

Durham Co-op Market Board of Directors Minutes

Event: Board Meeting

Date: Wednesday, May 16th, 2018

Location: Lyon Park Community Center

In attendance: Elizabeth Figgie (BA), Amelia Freeman-Lynde, Beth Hopping, Tyler Jenkins, Alisa Johnson, Lenore Ramm, Jack (Owner), Drew Peng, Tonya Post, Diamond Riley, Leila Wolfrum (GM)

Absent: Frank Stasio, Nick Williams

Meeting called to order: 7:03pm

Approve minutes from Wednesday, April 18th Meeting: Minor change required. Motion to approve: Alisa; Seconded: Lenore

GM Monitoring Report – B1, Financial Condition: GM presented monitoring report, and reviewed quarterly and monthly margin data. Having seen significant improvement on margin, profitability and cash flow are now a top priority. There has been a full store price adjustment resulting in many, although minor, changes. Price changes are expected to strengthen the store's financial position while continuing to improve on operations and reach target sales. The store is functioning more self-sufficiently. Finances are being closely monitored for store's health, meeting debt demands, reaching long term goals, and keeping up with store maintenance. Labor is in good shape, and the GM expects to finish the year ahead of sales projections.

The GM identified a few areas where the store is out of compliance, including sales projections and net income. There is positive expectation of improvement in these areas. The Board reviewed major upcoming expenses.

Motion to approve GM Monitoring Report – B1, Financial Condition: Tyler; Seconded: Alisa

GM General Updates & Discussion: GM provided a general update on store operations and upcoming changes.

Store reset project: On track for July. The GM is currently discussing if certain changes can be made ahead of time. Weaver Street is helping with storing new equipment as needed.

Equipment loan refinancing: Discussions continue with Self Help, and we should receive further updates this week. The Board and GM continue to assess the best way to

finance the reset. The GM has also reached out to Shared Capital to assess additional options. Board discussed conditions of loan offer from Self Help.

In June, a consultant will provide a training opportunity for managers, focusing on management for accountability. GM expects this to assist with staff development.

The store currently has a large and growing community of Spanish speaking staff. The administrative team is working on ways to build communication infrastructure, and is currently working with a translation organization.

The store has initiated Working Groups among staff. These focus on the Co-op's values and intend to develop store practices and efforts to meet goals for sustainability, equity, etc.

The search continues for a Beer & Wine Coordinator. Although the position still needs to be filled, there have been great candidates thus far. Nick will be available as needed for training and ordering.

The Board discussed filling Worker Owner slot. Two candidates have nominated themselves. Voting will take place next week among Worker Owners. Communicate with nominees and Worker Owners will take place in order to ensure an informed election process.

Preferred Stock discussion:

Redemption of preferred stock: Board discussed preferred stock issue. Communication has taken place between the Board and share holder. The Board reassessed the situation and reaffirms the policy as it currently stands. The Board has declined the request without a vote, according to the policy.

Payment of dividends (including accrued): The Board discussed payment of dividends and the store's capacity to begin paying out dividends, especially considering upcoming and future financial strains. The Board assessed numbers and financial breakdowns. The Board considered timeline and ways to prepare for making a final decision on when to initiate payment of dividends.

Board Self-Monitoring: C2, Accountability to the GM: Board reviewed report.

Board Committees Discussion & Formation: The Board identified necessary committees. Board members committed to committees. Committee members will be contacted and meet prior to next board meeting.

Annual Meeting

Nominations and Elections

GM Evaluation & Compensation

Long-term Strategy

Other Business:

Wegner Audit Follow-up Call: Board president reviewed accounting report and highlighted several key points. The Board discussed several changes moving forward in order to improve on future reporting. The Board requested a report from the GM on readiness for audit assessment in June.

New Worker-Owner board member: Discussed earlier.

Upcoming special guests schedule: June – Rena Pinnix, Barbara Lau, Mayme Webb;
July – Burch Avenue Board President

Meeting Concludes: 8:46pm

Attachments:

- **DCM Board Preferred Stock Redemption – Comments (4/30/18)**
- **Reference Materials**
 - **DCM 2018 General Manager Monitoring Report Compliance**
 - **DCM 2018 Board Calendar – [WIP]**
 - **DCM 2018 Board Roster & Attendance**