

Leverett Village Co-op Board of Directors Meeting

Wednesday, September 22, 2021 at 7 p.m.

In attendance: Danielle Barshak, Jean Bergstrom, Sam Black, Lise Coppinger, Lori Lynn Hoffer, MaryJo Johnson, Martin Pittman, Kari Ridge, GM John Calhoun

Guests: Jono Neiger, Ann Ferguson and Janice Stone

Meeting called to order at 7:07 p.m. Board unanimously approved Minutes from July 28, 2021 Board Meeting.

President's Report (Sam Black):

We've completed the paperwork to have the PPP2 loan forgiven. The Alcoholic Beverages Control Commission (ABCC) has said it has all the paperwork it requires and now we're just waiting on them to approve the Co-op's pouring license.

Treasurer's Report (Martin):

John and Martin had a useful catch-up meeting, covering a summer gap, which Martin said was caused principally by his travels and workload.

Sales for the last few months have been lower than the budget projects. Those projections aimed for 108% of the 4-year average. As noted in the GM report, July sales were 87% of the 4-year average. John is modifying his planning, using projections at 100% of 4-year average.

Martin said John will share his reasons for optimism revolving the potential for café sales to increase, with the arrival of a kitchen manager who will also benefit from the input of Seven Roots Consulting. John's effort to stock basics (milk, bread, eggs) with brands that are less expensive will hopefully bring in more customers. While the plan to switch suppliers is on hold, John noted a couple of strategies to lower costs and promote sales. John is also optimistic about things such as monthly Member Appreciation Days.

In terms of our loans, John is acting on a request from Sam Lovejoy to alter the terms of repayment of Sam's generous \$25,000 loan. Rather than have interest paid fully in cash, Sam is accepting \$250 plus 25 owner shares each 6 months. The loan comes to maturity in March 2024.

This leads to a discussion about the status of our loans in general, and, more specifically, whether we ought to consider using some of our cash-on-hand to pay off or down any of the loans. Overall, with sales lower than expected, with some repair/infrastructure costs continuing to be incurred, and with terms that are reasonable,

we plan to stay with the strategy of not acting early on repayment. While we do have some money in the bank, we shouldn't feel so liquid that we can get rid of all our loans right now. That said, we will periodically revisit that strategy, both as sales evolve and loans get closer to maturing.

John wants to talk with the bank about whether it might be wise and valuable to put some of our cash in an interest-bearing account, even for short periods. Martin said he will support him as he considers that option.

Ann said that, when Paul was GM, there was a \$25,000 interest-bearing CD as a way to have cash on-hand when needed. Jono asked if the Co-op has begun a repayment schedule for the \$50,000 line-of-credit loan and Martin said that has not yet happened. Jono said that, as he is stepping down from the board, he needs to be removed as a bank account signatory. John and Sam said they would be bank account signatories. Lise asked if the Co-op had paid off all our vendors and Jono said those were paid off last year.

With the glitch in our Wifi and networking for a stretch of days, the Co-op's sales figures are through July only. John anticipates that at our October meeting, we will be able to view both August and September.

Martin said his summer travels have ended and he looks forward to being more present and active in supporting John and being a bridge between the GM and the Board's mandate to ensure the financial health of the store.

GM's Report (John):

John said that it is apple cider season and the Co-op received its first cider delivery on the first day of Autumn!

In the spring, sales exceeded projections, but in the summer they did not. John said that getting the Co-op to a place where it is financially stable is a deeper challenge than he originally expected and he has several ideas of why sales did not meet projections in the summer, including the fact that more people are going out to restaurants, compared to during the height of COVID, when many people had to shop to eat.

There is potential growth from the kitchen, such as grab-and-go items. He said he's seen a lot of people walk in after 2 p.m. and not find food from the kitchen, so they leave without buying anything. If the kitchen was open more hours, shoppers would likely also find more things to buy throughout the store. John said his goal is to work toward increasing the kitchen sales by \$100 per day. He said he is happy to welcome Brian, the new kitchen manager, and to be working with Kevin, the consultant at Seven Roots Consulting, to find ways to work smarter and more efficiently. A new goal will be to have sandwiches, soups and slices of pizza available all afternoon.

Staff is brainstorming about what else to sell – such as batteries and pet foods. AGNE (the co-op distributor) said they can't take on new clients right now, so John is looking into other suppliers who can provide things beyond what UNFI supplies.

Janice Stone said she is one of those people who comes to the Co-op around 2 p.m. and has been disappointed that there are no lunch offerings available. Ann Ferguson said an important strategy is to bring back items like soup, pizza slices, chili and sandwiches that have always been popular.

Lori Lynn asked why AGNE is not open to taking on more customers now. John said that, when he met them a few months ago, they were eager for our business, but they apparently grew too fast during COVID. John added that AGNE said to keep checking with them to see if they could become a distributor for the LVC at a later date. John added that he's looking into other options such as partnering with another Co-op to get some items. John said that it is a challenge for a small, rural store to find vendors.

Infrastructure Report (Kari for Lise):

Kari said Lise sent her an update that the door that will lead out to the planned patio has been installed.

John mentioned problems with the new HVAC mini-splits system. The units are creating black gunk and Artic (the installer) said they didn't know what was causing the problem. John said that the pump broke because of the sludge, despite the fact that he was cleaning the filters once a month, as suggested. Jono said these are brand new units and the installer should stand behind their work. Lise said she would discuss this more with John and would reach out to the installer. John the mini-splits also didn't seem to be cooling as well as expected, and added that a challenge is that the Co-op has a lot of coolers and equipment that put out heat and the old HVAC system and the new mini-splits are trying to keep the store cool in the summertime.

New Business

1. Jono's farewell and board communication
Sam and other board members thanked Jono for all his volunteerism with the Co-op. Jono said that, as he steps off the board, he appreciates what the board has been doing and he wanted to walk the board through the Google Docs system that he set up.
2. Rattlesnake Gutter Second Saturdays Market update (Kari, Jean and Lori Lynn):
The September market went well, with lovely weather and a full roster of vendors. Many vendors have expressed their gratitude that the Co-op offered this opportunity and said they are interested in coming back when we resume

the markets. John said he does not plan to have another market until spring, but would like to sell more art in the store, especially with the holidays approaching. Ann suggested the Co-op put together raffle or silent auction baskets, like we did last year, to raise funds.

3. Tobacco sales:

Danielle said she consulted with Erbin Crowell at NFCA and the Willimantic Food Co-op about tobacco sales and to learn if other co-ops have made the decision to sell tobacco and if it was a board/member or a GM decision. Danielle said she has found that it is a GM decision and, despite her personal thoughts about tobacco, she is withdrawing her objections because she has found that it is a GM decision. Ann said it is important for a board to raise these issues from time to time. Danielle said that she appreciated that the process worked, that she was able to take time to conduct research and think about the issue. John said that we are the rare co-op that tobacco sales make sense for and that this will make the store more inclusive and add to our yearly sales.

4. Other:

MaryJo said she is working on a member survey and will seek input.

Meeting adjourned at 8:18 p.m.

Executive Session (Personnel)

Respectfully Submitted,

Kari Ridge

Clerk, LVC Board of Directors