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SCM BOARD OF DIRECTORS MEETING

March 23, 2021

MINUTES

Board Meeting Commenced: 6:11 pm

Location: remote - Zoom

Present: Michael, Meg, Jeremy, Colleen, Rich, Katie, Gabrielle, Noreen, Jen, Hether

Absent: Abigail, Ashley

PRELIMINARIES

Ends: Waived

Ground Rules/Guest Rules: Waived

AGENDA REVIEW

Added Ashley's resignation to the voting agenda. Moved board policy monitoring to the discussion agenda.

IMPORTANT DATES

Store tours at the new co-op location on Saturday 3/27. An accessible way for board members to meet and interact with the co-op community. Michael, Meg and Noreen attended the store tours on 3/20 and said that it was nice to talk with members and see the new store.

CBLD call on Thursday this week, will be discussing GM compensation package with CBLD advisor.

Next board meeting is Tuesday, April 26.

MEMBER FORUM

n/a

VOTING AGENDA

- **February Minutes:** Michael moved to accept, seconded by Rich. No discussion. All members present voted in favor.
- **B.9 Expansion Report:** Rich moved to accept, seconded by Katie. Discussion: Jeremy shared that the co-op is in good shape to open the new store next month. He is concerned about hiring entry-level staff for the store as there seems to be a lack of applicants looking for entry-level positions. He applied for a temporary liquor license so that we can sell beer at the new store while the official license is in the process of being approved, which takes longer. He has changed the open date to one day later than the previous date, so the new store is now set to open on April 14. This should be a smoother open because we will be receiving a substantial truck on the 13th. Grocery shelving is scheduled to arrive tomorrow. On the 5th of April a UNFI truck will be delivering the first round of inventory, and merchandisers from UNFI and Tom from NCC will be coming that week to assist with merchandising. We will have about ten days to get the grocery shelving set up so they can be merchandised and stocked before open. Some construction is still going on in the space but Jeremy is hoping that will be wrapped up very soon. A board member asked how many entry-level positions we are looking to fill, and Jeremy responded that there are 10-12 available for the new store. He will be posting on Indeed for these positions and mentioned that the starting pay is \$12.50/hour and there are about 2 paid training shifts. New hires for the Salina store may be trained at Kensington. A

board member suggested posting to Facebook Jobs, and Michael asked if it might be possible to reach out to organizations and groups that assist and provide resources for people who might be looking for work. All board members present voted in favor of accepting the report.

- **B.3 Asset Protection:** Jeremy is not ready for approval on this report yet because he wants to rework some things based on conversations with the Executive Committee - specifically sections 9 & 10 of the report. Meg mentioned incorporating fire safety and security monitoring under section 6 as well. Postponed to the April board meeting.
- **B.2 Planning and Budgeting (Expansion):** Michael requested that the board have additional time to review the final version of this report / suggest polishing edits before approval. Meagan already made revisions and wordsmithing, and Colleen gave a close review for copyediting. Available in the March board folder for final review and feedback. We'll vote in April.
- **Capital Expenditure Proposal for Cargo Van:** The cargo van is a required expense in order for the co-op to continue to offer prepared foods at the Kensington location, as food prep will be centralized at the Salina store. The expense was included in the pro forma. The vehicle Jeremy selected is the Ford Transit XL cargo transit van. Board members and Jeremy reviewed and discussed the vehicle loan expense in detail. Meg moved to approve the purchase of a cargo van not exceeding \$30,000, with interest not to exceed 4%, or what is in the pro forma as demonstrated to the board. There was further discussion about the expense being included in the pro forma. Meg amended her motion and moved to approve the above (up to \$30,000 at up to 4% APR) with the request that Jeremy closely review how vehicle loan financing obligations fit into or impact the pro forma. If the terms of the final purchase / loan offer exceed this motion, the board must re-review and Jeremy should get comparison quotes from other vendors. Gabby seconded the motion, no further discussion. All members present voted in favor.
- **Ashley's Resignation:** Colleen moved to accept the resignation of Ashley Slater from the board. Noreen seconded, no discussion. All present voted in favor.

GM FYI REPORT

- **New Members:** Meg moved to approve the new members listed in the FYI report, seconded by Katie, all in favor.
- **Staff Updates:** n/a
- **Store Updates:** Customer count is down, but average basket is up. Sales are super-strong compared to pre-pandemic sales, but we are still hitting up against the early pandemic pantry stocking days last year. We will likely start taking hits to sales compared to last year.
- **Financial Updates:** Metrics took a hit due to a \$100k payment to SyrUP. Still looking on target with expectations. Strong performance for FY21.

DISCUSSION AGENDA

- **Conflict of Interest Declarations:** None stated.
- **Discuss and Vote on Policy B.1 Revisions:** Meg made a revision to policy part 13 (highlighted in the document) requiring reporting/board approval for Line of Credit balances exceeding \$10,000. Michael moved to accept the revisions, seconded by Colleen. No discussion. All members present voted in favor.
- **Audit FY21 Planning:** Bids were solicited last year with the stipulation that we get more bids this year due to low response from prospective auditors last year. Michael suggested that the same firm should not be used for too long, as the independence of the firm can be jeopardized by working with the same company over a period of years. The firm that we have been using specializes in co-ops and has many long-term clients, but they may have strategies to mitigate potential issues, such as switching up the team that works with individual stores. Meg will reach out to the firm to research this.
- **Member Surveys/Forums:** Board discussed and decided not to schedule for this calendar year due to the Member Engagement Committee and events around the new store. Jeremy is planning on putting out a member/customer survey around July or August.
- **Committee Reports:**
 - **Member Engagement Committee:** Katie sent out a document with minutes/notes from the last Member Engagement Committee meeting. Committee members spoke with consultant Michael

Sgro, who had many suggestions for engagement that might work for the co-op. He offered ideas for engaging the Downtown community, and also suggested having an event at the Kensington location that correlates with the Grand Opening at the Salina store. The Committee is looking to set up another member engagement event, and reached out to Rich Straub about potentially doing a cooking class. The next committee meeting will be scheduled soon.

- **Capital Committee:** Michael reported that the first committee meeting was held several weeks back, and that the committee is trying to make the second round of the Member Loan Campaign more targeted. The committee is working on developing target groups who may be interested in making loans. There are member groups that have not been called yet (and volunteers are needed), including new members who are located Downtown. They are also considering reaching out to non-members who are high profile or might benefit from being associated with the co-op. They are developing messaging around what the purpose of the second loan phase is and how the money raised will be spent. The next meeting will be dedicated to assigning tasks to committee members. This round of the capital campaign will be wrapped up at the end of May.
- **Board Policy Monitoring:** Colleen created a folder in Drive for the policy monitoring reporting surveys. There are currently two reports in the folder (D1 and D3). Board members will read the assigned reports and then complete the Google Form, deciding the level of compliance or non-compliance. This will be the new board policy monitoring report method. Before the next board meeting, board members should read the documents and determine level of compliance. Another assignment will be added for April (policy C).

Executive Session

Discussed GM bonus structure for fiscal year 2021, and process for updating compensation package as of 7/1/21.

Adjourned: 8:15p