



Board of Directors Meeting Minutes

Tuesday, May 10, 2022 (5:00pm – 8:00pm ET)
Virtual Conference call via RingCentral

Board Members in Attendance: CE Pugh, Dave Blackburn, Rosemary Mahoney, Nancy Muller, Zoila Rivera, Wis Benoit

Board Members Absent: Kip Ritchey, Amber Hall

Others in Attendance: Troy Bond (GM), Benjamin Goldberg (CFO), Dawn Rowney (Board Admin)

Members in Attendance: Patrick Malone

The Meeting was called to order at 5:03pm ET

Agenda Review – There were no changes to the agenda. The February 8, 2022, meeting minutes were previously approved unanimously via email.

Open Member Time/ Member Questions

There were no questions from the membership to be discussed.

CEO Reporting

Monthly Update Report/ Quarter Financials

Ben reported on operations as well as 1Q financials. The Deli continues to work on improving margin and increasing sales. The Customer Experience Survey results recently have been mixed, potentially resulting from the current job market. High turnover has resulted in new employees with less experience and causing departments to be stretched thin with managers being unable to provide training. The Co-op is ramping up its outreach program and has been to several events thus far, resulting in great outcomes. More events are scheduled.

CEO Monitoring Reports

B1 Financial Conditions

Ben reports partial compliance reported due to some of the key operational indicators not meeting goals. The Days of Cash fell to 9 days on hand due to lower than expected margin performance along with some capital improvements on very needed repairs such as electrician work & HVAC unit repairs. As this

report was of March 31, 2022, the \$600k EIDL loan received in April was not included in the cash total. Current cash balances are over \$500,000.

P17 – The underperformance in the Deli had been noted, as well as Grocery not meeting its margin goal. Inflationary cost increases have resulted in ongoing price changes, which may be contributing to some low margins in Grocery.

[Dave Blackburn moved to accept this report noting areas of non-compliance.](#)

[Nancy Muller seconded. Passed unanimously.](#)

B3 Asset Protection

Ben reports compliance. In response to a board question about cyber security, Ben responded that the co-op has not had an IT audit. The Board intends to adjust the B3 Policy going forward to require a full IT audit with an emphasis on cyber security.

[Nancy Muller moved to accept this report. Zoila Rivera seconded. Passed unanimously.](#)

Financial Audit Report

The Board was joined by Bruce Mayer and Elizabeth Heins-Van der Weide from Wegner CPAs to discuss the results of CCM's financial audit. The Co-op is in good shape as far as liquidity and debt. 2021 saw sales growth, which is encouraging. Although operating costs were still negative, they were better than the previous year. Inquiries into systems did not result in any red flags over internal controls, but there was a yellow flag over internal controls pertaining to GM oversight of the CFO during the period when the CFO was also the CEO. This will be remedied with Troy stepping into the CEO role, but a succession plan review for future occurrences is recommended. Other suggested actions include formalizing the new vendor process, documenting reviews of processes/ reconciliations, and formalizing and documenting accounting procedures. The Board is encouraged to request from Management suggestions to remedy any deficiencies in the Management Letter, and the Board agreed to take formal action once the audit is complete.

Annual Meeting Preparation

Ben and Nancy reviewed the Annual Meeting agenda and logistics.

In relation to the Board Election, the Board agreed to review the election bylaws to modify language surrounding the "withhold" option for future contested elections.

Closings

Review Decisions, Tasks, and Assignments

Review Board Calendar & Next Meeting Topics

The Board plans to schedule a virtual new board member orientation in June, which will take place before the Board retreat later this summer.

The meeting adjourned at 7:15pm ET