



Littleton Consumer Cooperative Society

Board of Directors

Meeting Minutes: Regular Board Meeting

August 19th, 2024

Meeting convened on Zoom at 5:04pm

Directors Present: Deb Sullivan, Sam Brown, Molly O'Brien, Bob Goss, Vanessa Robbins, Jim White, Mitra Karimian, Dani Shaw, Tim Healey

Directors Absent: N/A

Staff Members Present: Ed King, Becky Colpitts, Ashley Wallingford, Brian Labonte, Chris Whiton, Anastasia Maher, Annie Stuart, Dawn Holtz, Minnie Cushing,

Guests: Liz Coppola, Anna Faulds

1. Housekeeping & Governance:

- a) Sam motioned, Bob seconded, and the board unanimously voted to approve the July Meeting Minutes and August Agenda without changes.
- b) Ed went over the B7 (Communication to the Board) and B8 (Board Logistical Support) Report. Molly motioned, Dani seconded, and the board unanimously voted to approve the report as given.

2) General Manager's Report:

a) Financial update:

- i) July financial performance was strong with sales up almost \$100k over last year.
- ii) July's net income was \$114k, \$20k over budget. YTD net income is \$311k, more than \$150k over budget.

b) Other Topics:

- i) Eat local is going well with August sales on target so far.
- ii) The Coop was able to raise just over \$5,000 (which we matched) for farms impacted by the flooding rains this summer and \$10k has been sent to 5 local farms.
- iii) We have a new bike rack by the pavilion to go along with the repair station.



- iv) We changed our credit card processing contract from AGNE to UNFI recently with only a few hiccups. This has the potential to save us at least \$15k annually in fees.
- v) We seem to be on track to do phase 2 of our wage adjustment in October to get staff up to a livable wage.
- vi) We received the NCG Participation Report and I was asked to go over this in more detail:
- vii) We have about \$140k invested directly in NCG, much of that was retained patronage.
- viii) We received \$25,807 in patronage paid in cash from NCG.
- ix) We have a shared liability with other NCG Coops guaranteeing that UNFI gets paid called a JLF which contains \$17,056.
- x) LFC saved \$359,420 last year as a result of the UNFI Supply Contract.
- xi) Listed in the Report are six meetings and events that staff are able to attend. We'll be increasing our attendance at these events going forward.
- xii) We participate in a number of programs like Co+op Deals, Co+op Basics and Core Sets that all offer our customers bargains as part of our overall marketing strategy.
- xiii) There are a number of other programs that we take advantage of, including a Coupon Program, Packaging & Supplies, Uniform Services, CX Program, PCI Compliance and others.
- xiv) Financial Comparison Data:
- xv) Equity & change in Equity: We significantly outperform the Coop average mostly due to the NMTC unwind in 2023.
- xvi) Debt to Equity Ratio: Our debt reduction and Membership growth has contributed to a significant improvement in this area, and we're now in compliance with NCG recommendations.
- xvii) Days of cash on hand: LFC has a strong cash position, well above the recommended window by NCG.
- xviii) Sales Trends: Our Coop's growth was slightly above the NCG average of 3.9% in 2023.



- xix) Gross Margin%: The NCG average gross margin in 2023 was 37.2. As a hybrid store with a significant amount of conventional product, LFC runs about 3% below that number.
- xx) Personnel %: Labor% is probably the most important controllable factor that the management team can impact. We've always focused on productivity without sacrificing customer service levels. LFC's labor% was under the NCG average of 24.9% by more than 1%.
- xxi) Margin Minus Labor: This is a metric common in the Coop world and NCG recommends that it be 15%. I consider this a random number and we're consistently below this number in part because we operate a Hybrid Coop with lower margins as stated earlier. This does not prevent us from having adequate income and cash reserves.
- xxii) EBITDAP: Earnings Before Interest, Taxes, Depreciation, Amortization and Patronage. LFC had a very inflated EBITDAP in 2023 mostly because of the NMTC debt forgiveness. Except for 2022, LFC was above the 4% EBITDAP recommendation by NCG each of the last 5 years.

3) Board Topics:

- a) Dani read the board mission and vision statement.
- b) Liz Coppola from Richardson discussed 2025 options for self funded health plans for LFC.
- c) Deb read the D1 (Unity of Control) board compliance topic. Reviewed and discussed.
- d) Dani gave an education piece on organic farming.
- e) Sam gave a treasurer's report.
- f) Ed passed along a letter to the board.

4) Tasks discussed:

- a) Becky's Community Events:
 - August 21st is the farm tour- 2 farms will be visiting Zhang Farm in Saint J.
- b) Retreat date 9/21. Location. Debs Home 27 Lehan Rd ,Bethlehem. Topic : GM transition as he plans for retirement. Let Deb know if you'd like to volunteer for the Retreat set up.
- c) Let Ed know if you would like to join the committee to decide how to distribute storm relief funds.



d) Our Ends meeting will take place soon. TBD

Sam motioned, Vanessa seconded, and the board voted unanimously to adjourn the meeting at 6:18 pm.

We will meet next at our retreat on September 27th. Our next regular board meeting will be on Monday, October 21st at 5:00pm on Zoom.

Respectfully submitted by:

A handwritten signature in grey ink, appearing to read "Vanessa Robbins", is written over a light grey horizontal line.

Vanessa Robbins

Board Secretary