

Minutes of the Springfield Food Co-op Board of Directors
Thursday, September 8, 2011

Board Members Present: Christine Speidel, Elijah Daniels, Judi Becker, Aram Polster, Cherie Harris, Brooke Decker, Steve Greene

Member Audience: Richard Pease-Grant, Susan Dunning, Sue Dana, Lucy Georgeff

Call to Order: 6:10 PM

An executive session regarding personnel issues was held from 5:30 to 6:10. No action was taken.

Announcement: GM Marie Alfieri has requested that the Board discuss her continued employment at the Co-op. The Board agreed to take this up.

Agenda Review: It was decided that due to the GM's absence from the meeting, "GM Requests for Board Assistance" would be removed from the agenda and all other discussions would be moved up half an hour.

Director Resignation: Susan Hall has missed two meetings, and has failed to communicate with the Board. According to Springfield Food Co-op Bylaws Section 3.8, a director who fails to attend two consecutive meetings of the Board without notification shall be considered to have resigned. Christine will send Susan Hall a letter acknowledging her resignation.

Minutes of July 28, 2011: Aram made a motion, seconded by Christine to approve the minutes with minor changes. The motion passed unanimously.

Executive Limitations Monitoring:

Policy: B1 - Financial Condition and Activities

Report on First Quarter, Fiscal Year 2012 (April – June 2011).

The GM will not:

1. Allow sales to decline or be stagnant.

The GM reported non-compliance. Sales have fallen during the first quarter (April-June). Negative sales growth of -6.99% has been reported. The Board did not accept, requesting a detailed plan of action. The board also requested that in the future, comparison data provided should include not only the same quarter of the previous year, but also the immediately previous quarter.

2. Allow operations to generate an inadequate net income.

The GM reported non-compliance. Net income for the first quarter was -4.66%. Progress is being made with payables being managed better and labor hours reduced. The Board did not

accept, requesting a more specific plan, including a comparison of the labor margin from one consecutive quarter to the next.

3. Allow liquidity to be insufficient.

The GM reported compliance. The CoCoFiSt benchmark is 1.25 and the Co-op's current ratio is 1.58. However if the current trend continues we will shortly be non-compliant. The Board did not accept, as more clarification was needed, and a more detailed plan was needed. Do current liabilities include mortgage payments for the next year? Does the ratio need to be recalculated?

4. Allow solvency to be insufficient.

The GM reported non-compliance. The Board did not accept. A more detailed plan is needed.

5. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.

The GM reported compliance. There are no new debts on the balance sheet.
The Board accepted.

6. Acquire, encumber or dispose of real estate.

The GM reported compliance. The Board accepted.

7. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

The GM reported compliance. The Board accepted.

8. Allow late payments of contracts, payroll, loans or other financial obligations.

The GM reported non-compliance. Half of the payables are currently overdue. The GM verbally reported several details to Christine prior to the meeting, including: that there are under 15 vendors with past due accounts, that she is negotiating payment agreements with all of them, that the UNFI account is paid up, and that payroll taxes, wages and mortgage payments are all current.

The Board did not accept, and requested to see in writing what was verbally reported.

9. Use restricted funds for any purpose other than that required by the restriction.

The GM reported compliance. The Board accepted.

10. Allow financial record keeping systems to be inadequate or out of conformity with GAAP.

The GM reported non-compliance. A qualified third party is needed to make this determination. The Board accepted with acknowledgement of non-compliance.

11. Operate without an adequate system of financial control.

The GM reported compliance. The Co-op is operating with the flow charts established in 2010. The Board accepted.

12. Engage in a capital expenditure, or sell a capital asset or enter into a lease exceeding \$10,000 in value. Splitting orders to avoid this requirement is not allowed.
The GM reported compliance. The Board accepted.

Christine made a motion, seconded by Elijah to take action on B1 report as stated above. Motion passed unanimously.

Board Self-Monitoring:

C4 - Agenda Planning

Steve made a motion, seconded by Elijah to accept that The Board is in compliance with C4. Motion passed unanimously.

C5 – Board Meetings

Steve made a motion, seconded by Elijah to accept that The Board is in compliance with C5. Motion passed unanimously.

GM Employment Contract: The Board agreed to table this discussion. Elijah will be researching possible contracts.

Member Linkage: The Board agreed that there should be more of a board presence in the store, so board members can interact with shoppers, members, and staff on a regular basis. Several options were discussed. The Board agreed to continue this discussion for the next meeting.

Open Session: Richard Pease-Grant requested that the Board examine the viability of sending members the financial reports via email prior to the board meeting. The Board agreed to discuss member access to financial information.

Board Training: The Board agreed to table this discussion.

Executive Session: The Board entered executive session at 8:45 PM, to discuss a legal matter, and left executive session at 9:05 p.m. No action was taken.

The meeting was adjourned at 9:05 p.m. The next meeting will be on Thursday, September 29, 2011.

Angela Eglintine
Recording Secretary