

## **Los Alamos Co-op Informal Board and Staff Meeting Wednesday, 22 January 2020**

### **Agenda item 1. Welcome and Introductions** Call to order 6:05

Board members in attendance: David Hampton (Vice-president),

Robi Mulford (Secretary), Jeff Jansen, Marshall Jansen,

Also present: Jim Fischer, Michelle Stallings, Chris Laino, and Kate Gallagher

With only 4 board members present, we do not meet the requirements for a quorum, which requires 5 board members. (The quorum is determined from the 9-member board, no matter how many positions are actually filled.)

### **Agenda item 2. Agenda Review**

Agenda approved as amended 4:0

### **Agenda item 3. Review of December Meeting Minutes**

The December meeting minutes are not yet available.

### **Agenda item 4. Member/Owner Comments**

There are no Member/Owner comments

### **Agenda item 5. General Manager Reporting, X4, Budgeting and Financial Planning**

Jim presents X-4. Capital improvements are discussed, primary among which are improvements to IT and computer upgrades. 4Leet in Santa Fe is being considered as a replacement for ProVelocity, our current IT provider. The store is currently running Windows 7 on all of its computers, and a new Point of Sale system cannot be implemented until the computer system is upgraded.

We do have a Windows 10 server with a "Time Machine" auto-backup, although the auto-backup has not yet been activated. In addition, we do not have adequate IT security for our files. LANet internet service is not fast enough to serve the needs of the store, and the fiber network nearby should be accessed. NCG is providing advice on upgrading.

#### Capital Improvements

Freezer – final bill is still coming, and valves are being fine-tuned, but otherwise this is being fixed, after years of difficulties. This should provide cost savings both in energy use and in safety of the product.

Computers

Internet

POS

Cameras

Produce case should be replaced, another energy savings, once the upfront cost is paid.

LED lights, in produce and elsewhere

Back door is over used, and the configuration should be made more efficient

Energy savings throughout the store

Roof repairs

NCG will be providing some assistance with IT and consulting on produce

Profits will result only from increased efficiencies:

- labor cost needs to be reduced
- inventory is too high
- the store carries too much debt

X4 is Accepted as presented 4:0

## **Agenda item 6. Annual Operational Goals for 2020**

Written summary of operational goals is reviewed.

### 1. Outreach

- Kate has hired a local team, Emily Bartlett and Severn Anderson, who are a local to prepare a new website.
- Two videos a month will be posted. Kate hopes to make 2 farm videos a month and to continue with current social media postings.
- Recipes for items in the store are being put out.
- Several classes are in the works.

### 2. Financial goals

- 10% growth (although X-4 cited 6%)
- Increase cash in the bank to 200K. This is an ambitious goal, a “bin-buster harvest” but Jim would like to keep this goal as stated. We need a better metric for approach to this goal, since cash on hand fluctuates as bills are paid. Perhaps Michelle can prepare, with the monthly summary, both the cash balance and the accounts payable.
- Refinancing the mortgage is a financial priority.  
We need to prepare a plan when our financial situation is clear. The consensus is that the situation is clear enough now.

A meeting should be set at which Michelle presents our outstanding capital requirements to the Coop Bank.

Member-lender loan repayment schedule should be addressed with transparency. The concept of paying the loans with grocery credit is discussed. Keeping track of this system would require improvements in the Point of Sale system.

### 3. Operational goals

- a) Send staff to talent development trainings. NCG and Colluminate courses are available for the employees. These provide not only education, but commitment to the team, and may improve staff retention.
- b) Restructure labor so that every department has backup, by establishing some new roles
  - Manager on Duty (MOD)
  - Float
  - Assistant Store Manager

These positions will be paid for from the departments' labor budget, but the expense will be justified by increased efficiency, as a myriad of problems will be solved, and the

added responsibility will increase employee retention. A department may incur additional expenses if one of their members serves as Assistant Store Manager for the day.

NCG has provided typical rates of pay and our Coop has comparable rates.

- c) Redo the Produce section to make a “wow factor.” In addition to aesthetic appeal, a new case will improve the condition of the produce and decrease operating costs. Using LED lighting is better than incandescent lighting. HVAC efficiency would be improved.
- d) Catering makes a strong contribution to Coop Operational Success, and should be supported and increased.

Chris [and Danny] report on catering

- 3-day events are very profitable, and 1-day events are less profitable.
  - Deli remodelling (no capital costs) will include a half-case and a live station in place of the full case now in place. The live station will include Acai bowls, which are a good presentation for products from other departments. Juice will be reduced.
  - Cashiering at the Deli would be helpful. Squares are relatively expensive to operate and feed directly to the bank, so are difficult to track in the daily finances.
  - Better seating at the café is in the plan.
  - Friday concerts are now under a 7-year contract with the current organizer, who likes our catering.
  - Kombucha
  - A trailer would save hours of labor in packing and unpacking for catering.
  - To deliver, the Coop needs a license. Our current license only allows pick-up. Improving the license costs \$200, and the board recommends that one be purchased.
  - Chris will be going to a deli conference.
  - Our Coop does 4 walls plus outreach catering, as opposed to 4 walls and outside catering. Other Coops are eager to adopt this successful model.
- e) Sustainability, Kate reports
    - Coop is cooperating with Zero-waste Los Alamos, an organization devoted to reducing or redistributing food waste. Holley, Jim, and Kate met with Zero-waste LA. Informing shoppers to help them improve meal planning is a current focus.
    - Wax wrap classes
    - Bag share, although cleanliness needs to be assured
    - Jar share for bulk items, but we need a place for the jars.
    - NCG has suggestions for improvements in lighting
    - Holley made improvements to recycling

## 2. a) Buy local.

Contract farming or planned farming is an opportunity to improve our Buy Local performance.

The Coop pays less than the farmer can get at the Farmers’ Market, but selling to us consumes the entire load. We cannot deal directly with the Farmers’ Market vendors, for instance to buy leftover product, because the quality can be low, or the produce can be tattered from being out all day.

Risk is relatively high, and management requirements are also relatively high, but Chelsea has a good grip on her margins and can accommodate the burdens. Advantages of pursuing an improved Buy Local policy are in demonstrating commitment to community values.

## 3. Member base. Improve our member base.

Annual operations is accepted 4:0

## **Agenda item 7. Staff Auxiliary Board Member Reporting**

Miles' term has ended. The staff will select another representative to serve as the Staff Auxiliary Board Member.

## **Agenda item 8. Monthly Financials Update**

We read the Balance Sheet and the Profit and Loss Statement for 2019, both presented in an informative side-by-side format with data from 2018. Michelle presents the data.

Michelle's comments

- An error exists in the 2018 paychecks. If a third check appears in a month, healthcare should not be deducted, but it was, and needs to be paid back. The estimated cost of correction is about 8K.
- Jim will contract with NCG to advise Michelle as she sees fit, and improve bookkeeping. NCG advice will not serve as an audit.
- An audit may be appropriate. A normal business is audited about once every three years, at a cost of about 5K / audit. Jim will see if NCG provides this service, and at what cost.

## **Agenda item 9. Discuss Questions for Customer Survey (X1)**

The board defers this topic to February, 4:0.

The survey occurs in April. The board will review questions before the February meeting.

## **Agenda item 10. Review Updated Employee Manual**

We defer item 10 to a meeting when there are more board members in attendance.

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

## **Agenda item 12. Colluminate's Events and Webinars**

A schedule of Colluminate events and webinars is distributed. Our contact with Colluminate includes some of these. The board should do the "Financial" webinar, and the "Being a Great Employer" webinar.

There is a Coop Café on March 28 in Albuquerque. Board members and Coop Employees should attend if possible.

## **Agenda item 13. Board Member/GM Meetings**

There was no board member scheduled to meet with the GM in January. February 13, Robi is scheduled to meet. Schedule summarized under Closings, below.

## **Agenda item 14. Competitive Immunity: Videos and Website Upgrades**

This topic is covered in Agenda item 6, under Outreach.

## **Agenda item 15. Closings**

The next board meeting is on February 26.

Monthly GM/Board meetings: Robi Mulford is scheduled to meet with the GM on February 13.

Laila Badran is scheduled for March 13.

Steve Snapp is scheduled for April 10.

Joshua Faulconer is scheduled for May 8.

Adjourn 8:27 PM    Approved 4:0

**No executive session is held.**

### Action items

- Jim to contact NCG regarding audit services.
- Robi to distribute last year's Customer Survey questions
- Michelle needs listing of loans and interest
- Board members schedule a webinar for each topic
- Financial
- Managing the GM appropriately
- Mach 28 is the Coop Café in ABQ< and board members and Coop employees should go.