

## LVC Board Minutes for 11/11/20 Meeting 7 pm

Present: Danielle Barshak, Jean Bergstrom, Sam Black, Lise Coppinger, Ann Ferguson, Jeff Lacy, Jono Neiger, Martin Pittman, Karen Traub, Paul Rosenberg

Absent: Lori Lynn Hoffer

Guests: Kari Ridge, Ellen Edge

Minutes of 10/28 Board Meeting Approved

**President's Report** (Sam, 5 minutes) Sam pointed out that the Board has faced some internal disagreements but we have all agreed to move forward. He personally pledged to listen and be respectful to all. He noted that we have achieved a lot in a short period. He had no new news on our infrastructure projects or the grant applications we are waiting to hear about. He contacted the MA Food Security grant program officer on 10-14-20 and she asserted that all the paperwork is complete, but we will need their final OK to buy the freezer and coolers we have been granted. He has heard that the MA state is backed up on finalizing these grant transfers so we are just waiting for them. He also noted that we as a Board have important decisions to make involving what level of new GM salary we can support to be fiscally responsible.

### II. Committee Reports:

#### A. Finance Committee

1. Discussion of the LVC Goals and projections spreadsheet that Paul and Patty put together (available in the Board google docs).

Jono pointed out that the comparison base line on this spreadsheet is with our revenues in Sept 2020 because here we have the most accurate accounting in regard to the revenues of the various LVC departments. Paul went back to past two years history to frame attainable goals for the next two years. In his view the Important focus is not the % of increase in a given category, but the likely total additional revenue going forward. For example, the 600% increase in Bulk that he predicts for 2021 is due to the fact that at present there are almost no sales due to Covid restrictions! Further, other departments which are predicted to increase revenues have very small shares of the total revenues. The colored depts on the spreadsheet mark the highest contribution margins to total revenue. Departments are weighted: Groceries are always number 1, then Beer/Wine number 2, Bakery/Deli number 3, and Perishables number 4, with coffee sales also important. On the bottom line on chart there is a projection of future

revenue. The goal is to achieve additional average \$15,525 a month by Summer 2022. This would allow our yearly revenue to increase by \$186,300.

Paul clarified in response to a question from Martin that the Coffee department means cups of coffee, since sale of bags of coffee are registered under Bulk.

Paul points out that these projection are part of a break-even scenario, since we must take into account adding the new GM salary to our expenses every month. We need to project store growth in revenues to compensate for this additional expense going forward.

## 2. Discussion of LVC Cash Flow Sheets 2020 spreadsheets

Jono points out that we are currently at a relatively low income level. Our actual Sept and Oct 2020 revenue is only 95% of our four year average for these months, in part because our inventory is smaller than those previous years. Also the projected expenses do not yet take into account servicing our debt.

Jono points out that the 2020 months were positive in terms of profits because of Paul and Patty and other volunteers working for no pay, which allowed us to reduce usual store expenses. For example, on Expense line #15 it notes that the GM (Paul) is currently working for 0 but starting in January 2021, 50K a year is projected in salary for the new GM. Regarding staff expenses (which are presently about \$8K a month), with a full staff the operating level is close to \$16K month. In February we propose to bring in a part time buyer at 15 hours at \$15 hour which will increase our expenses.

Regarding the Profit and Loss line, in the winter of 2020-2021 we are in the negative but projected to be back in the positive by May 2021 and from then on for the 2021 fiscal year (ending in August 2021) we will be ahead at 32K. However, in the 2021-22 fiscal year, we will lose money, since we will be paying for the GM for whole year.

In spite of this initial loss next year, Paul flagged the hopeful nature of the increased revenue projection for 2021-2022. We are projecting a reasonable increase of revenue over the next four years.

The Finance Committee with Cory Greenberg's help will work up a plan to restructure the other debt we have, in order to add them to the bottom line projected expenses

We have not also included donation estimates in our projected revenue, so fundraising is always an option.

Martin asked whether Paul was surprised that the LVC revenue this fall is only 95% of our 4 year average. Paul said he is not surprised because the store inventory is only about 60% of

our regular inventory. Paul said it is equally important to note that the 2 year average of 2018-2019 and 2019-2020 establishes a new normal lower than previous years. So it may take us longer than a couple of years to get back to the old normal of previous years.

In answer to a question from Martin, Jono noted that the \$50K projection for GM salary assumes the offer does not include additional health insurance covered by the store because that would be illegal unless we also paid health insurance for any other staff person who worked more than 30 hours a week, and we could not afford to meet that condition. Jono reported that the Finance Committee discussed what salary to offer a new GM. Ann pointed out that we might have to take into account the potential fundraising abilities of our GM candidate in final negotiations over the salary. Jono and Paul emphasized that the spreadsheets give conservative estimates for revenues and Jono offered to walk anyone through these spread sheets.

Jono reported on the new bookkeeper, whose name is Amanda Black. She is working to do clean up of our last year's finances as well as to convert us to Quick Books as a new accounting system. Cory Greenberg, our financial advisor, has been putting in lots of volunteer time helping her with this task so we can get the books up to date and be prepared to file our IRS taxes.

**B. Personnel Committee Report on GM Search (Martin, 10 minutes)**

We have conducted second interviews with two candidates. The first interviews involved those on the (ARC) Applicant Review committee (Martin, Danielle, Jono, Karen and Suzette Snow Cobb). The second interviews were with the executive officers Sam, Ann and Jono, as well as Martin (representing the Personnel Committee) and Paul. We are now compiling our individual interview notes on the Google drive.

Martin recorded both of those Zoom interviews and will either put those up on google docs or on a separate site. Also Suzette is compiling notes from the two candidates' references in a google docs folder called Reference Notes. The interviews and notes and recording are highly confidential. We may set up a possibility for staff to see the recordings of the interviews but will have to consult with candidates.

On Friday afternoon a combined meeting is scheduled for the executive officers and the ARC to see if we have a recommendation for Board of a candidate, or else to reconsider the process.

Sam thanked Martin for all the work and making the documents available for all on the Board.

C. **Communications/Outreach Committee** (Jean, 15 minutes)

Jean, Lori Lynn and Karen met this week and decided not to recommend a formal Winter Pledge drive because they felt that it was too onerous to look up the member data to see what their average weekly or monthly spending is. Instead they presented their alternative ideas. Their first idea is to create monthly gift baskets that would be raffled off to members. For the winter months of December, January, and February we would have gift baskets, with different themes, e.g. December would be a Holiday basket. January a Staying Warm basket and February would be about Valentine's Day. Everyone who donates \$50 to a basket gets to put a ticket in a raffle bin. Drawings would be at the end of every month and would be advertised on the Coop Mail Chimp. The second idea is to feature a Coop LVC recipe of the week, where all ingredients would need to be available at the store. Jean can give a weekly reminder of the recipe of the week on the Coop Mail Chimp.

Karen suggested that we could feature "Super Shoppers" on social media: for example, if one of Board members is on register and someone does a big shop, the Board member could take their photo, and Karen would put it on our LVC FB page.

In discussion of these ideas for generating winter revenue from members, several Board members, such as Danielle, still wanted to support a Winter Pledge of weekly or monthly spending by members as a way of getting members into the store. For example, Danielle said she wanted to have a reason to get an East Leverett member to come regularly to the store during the winter, and Lise also supported this idea, particularly that of getting members to pledge to spend at least \$25 a month or more during the winter months at the Coop. We could advertise it as a way to create the revenue to support the salary for our new GM. Also Lise suggested reaching out to local businesses to sponsor the gift baskets, as free advertising.

Kari pointed out that from a previous Member Outreach committee meeting, the newsletter subcommittee had decided that we were going to do a Coop newsletter campaign called It Takes a Village with the Winter Member Pledge for monthly commitments. Ann suggested that we could amalgamate all of these ideas together in an It Takes a Village Campaign to be announced in the next newsletter issue, including the monthly gift baskets, the weekly recipes, and the member weekly and monthly pledge, but the latter would be considered an informal campaign, without an official

pledge form or listing of those who take the pledge, so as to save Board time on follow up.

Kari volunteered to work on the basket idea with the Communications and Outreach committee since she does have experience working with fundraising with gift basket campaigns.

In other news, Lori and Jean are working on a Coop brochure. They have a first draft which they will be sending us shortly and would appreciate feedback on it. They see this as something that could advertise the Coop through a hard copy at the store and various venues such as the Amherst Chamber of Commerce, and our business partners.

Another Item regarding a Village Neighbors and LVC collaboration: Danielle met with Elizabeth O'Brien and connected with Don Stone of Village Neighbors. They discussed creating a memo of understanding between our two groups that would aid both organizations in terms of getting grant funding. Danielle wondered what sort of incentive we could offer to VN to be a partner of the LVC, e.g. some kind of discount on membership or for senior citizens. Ann cautioned about the difficulty of any membership or special discount to VN members as being complicated, and suggested one other incentive would be for us to give VN special publicity in some way, for example, in writing an article about the organization in our LVC newsletter. Sam supported the idea of a special collaboration and thought it might help, particularly in connection to applying for various grants available to non-profits but not to cooperatives per se.

**D. Fundraising (social media)** (Karen) Karen noted that people under 30 don't use FB. Instead they are using Instagram, so she has stepped up her efforts on that platform to promote the idea of a full shop at the LVC. Sam says her efforts may be working, and noted that he had a new customer who did a \$300 shop one day!

**E. Infrastructure** (Lise, 5 minutes)

Lise succeeded in her follow up project from the last Board meeting to find a pro bono person to come in to offer an estimate re the whole building. That person is coming soon. In the meantime Eversource is in the wings but their proposals are not adequate (as noted in previous Board Minutes). Jono clarified that Lise is correct that Eversource would do a project with us, but it is not free and only offers us some cost-cutting incentives.

## **F. Other Business**

There was a discussion raised by Lise and Karen about collaboration with other local country stores in our area, pointing out that if we could support each other that would strengthen each other's businesses and our local economy. We agreed that we needed to bring Paul (and any new GM) in on the particulars of collaboration. Karen suggested we list the local stores, e.g. Montague Mini-mart, Wendell Country Store, Cushman Store, Red Fire Farm stand in Montague, and have a plan to reach out to them.

Jeff mentions that he offered two auction items, and both of them were bid on, but he hasn't heard from the person who bought his offer for several hours of trucking. Also Andrew Young of the Whole Tree business also mentioned that the person who won the bid for his offer of tree pruning has not contacted him. The consensus of the discussion was that it was the responsibility of the bidder to reach out to the donor, as Jean and her committee had notified every winning bidder of the contact information for the donor of their good or service.

Meeting adjourned at 8:17 pm

Respectfully submitted

Ann Ferguson, Clerk