

Leverett Village Co op board  
Feb 9, 2020

**Board Members:** Lori Lynn Hoffer, Sam Black, Julio Mendez-Pres, Lise Coppinger, Karen Traub-clerk, Jono Neiger-treasurer, Jeff Lacy-Vice Pres, Jean Bergstrom

**Others in attendance:** Erbin Crowell, Paul Rosenburg, Patti Townsend, Ann Ferguson, Isabel Koyama from the Montague Reporter

Call to order 2:20pm

Julio is moved and amazed what a group can do when it focuses in and gets to work in this pivotal moment. Coop members are answering the call.

Paul: "It's good to be back among friends."

Julio expresses appreciation for the new board stepping up. Everyone wants us to succeed. We are reenergized and ready to work and go forward

Jeff Lacy is working on categories of funds

1. Bridge Funders-folks willing to put up money to get us through the next few weeks, \$1000 checks made out to Julio Mendez. About \$6000 to date. That is money not guaranteed to be returned, considered gifts. Going toward paying employees and stocking the shelves, keeping the lights on

2. Longer term financing is Greenfield Savings Business loan for at least \$150,000 Jeff is trying to get in touch with Mark Grimaldi, Paul will help. Some discussion of the differences between the previous loan. Jeff has 6 prospective guarantors- requires a 2 page form and 2 years of tax info.

3. Sam Lovejoy recommends the board pass a formal resolution to approve the president and any other officers the board must approve the motion of borrowing up to \$150,000

Sam is offering a loan of \$25,000 interest only- 2% the first year, 4% year the 2nd (to take care of \$22,000 accounts payable.) Payments every 6 months for two years. Loan is due at the end of 24 months. The only cost born by the coop is the cost of recording documents at the Franklin County Registry of Deeds \$225.

Julio: This will stand beside the Greenfield Savings bank, the bank will not allow Sam's loan as first but it could be 2<sup>nd</sup> position. Lise proposes an option to renew after 24 months.

Erbin Crowell Exec Director of Neighboring Food Coop Association says there are banks particularly interested in Co ops. Erbin asks whether group guarantors such as the NCFa would be considered for the bank loan- Jeff will ask. The guarantors want to know what happens in the business fails and the bank calls in the loan. Jeff and Julio will look into that to get solid details.

Jono says one requirement is a reduction in accounts payable in order to get a loan. Sam tried to tell Susan the way she was going wasn't necessarily going forward.

Ann Ferguson says it is important to get the bank to put in writing that they will sell off the property and pay off guarantors to protect their investment.

Jono feels that we need the board to review the agreement when written instead of approving before it is written because of past experience of details not being shared with the board.

Julio says the bank will require the authorization before beginning the process,

Ann suggests a motion that is a two-step process to give the board the power to approve requesting a loan and then approving the terms.

Jeff has given a loan to the Co op for \$5000 with 5 or 7 years at 2% per year interest only. Julio suggests we find out if there are other individuals who made similar loans.

Lise is concerned about this because accepting Sam's loan may jeopardize the bank loan and thinks we may actually be gifted that amount. Looking around the room there is an amazing potential in this room and listening to the terms of this loan may not be the best use of meeting time. Lise suggests sending board members out to gain info and report back to the board.

Julio says we are 2 and half days into this and he would like to sit down and talk to Sam, today is not the day to make a decision.

Paul suggests we explore the possibility of other loans. \$22,000 is coming due in the next 5 days.

Jeff says maybe accept Sam's loan because it will come quick.

Jono would recommend Jeff grab some experts and members of the board to dig into options and bring questions to the board. GSB said "no" at least 4 times. Do we need \$125,000 or could we get by with less? Jono suggests dispersing the information to the board for consideration. Make sure the board review before making a decision.

Paul says \$150,000 is not the amount we need but another \$100,000 set aside for operating expenses.

Erbin has no faith in what he's seen in the financials. To answer the question of what is needed, some serious digging is necessary. He asked his accountant to take a look at forensics to find out what is needed and seek emergency funds to keep the doors open. There are grants out there. That GSB has been saying "no," probably indicates "no" based on what they've seen.

Julio says we need to focus on the \$125,000/\$150,000 as the first priority and do outreach and fundraising to get the community involved to address the future.

Lise says she trusts the committee to meet and discuss the finances and the loan terms

Jean says we need a business plan. Franklin County Community Development Corporation gives loans and grants has a lot of what we asking for.

Erbin says all coops are having an identity reevaluation. Very concerned about viability- how will we get through the week and then talk about the infrastructure improvements. There are sources for loans and grants for rural community hubs.

Jeff has been on a search for funding sources and the last time the coop met, we were apparently on the cusp of getting a large loan and that was greeted with enthusiasm. GSB takes time, business plan must be modified. In the end we can always reject their offer but if we are going to do it the behind the scenes work needs to be now.

Paul: Question: Did GSB say what was needed to secure the loan?

Jono: they were still at the beginning, they had only received info from one guarantor, another condition was reducing payables and Susan said the bank needed to see the payables reduced by 50%

Julio suggests that each board member outreach to people to try to make that \$24,000 in the next few days.

Lise again expresses concerns [that](#) we don't have a business plan to sell the bank.

Paul says he saw 30 pages of diagrams and projections indicating some kind of a business plan. Julio says there is a business plan in place of which we need a solid copy so that we can adjust it according to our knowledge and the board's new direction.

Jono: numerous plans have been presented with projections and prioritizations of infrastructure and staffing changes. Jono brought Cory Greenburg in for task force, his feedback was that the projections were unrealistic. Not a business plan but loan application materials with high projections. Jono suggests a small group with Erbin, Paul, Cory, Mary Jo experts meet in a task force.

- **Fundraising committee/ Bridge loans, donations-** point person-Sam Black, Hendrix, Jeff Lacy, Karen
- **PR/ Member outreach and communication:** Jean and Lori Lynn co-chairs, Ellen and Kari, Danielle Barshak, Peggy Wolff and Apple Ahearn, Ann Ferguson
- **Financial committee /Business Plan:** point person-Jono Neiger, Julio and outside experts need bookkeeper recommendations, Mary Jo, Cory Greenberg, Pete Sylvan, Nick Seaman
- **Volunteer Committee for store operation** point person-Karen, Sam, Lise, Lori Lynn, Jeff,
- **Infrastructure/facilities-** point person- Lise

Bylaws for the future once things have settled down

Ann and Jono discuss transparency and mission should all be reviewed. A summary of meetings needs to be shared with members. Jono sent an ethics document for review by the board.

**Next meeting Weds Feb 12, 2020 at 7pm**

6:30pm people can gather to review financials before the meeting

Respectfully Submitted,  
Karen Traub

### **Agenda for Weds 2/12/20**

- Approve previous minutes
- Updates from subcommittees and items needing immediate attention
- - Q&A with Sam Lovejoy
  - Matching \$5000 plan and flyer
- Plan agenda for next week's meeting
- Other business/miscellaneous
  - Potential New Board members
  - Bylaw review
  - Need to decide the terms of the new board members, who has two year terms and who has one year. And we need to make sure the State of MA gets the new board members and terms info.
- President's wrap-up discussion- 5mins. My goal is to end our meetings on time so I need everyone to adjust your reports accordingly.