

## **Buffalo Mountain Food Coop Board Meeting Minutes – 11/29/17**

Emergency meeting of the board called to review a request from Collective Management for \$1,000 from Equity/Capital Reserve Fund (a board controlled account) for emergency repair of meat freezer. This request could not wait until the next scheduled board meeting because it was time sensitive.

Present: Chris, Zarina, Keith, Annie, Marina, John, Katharine, Regina

Absent: Karla, David

Start Time: 5:10pm

Regina (bookkeeper) attended and presented to the board that she believes there is enough cash flow for the collective to cover the \$1,000 repair, and that money comes in and goes out, in large amounts, quickly.

Board Discussion:

Zarina understands that board had come to a decision that collective can use equity fund for lean cash flow issues?

Marina remembers no, that is not what the board decided.

John – there are two issues here: immediate need, and the larger issue of whether collective can use equity fund to cover cash flow or whether they need to open a line of credit (LOC).

Marina poses a question to Regina and Katharine - why did this even come to the board? Is the cash flow too lean to cover the repair or not?

Regina and Katherine – At the time of the request, the cash flow was very tight. Again, lots of money in, lots of money out.

Keith – about 70k a week in inventory purchases. And we are paying for it. Aside from that we have to have money for these other operating expenses. Proposes an amount from equity be set aside, kind of like an emergency loan fund for operating expenses.

Chris – why are we here? Again, budgets. Collective needs to deal with this. Especially finance team. This repair is strictly an operating expense, why are we here as a board? Not a capital expense. However, we as a board do need to establish a ceiling on repairs/expenses.

Regina – are you suggesting we have another savings account?

John – not a separate account. A line item.

Regina – putting it in the budget and having the money are two totally separate things.

Chris – never want to see Equity loan used for operating expenses.

John – this is why there needs to be a line of credit established at bank.

It was agreed that these are larger issues that will be put on the agenda for the next board meeting. Board will revisit the previous decision made on this matter and decide how to move forward.

Chris – profits at end of year – 1/3 toward collective as bonuses – 1/3 donation – 1/3 infrastructure and maintaining this place.

Regina – we do not have the cash flow that we once had.

Chris – proposal – make \$1,000 available from equity fund on loan if needed on a repayment basis. John seconds. Zarina friendly amendment: collective investigate a line of credit. Annie asked for clarification: Annie wants to know what Keith said about using the equity fund instead since BMFC wouldn't have to pay interest on it.

Keith – if we're sitting on 60k in the bank, it makes sense to use this money rather than paying the bank interest. We could use it reserve account that can be drawn on as a loan, with repayment expected.

John – slippery slope.

Marina – proposes the proposal Chris made, without the amendment.

Proposal: Board make \$1000 available from equity fund available to Collective if needed on a repayment basis. – proposed by Chris, seconded by John, consensus reached. Proposal approved.

John – not inappropriate at all in the corporate world to have a LOC and an equity account. Again, discussion for another day.

Meeting adjourned 5:32pm