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SCM ANNUAL MEMBERSHIP MEETING

November 9, 2023

MINUTES

Location: remote - Zoom

Call to Order:

Meagan Weatherby, Board President, called the meeting to order at 6:32 PM

Introductions:

The board members and staff present introduce themselves.

2023 Board of Directors

Meagan Weatherby, President
Colleen Gibbons, Vice President
Jason Sebo, Treasurer
Richard Barton, Secretary
Colleen Cicotta
Tracy Hogarth
Denée Page
Ryan Suser
Leah Witmer

Management team members present

Jeremy Dechario, General Manager
Don Deveau, Member Services Coordinator
Jen Eldridge, Marketing Manager & Board Administrator
Scott Pierson, Kensington Store Manager
Gabriel Smith, Salina Store Manager

Meeting Guidelines:

Meagan shared ground rules for the annual meeting.

- This meeting is being recorded for absent members and for taking minutes. It will not be posted publicly. Please turn off your video if you do not wish to be recorded, or reach out to the board or staff if you have a concern.
- Please keep yourself on mute unless you have been given the floor.

Determination of Quorum:

27 meeting participants logged in (quorum of 100 not achieved)

Proof of Due Notice of Meeting:

Meagan reviewed the proof of due notice.

Notice was sent via e-newsletter on October 12. Store signage was posted at the Kensington store on October 12 and at the Salina store on October 17. The New Leaf was postmarked on November 1.

Questions:

Brent Bleier: Asked if we have a land acknowledgement as part of our meeting preliminaries.

Meagan: Responded that we do not currently have a land acknowledgement as a part of our order of operations, but that we should consider this for future meetings. She invited Brent to reach out to her via email to discuss further so that this can be added to the Annual Meeting agenda in the future.

Disposition of Minutes - 2022 Annual Meeting:

This vote is unofficial due to lack of quorum.

Motion to approve the minutes contained in the meeting packet- Leah Witmer

2nd - Peter McCarthy

Discussion - None

Voted via Chat window (no members on phone): 26 yay, 0 nay, 0 abstaining - motion carries

President's Report:

Meagan Weatherby reviewed the Board President report, which was also included in print in the Annual Meeting packet.

- Our job as the Board of Directors for our cooperative is to uphold fiduciary duty to the membership by monitoring financial health, practicing strong governance, and supporting community engagement.
- FY23 was our second full year of operation as a two-store co-op. The board continued to focus on our post-expansion financial performance and business strategy, by carefully evaluating our quarterly results in dialogue with Jeremy. We were proud to see sustained sales growth at both stores as well as positive overall net income and a healthy balance sheet. We analyzed a few different versions of financial projections before our budget was approved for 2024 to ensure future financial health. Jason and Jeremy will share more about the Co-op's financial performance in their reports.
- The board meets monthly with Jeremy to complete governance duties and oversight. The board also participates in CBLD and works with a CBLD consultant to continue to learn how to best serve the Co-op.
- Membership has grown in the past year and we also piloted the Round Up program to support local community-based organizations. We'll talk more about Round Up in our New Business section of the meeting.
- All 9 of our board seats have been filled since January this year. We accomplished a long-standing goal of increasing our board to 11 seats. Meagan encouraged members to apply to the board as we would like to appoint someone to fill our remaining open board seat.

Treasurer's Report:

Jason Sebo presented the Treasurer's report.

- Jason reviewed the highlights of the balance sheet, noting an increase in cash, allowing the Co-op to meet its outstanding obligations and reinvest funds into growth & improvements.
- The Salt City Market location has continued to perform & grow at a rate higher than expected.
- The year ended with a reduction of our deficit. Jeremy will share more information about the financial status of the store in his report.

FYE23 Store Report:

Jeremy DeChario reviewed the Store Report, which was also included in print in the Annual Meeting packet, along with a financial statement.

- Positive financial performance enables the Co-op to pursue our Ends policy, which is our version of a mission statement. Jeremy shared the Ends statement, and explained that the Ends are interpreted and reported on between the board and Co-op management.
- Great Food: SNAP sales are up from FYE22, and the Co-op distributed over \$5,500 worth of produce through the Double Up Food Bucks program.
- Strong Community: Over 90% of responses to our Annual Member Survey would recommend the Co-op, and the average number of shoppers increased 4% at Kensington and 23% at Salina.
- Local Economy: The Co-op achieved a positive net income one year after expansion. Consolidated sales grew almost 12%, with sales at Kensington growing 6% and Salina growing 25%.
- Jeremy shared financial metrics and explained why they are important to monitor.
- We raised a small profit in FYE23.
- Jeremy reviewed the cooperative suppliers that we purchase from and support, as well as local producers.

Q&A on Reports:

Steve Plank asked, How many current members does the Co-op have in total?

Jeremy and Don responded that we have just over 5400 total members, with about half being active shoppers in the past year.

Danier & Beata asked, How effective is the Round Up fundraising effort? Can you share what you were able to give to the organizations?

Meagan responded that we have a report on this later in the meeting.

Nina M. asked, How are you getting the word out about the Double Up Food Bucks program? Do any county agencies promote Double Up?

Jeremy responded that we promote Double Up through the e-newsletters, tabling at the Downtown location, store signage, and by talking to customers at the register. Jeremy welcomed feedback if people have suggestions for ways we can further promote the program. County agencies do not, to Jeremy's knowledge, give out information about Double Up, but he will look into this.

Don shared that we just signed up our 279th Double Up member at the Co-op.

Leslie Bliss asked about an audit report.

Jason responded that we just got the audit drafts in a few weeks ago. Meagan said that we don't usually have final audit reports ready before the Annual Meeting. We don't post our audit publicly, but if a member would like to review it they are able to come in and request a store copy.

Unfinished Business:

Meagan called for Unfinished Business. None raised.

New Business:

Round Up: Colleen G. gave a presentation on the Round Up program. Our goal is that customers are using their change for change every time they shop at the Co-op. This past year was the pilot of our Round Up program and we chose two organizations to be recipients for during one half of the year. We raised a total of \$1,143.56 for the Sankofa Center and so far, we have raised \$605.11 for RISE. This next year, we will have a quarterly recipient, with 8 nominated organizations for members to choose from. Colleen G. reviewed the qualifications for an organization to be nominated, and presented each of the nominated organizations, including ARISE, the Food Back of CNY, Jowonio, Jubilee Homes, the Near Westside Initiative, OGs Against Violence, the Onondaga Earth Corps, and Westside Community First. When ballots open for the annual board election, members will be able to choose their top 4 choices for Round Up for next year.

Brent Bleier asked, if organizations are rotated quarterly, could there potentially be an imbalance in the amount contributed to each as some quarters are busier than others?

Jeremy responded that it evens out, so contributions should be about the same. Meagan responded that we are still learning about what works best for this program and will make adjustments as needed.

Elaine Walter asked, Can we ask cashiers to remind shoppers or ask if they would like to round up?

Meagan responded that management encourages staff to do so. Jeremy said that cashiers do their best but we have a lot of store programs cashiers are working to communicate with customers about. Colleen G. asked if we can create a prompt in our Point of Sale, but Jeremy responded that this is not currently available with our system.

Articles of Incorporation: Ryan gave a presentation on our plans to amend the Co-op's articles of incorporation in 2024. The amendment to the articles of incorporation would allow the Co-op to issue preferred stock (also known as non-voting shares) to members, with the idea being that in exchange for a larger equity contribution to the Co-op you receive dividends with a preferred status. We'll be exploring this amendment throughout 2024. Meagan noted that we have explored this option in the past and we are looking to align the articles with the changes that have already been made to the bylaws. We plan to have this as a ballot measure next year.

General Q&A:

Mark Fitzgerald asked, do we need an appointment to review the audit documents?

Meagan responded that no appointment is necessary, you can walk in to either location and ask a manager to see the audit. Alternatively you can make an appointment by emailing Jeremy.

John Desantis asked, does the Co-op have suppliers or growers come in to interact with customers at the Co-op?

Jeremy responded that we have done this in the past, but it hasn't always been successful.

Meagan responded to several questions asking about the amendment to the articles of incorporation and how that type of member capital would affect the Co-op. We would still operate by the policy of one member, one vote, and members with preferred shares would not get additional voting power but would have the opportunity to earn more dividends. Jeremy said that "preferred shares" refers to where they fall in our repayment obligations should the Co-op default. There's no additional power conferred by these shares. Meagan said that we do not currently have plans to run another capital campaign, but would like to have our articles and bylaws consistent.

Annual Board Election:

Colleen G. introduced the candidates for our 2024 Board of Directors. Each candidate gave a brief introduction. A link to the ballot was shared in the meeting chat and will be on the website tomorrow. After December 9 we will have election results. Alex Olt has applied for the board and the board will be considering him for an appointment.

Adjourned: 7:32 PM
