



618 Kensington Road
Syracuse, New York 13210

syracuse.coop

P: 315-472-1385

F: 315-422-9021

contactus@syracuse.coop

SCM BOARD OF DIRECTORS MEETING

December 15, 2020

MINUTES

Board Meeting Commenced: 6:16 pm

Location: remote - Zoom

Present: Michael, Meg, John, Jeremy, Colleen, Abigail, Rich, Hether (Guest - CBLD)

Absent: Ashley, Katie (excused)

PRELIMINARIES

Ends: Waived

Ground Rules/Guest Rules: Waived

AGENDA REVIEW

n/a

MEMBER FORUM

n/a

VOTING AGENDA

- **October Minutes:** Colleen moved to accept, seconded by Meg. No discussion. All in favor, John abstained.
- **GM Monitoring Report B.1 Financial Condition:** Discussion: Jeremy highlighted the great financial results, with indicators looking good and steady margins. Meg asked about the timing on the Paycheck Protection Program (PPP) loan forgiveness. Jeremy said he just got the application so he hopes to have it taken care of early next year. Meg moved to accept, seconded by Colleen, all in favor.
- **GM Monitoring Report B.2 Budgeting and Planning (Expansion):** This report was a condition of the board authorizing Jeremy to sign the lease of the new store. Discussion: Everything as modeled is largely in compliance with the exception of a couple of items, but the risks outlined have been determined to be worth taking based on other factors. Meg mentioned that she would like to see more narrative in the report about why these risks are worth it for us to take. It would be prudent to include that in the report to document that this is a decision that was made collectively and was the result of many conversations. The "Interpretation" section should be strengthened by reiterating the long term outlook and underscoring that this is the best expansion opportunity we've seen and likely will see for some time. Also show that there are risks to the business *not* expanding. Jeremy will revise the report and send it to the Executive Committee for feedback in advance of the next meeting.
- **NCB Account Motion:** Jeremy would like to open an account at the National Co-op Bank as a holding account for the member loan funds. Jeremy, Meg, Michael and Abigail will be the required signers. The resolution from the account paperwork was shared and read. Meg moved to accept, seconded by Colleen, no discussion. All in favor.
- **Capital Expenditures:** By email, previous to the meeting, Jeremy requested board approval to sign contracts for ECRS Catapult point of sale, and for furniture & fixtures from ECHO. Following discussion, the board approved Jeremy's request, by email vote, "authorizing him to execute contracts for the stated capital expenses, provided that Jeremy documents in Co-op records (a) rationale for not obtaining

competitive bids on "existing" items, and (b) rationale for using LCA to finance the POS." Meg moved to confirm the email vote was carried with a majority of board members consenting and no abstentions or objections, seconded by Rich, all in favor.

GM FYI REPORT

- **New Members:** John moved to accept, seconded by Colleen, all in favor.
- **Staff Updates:** n/a
- **Store Updates:** Customer count is up, average basket continues to rise, and the 52 week rolling sales average is up significantly. Thanksgiving week sales were up almost 30%.
- **Expansion Updates:** Jeremy is working on signage and final fixture planning. The Allyn Foundation is purchasing fixtures for us. The food hall has pushed opening back until the end of January, but that won't impact our opening so we are still on track for mid/end of March.
- **Financial Updates:** Key indicators are looking good. December, January and February are typically low watermarks for our cash position, but our current cash position is strong. Meg discussed the report from the NCG Risk Management Committee regarding the joint liability fund. It is standard when a co-op is undergoing an expansion that they have to present to the committee. Due to the financial risks we will be undertaking, our rate increased from 8% to 100%. This was expected and factored into the budget of the project. This change will begin this month (December 2020).
- **Hiring Plan:** Colleen and Jeremy will be interviewing internal candidates for the assistant manager/store manager positions in early January. Marketing and Prepared Foods hires will take place later in January. As we begin to take possession of the new store in mid-February we will be hiring for people to help set shelves and get experience and training in the current Kensington store. In early March all frontline staff will be brought in to prepare for the opening of the new store.

DISCUSSION AGENDA

Conflict of Interest Declarations: None

Annual Meeting 2020: Board members should review the minutes from the Annual Meeting and edit with any corrections or additions.

Certify Election Results: The election results are as follows: 87 votes for Noreen Malabar, 95 for Abigail Henson, 91 for Gabrielle Reagan, and 93 for Michael Jurbala. 115 ballots were cast online (with 5 duplicates), and 3 paper ballots were cast (1 duplicate of an online submission). There were a total of 112 valid ballots cast. Noreen gets the 1-year term based on vote count; other terms are 3 years. John moved to accept the election results, seconded by Meg, all in favor. Colleen will contact candidates to congratulate them, start a conversation about planning orientation, and let them know about the January board meeting. Jeremy will ask Don to publish an election report in the newsletter.

Committees: Capital Campaign - there are people on the contact list who will still be contacted, the campaign is about to end but "phase 2" should begin early in the year pending state approval. Member Engagement Committee - Katie will organize a committee meeting to continue discussing ideas for member and community engagement.

Upcoming - By Email: The following matters will be addressed by email

- Year-End Board Evaluation (continuing and outgoing board members please respond to a brief web survey),
- 2021 Board Calendar (to be discussed and workshopped at CBLD this Thursday, then shared out)
- Board Orientation plans
- 2021 Board Officer nominations (election in January)

EXECUTIVE SESSION 1 - 6:10 pm

Elizabeth from Wegner CPA joined board members to review and answer questions about the Audit Report. The board moved to approve the Audit Report - Financial Statement and Management Letter - contingent on final review of Management Letter, amended as discussed. Moved by Michael, Second by Meagan. All in favor.

EXECUTIVE SESSION 2 - 8:08 pm

The board voted to approve a discretionary bonus for the General Manager [details omitted from public minutes]. Moved by Michael, Second by Meagan. All in favor.

Regular Session - Final Comments

The board commends and thanks John Craddock for 6 years of dedicated leadership as a board member of SCM! He diligently worked with the board through the process of decision making on our expansion, helped to transform our Co-op over the past several years into a successful and impactful community business, and repeatedly stepped up as an officer and committee member. We look forward to celebrating and appreciating him in person when we can once again come together!

Adjourned: 8:26p