

LVC Board Minutes for 12/9/20 Meeting 7 pm

Present: Danielle Barshak, Jean Bergstrom, Sam Black, Lise Coppinger, Ann Ferguson, Lori Lynn Hoffer, Jono Neiger, Martin Pittman, Karen Traub. Absent: Jeff Lacy.

Guests: John Calhoun, Kari Ridge

Minutes of 11/11 Board Meeting Approved Karen moved, unanimously approved.

A. **President's Report** (Sam, 10 minutes)

Ongoing grant applications: Food Infrastructure Security grant is still on hold for the two coolers and produce display. It is likely we will get the go ahead to spend the money, so we will need to remove the old produce display case. Sam contacted Valerie and she will see what the block in the MA state Finance committee having the grant go through is. Regarding the PPP loan, the loan forgiveness application is due April 8, 2021. Cory will help us get this together by February. Martin asked Paul whether we are able to have a small gap between removing the old equipment and getting in the new, and Paul said that would be fine.

Covid Safety precautions: Jono brought up a question regarding our existing Covid safety protocols and whether they were adequate. Sam thinks that so far they are, given the given low level of cases in Leverett. Jono said that the conditions will change as we go into winter: also there has been updated info re Covid and particularly an update on the importance of air flow as a key problem. Sam said if our risk factor were to increase, the main risk problem is large droplet air transmission, which will carry 5-10 ft and drop on surfaces. Paul has instigated a windows open policy in both front and back of store. Lise is researching an inline air filter to be placed within HVAC present system. Also there is the possibility of 3 stand up store units @ \$1k each that would process air within store.

Concerning the issue of large droplet transmission in space, those most at risk are kitchen staff. If you look at kitchen area, there is no barrier between the chefs and customers, and only a limited barrier on weighing counter. On the register, we could improve safety by building an additional shelf for baked goods in order to increase Plexiglas for the rest of the counter of the coffee area, including the present scones area. Building little extra shelf for the baked goods would be more or less @ \$500. We could also consider a stronger masking policy, for example, 3 layer masks could be enforced as practice with staff.

Ann asked about communication re the new protocol re window opening to staff. Sam said he would be willing to communicate directly to all the volunteers. Karen said there is a notebook for this kind of info. Sam said he would communicate to all the staff especially the openers.

**B. Personnel Committee (Martin)**

Martin welcomed John and thanked him for taking the time to join this meeting. He asked John to feel free to reach out to people. He asked John how we could be helpful to him. John said he found a place to move for the spring in North Leverett through Chris Reynolds, and will be moving in 3 weeks. His wife and kids will be moving here in April and he will be looking for a larger place for all of them. He pointed out that this is a nontraditional situation where Board members are volunteering in the store, and wondered whether there was information on interactions between Board and GM during this period? Sam said that our policy of having volunteer Board member cashiers is because we are responding out of necessity not desire, and that the practice has not always been perfect; in any case, our long term goal is to phase out this practice. Martin said that he and Danielle will coordinate the sending of this info including the present draft of the Board manual and the Employee Handbook.

**C. Finance Committee presentation and discussion of Financial Statements (Jono, 30 minutes)**

Jono said that UNFI have decided that they won't sell to us because we only paid a settlement not the full bill (We still have an unpaid amount of 7K according to our settlement). We have reached out to Erbin Crowell of the NFCA for advice. John was on a Zoom meeting with NFCA last week. Jono mentioned that LVC was a founding member of that organization.

The Finance Committee decided not to pay our outstanding community loans. However, Cory and the Finance Committee recommended that we pay off the GSB mortgage, since if we do so we would save \$2K interest. This recommendation was not supported by the Board. Our other loans don't need to be paid this year. We have set up a repayment schedule for these community loans. Using the EIDL loan to pay necessary bills involves an interest rate of 3.75%. Our cash flow situation is good: at end of Nov we have \$200K in bank (counting the EIDL money). Sam says our 45K in PPP is entirely forgivable so by delaying putting in our application for forgiveness until February will look good because we will have additional people on our pay roll. Sam will complete the data for this application.

Paul said one other thing is that based on outcome of grants we may have to pay up to \$100K up front for the new equipment we need (and be paid back when that grant money arrives). Sam points out that these grants don't cover sales tax.

Jono says we will need to put out 18K right away for our first equipment purchases. Our chances of receiving the other two grants Sam applied for are pretty slim. Paul say we will need \$8-10K in upgrades to POS system. Paul would not be in favor of paying the mortgage back right now in the next 3 months because it is winter business (lower), as well as expenses will be rising because of John's salary as a new expense starting in January.

Martin noted we will need to think of the upgrades to the HVAC filter system that we might need to put a fair amount of money into. Jono pointed out that we are highly leveraged and have lots of debt on our books that we will need to start paying back. Jono discussed the financial report for this fall and noted that our inventory is low: for a store of our size should be 45K . Jono discussed the Balance sheet for Nov. 30 and pointed out that we are almost completely caught up in terms of paying off our vendors.

Jono discussed the Profit and Loss financials for Nov and our fiscal year to date (which involves the 3 months of Sept, Oct and Nov). Our actual November revenue was \$58K which is exactly what we projected it to be, and is 95% of our average historic income for November. So we are close and this is very exciting. He noted that beer and wine is 24% of revenue. Paul said breakdown is unusual in that at present beer and wine and grocery revenue are equal but usually grocery is 5% higher than beer and wine. To Go deli is at 11.4% but this is typical. Sam notes that inventory is only 50% of its historic level.

Expenses: Wages are right at \$6100 which was our projected budget number. Our numbers had the wages increasing in December and January because of new staff hours and John's hire. We plan to bring in more staff because we are hoping for more inventory even though it is the winter, so we will need more staff. We are showing income of \$40K for this quarter. Paul mentioned that last year labor was 60% of expenses which was much too high to be sustainable.

**D. Communications** (Lori Lynn and Jean, 10 minutes)

Lori Lynn and Jean have been keeping up the good vibe working with Karen on communications. Facebook visits up 56%, Instagram getting 3 new followers a week. Gift basket receipts look large for this month. Jean has another Mail Chimp message to

members planned for tomorrow, and another Meal of the Week. She will post a picture of John, and thanked Lise for sponsoring the gift basket for December. Neal Bannon from Apollo Builders was chatting with Karen. She wondered what the LVC can do to promote his business. He donated help with repairing the floor. Jean pointed out that we already thanked him in a recent Mail Chimp.

**E. Fundraising (Karen, 5 minutes)**

We are not doing active fundraising right now since the winter months are slow months. We need to get the idea of Gift certificates in people's mind. Whatever we can do to encourage generosity is good. The Gift Certificates and Gift Baskets should be mentioned on social media.

Karen said the Amherst CC is selling a debit card for business, and thinks that the LVC could arrange to sell debit cards through this connection. She will talk to Paul about this.

**F. Infrastructure (Lise 5 minutes)**

Lise went to a contact for air exchange to design an ideal system for LVC. She wanted to get a second opinion rather than the contractor that Eversource had do an estimate. Jono pointed out that with that first estimate there was a 16K gap for the HVAC upgrade that we would have to pay. Eversource will try again with their assessment. Tomorrow she will call Arctic Refrigeration to see if we can put in air filter.

**G. New Business**

**1. Annual Meeting and Board Nominations (Ann 20 minutes)**

After some discussion it was decided that the LVC Annual Meeting would be Weds. February 10 and Board nomination applications due February 9. This accords with our Bylaw requirement to give 60 day notice for Board nominations and one month notice for the Annual Meeting. Everyone currently on the Board who were at the meeting said they were considering continuing except Ann who said she was thinking of not staying on the Board. Instead she would remain as a volunteer on the Newsletter committee. She has asked Kari and Mary Jo to apply for the Board to get new voices, and pointed out that she has been on the Board for 3 years.

Karen suggested we have a Celebratory theme for the meeting since it is around Valentine's Day. Jono reminded us that one year ago in February the new Board was considering dissolving the Coop but that was voted down and since then our Board has successfully turned the business around and hired a new GM and we should be celebrating that.

Karen hoped we could get a big turnout like last January's annual meeting (75 people or more). Ann pointed out that was really an unusual situation since the Coop was at the point of dissolution, and also that because of Covid we cannot expect to have a face-to-face meeting. Martin wondered whether we could defer our annual meeting, but our ByLaws are firm about this. In any case, we can't expect to have face-to-face meetings before the summer time. It was decided that it would be better to go ahead with it in February.

**2. Amazon Package Collection center question (Lise 10 minutes)**

An Amazon representative looked at our space, on the invitation of Lise, and he said they could put a locker either inside or outside the store if we decided we wanted to have a pick up center at the store. We considered the Pros and Cons of such a decision.

One of the pros might be it would increase foot traffic. Further, there has been a town discussion on Leverett Connects, about the concern that the increase in Amazon traffic has been overwhelming for Sue, our post carrier. Having the store as a pick up center would save her time and costs.

In terms of the cons, many thought that we don't want the store to have a hand in increasing Amazon profits. Paul thinks people buy food on Amazon and that would compete with LVC purchases. Lise is not sure about that assumption is true. She mentioned again that if we had indoor lockers foot traffic would increase. If the lockers were outside, Amazon would have to buy heated lockers or food would freeze. Lise wants to know if we should offer this issue to our member-owners.

John thinks of Amazon as the antithesis of coop values. We are swindled if they take up retail space to house their lockers. The LVC has a unique situation as a rural place. Nationally Covid has allowed Amazon to make an obscene amount of profit when other businesses have lost. If this decision is the will of members that is one thing. But he would like to see more consultation with members.. Ann agrees with John that it would go against cooperative principles to support Amazon and would give the store a bad image. Karen would like to get opinions of LVC members. There are a lot of people who use the Coop who are not online and not receiving even the newsletter by email. She was worried about having the Amazon lockers in the store because it raises security questions. Sam asks whether anyone has approached Town Hall or PO as an alternative space. Danielle doesn't think we should be getting Amazon off the hook and it is not our job to solve this problem. After some further

discussion it became clear that the Board consensus was not to pursue the issue since we prefer to support local vendors and business.

Meeting was adjourned around 8:50 pm.

Respectfully submitted, Ann Ferguson, Clerk