretary), Steve Snapp (Treasurer), Marshall Jansen, Jaimé Barber, and Miles Majure Barkely (Staff Board Liaison)  
Also present: Lis Stearns, Lauren Hardgraves, Michelle Stallings (representing Jim Fischer), Chris Laino, and Holley\_\_\_\_\_

This additional meeting was scheduled and advertised within the guidelines of the Governance Policy.

**Agenda item 2. Agenda Review**

Agenda amended to include discussion under X2 and a vote under X7.  
Agenda approved as amended 6:0

**Agenda item 3. Review of August Meeting Minutes**

September minutes approved 6:0

**Agenda item 4. Open Member/owner time and comments**

Extensive discussion which is necessarily recorded as Executive Session because of content.

Member/owners have been asking Michelle for information regarding the investor letter.  
Discussion summarized under Agenda Item 11.

**Agenda item 6. GM Reporting/ Dashboard Ideas**

No GM reporting occurs because of time pressures, although Michelle is present for Jim.

**Agenda item 7. Self-Monitoring and Decisions**

Content in Agenda Items 8 through 12.

**Agenda item 8. X2 – Staff Treatment**

Sarah Dahl from Colluminate summarizes the content of the Staff Survey in a phone conference at 7:30.

92% of staff responded to the survey, and Sarah conducted phone interviews with 13 staff members.

In reviewing the results, a score greater than 3.75 indicates compliance with NCG values, unless the standard deviation is greater than 1.0, in which case there is too much disagreement to call the store compliant with that particular element.

There are 20 or more points on which improvement is warranted, although most measures are in compliance. Weak points include

- A sense of fair and consistent treatment of staff
- Gender discrimination (standard deviation is large)
- Tolerance of sexual harassment (by customers)
- Handbook and policies unclear or ill-communicated (a solution is apparent to the board.)
- Pay-increases are not perceived to be merit-based, or the basis for any increases is not understood.

The board will confirm that employees have access to the Employee Handbook.

### **Agenda item 9. X3 – Financial Conditions for Q2**

Michelle, the accountant, gives us an update on the ongoing preparation of X3.

Michelle has taken on Austin as an assistant to work through back issues of documents such as invoices. Austin is making sure invoices are paid, making sure that books match department transfers, and registering new employees properly with the state.. Because Austin understands the Co-op, his help is very useful.

Michelle is working through payroll.

Michelle is still in need of help or instruction:

- Gross receipts need to be re-done, in the State-mandated format for a Co-op. Jenny, who prepares our taxes, is going to have Michelle redo gross receipts. (Michelle overpaid taxes, if anything, so the current state of the gross receipts poses no threat to Co-op.)
- Accrual-based PTO (paid time off)

Sources of help for Michelle are discussed

- Gloria is not available on a regular basis
- There is no available CPA, but we have limited services from Jenny, who does our taxes.
- NCG has not yet responded to a request from Michelle for help or advice
- NCG training is available annually, in March.
- La Montanita is suggested as a source of expertise. Michelle will investigate.

Michelle is confident that with clear instruction regarding Co-op requirement, she can bring books up to date and remedy any outstanding issues.

Michelle would like to complete Q3 before finalizing Q2, to be sure that none of the uncertainties encountered in the Q2 tabulation appear in the finalized tabulation for Q3.

All invoices have been reviewed and found to be free of discrepancies. The results compare very well with Chelsea's results. Almost everyone's inventory for Q3 is in hand. The books are current through July, except for payroll details.

Operational numbers are expected to be complete and available in mid-November.

By the end of October, Michelle would like to have complete numbers through the end of September, with the goal of complete summary of gross receipts, and complete numbers for produce in Q3.

Need accurate salary/PTO. Payroll is the only flaw in the July numbers. Gloria will help complete or correct July payroll.

Jenny the CPA will have time mid-November to provide additional training for Michelle.

We discuss the possibility of weighing (scale) error contributing to observed discrepancies in results for produce. [Note in preparation, scale error is usually on the order of fractions of a percent.

Scales at the front end display to  $\pm 0.01$  lb. the reader is referred to the cited article:

<https://www.automation.com/library/articles-white-papers/process-weighing/five-factors-that-can-affect-your-weighing-systems-accuracy>]

X3 is not available, and consequently no decision is taken to approve X3.

### **Agenda item 10. X7 – Executive Succession**

X-7 has been submitted as a written report to the board, dated September 25. This report addresses the requirements set forth in the Governance Policy.

X-7 approved 6:0.

### **Agenda item 11. Member-Owner Loans**

Steve summarizes the investor status letter. We sent an initial letter to confirm that every investor could be contacted. Jim has the spreadsheet of investor contact information. The board has received from Jim Fischer a draft letter that summarizes the financial position of the Co-op and the decision not to commence paying on the loans. The Co-op must first meet the terms of our real estate covenant, which requires us to hold a fraction of our value in savings, approximately \$200K. This letter contains out-of-date details, and Steve amends the letter and submits it to Michelle for retyping and circulation.

We will invite investors to the November meeting.

### **Agenda item 12. Competitive Immunity**

Kate and Marshall produced a very nice “Wellness Spot,” doing the editing on his phone. We review this piece, which is slick.

Marshall would like to see a production schedule comprising one video per week, and is helping Kate prepare a written schedule from existing notes and ideas. Weekly is deemed by all to be an adequate frequency to achieve the need of expanding the “Tribe.” Steve Marshall and Kate will put a 1-page social media plan on Google docs, covering material for November.

News of holiday items, deals, sale items, and events would provide good material for future videos segments. More e-mail and a longer e-mail list are recommended.

### **Agenda item 13. Other Business, Point-of-Sale (POS system) acquisition**

The extensive brochure describing the new POS system, Catapult, is circulated for reading. The estimate currently under consideration is 42K, with 10% down and 1 to 2 K/ month. This sum does not include the necessary replacement of the computers, which are currently running the obsolete Windows 7.0.

Because of the cost of the POS system, the board has authority in the decision.

The new POS system has many advantages. It keeps inventory, making restocking simpler, and providing clear indications of strong and weak sellers. Expenditure as well as income can be added to the weekly summary using the information provided by this new POS system.

Michelle the bookkeeper is enthusiastic about the accountability that will be provided by this new system, to protect the Co-op in case of audits. Register activities are assigned to people, and entries and transactions are well-labelled and easily identified, which will save book-keeping time.

The board is strongly in favor of replacing the POS system promptly, but buying an expensive system without considering alternative systems is not a good business practice. We have no competing bids.

### **Agenda item 13. Other Business**

The next board meeting is on 20 November.

Monthly GM/Board meetings: Robi Mulford submitted minutes for meeting on October 9.

Laila Badran is scheduled for November 13.

Steve Snapp is scheduled December 11.

Adjourn 8:05 PM    Approved 6:0

**An extensive executive session is held.**