

Natural Alternative Food Cooperative Board Meeting Minutes

August 16, 2018

Board president Lisa Doerr called the meeting to order at 6:36 p.m.

Present: Board members Lisa Doerr, Jeff Peterson, Zach Mattson, Jason Montgomery-Riess; manager Marie Clark.

Agenda approved on a Mattson/Montgomery-Riess motion.

Minutes of July 12 meeting approved on a Doerr/Mattson motion.

Manager's Report (Marie)

Staffing – For efficiency's sake we are moving toward separating the work of buying from the work of cashiering. One or two cashiers will need to be hired in the next few weeks.

Street construction – It is unclear at this point how and when we'll be impacted. It will not be ideal to have shoppers enter from Third Ave., but at this point we have no plans to close or reduce hours.

Rounding up – We need a clear and consistent policy on asking shoppers if they want to round up to the nearest dollar, and what that money will be used for.

After a lengthy discussion, **the board reached a consensus decision that customers will routinely be asked whether they wish to round up when they check out.** For the months of September and October, these receipts will be retained by the cooperative. At future board meetings decisions will be made regarding awarding these funds to other local organizations.

Motion by Peterson/Montgomery-Riess to award rounding-up donations of \$392.87 raised in April and May along with an additional \$43.30 for a total of \$435.17 to Crystal Ball Dairy. Approved on a voice vote.

Motion by Mattson/Doerr to extend rounding-up donations for the Ice Age Trail Alliance through August. Approved on a voice vote.

Financial Report (Lisa)

Net sales for July were 1% above a year ago, putting us up 9.6% year to date. Supplements, consignment, alcohol and produce saw gains of 32%, 34%, 26% and 14% respectively. July saw a drop of 4.6% in grocery, our largest department. Health and beauty and bakery both underperformed, dropping 20% and 26% from 2017 levels. Average number of sales in July was down 5% but basket size was up 6% from a year ago. Year to date our average number of sales remains flat but basket size is up 8.4%.

July's gross profit of \$13,098 was a healthy 33% of grocery sales. Gross profit year to date on grocery sales is 28% and on total income is 30%. Labor costs are on target at 19% year to date.

Net income for July came in at a solid \$3,029. Net ordinary income year to date is \$9,012; however, after depreciation and capital repairs are taken into account that number stands at -\$5,801.

Our balance sheet remains strong with all accounts payable current.

Year to Date Profit/Loss (YTD)

Net Sales 2018 YTD: \$258,909

Net Sales 2017 YTD: \$236,149

Increase: \$22,760 or 9.6%

Net Ordinary Income 2018 YTD: \$9,012

Net Ordinary Income 2017 YTD: \$8,447

Increase: \$565 or 6.6%

Net Income 2018 YTD: -\$5,801

Net Income 2017 YTD: -\$7,446

Increase: \$1,645 or 22%

Motion by Montgomery-Reiss/Mattson to accept the financial report. Approved on a voice vote.

Motion by Mattson/Peterson to authorize a contract of \$981 with Country Door LLC to replace west overhead garage door and to spend up to \$300 at Luck Lumber for materials necessary to trim out the new door. Approved on a voice vote.

Jason Montgomery-Reiss presented ideas beings discussed for some type of Farmer or Food Policy Summit this fall or winter.

Jeff Peterson gave an update on the signs that have been ordered for the front and back of the building. A down-payment has been made and the necessary permit applied for with the village.

Loreen Clayton-Morrell of the Marketing Committee joined the meeting by phone to talk about the upcoming Tomato Fest promotional event set for August 24.

Lisa shared some "back of the house" issues the Kitchen Committee has been working on and asked for support for spending grant money to improve the quality of our work environment as per the committee's recommendations.

Motion by Peterson/Montgomery-Reiss to authorize the purchase of the following items: 1) storage freezer for back room; 2) new racks for veggie cooler and display freezer; 3) vegetable and recycling carts. Approved on a voice vote.

The board went into closed session to discuss personnel issues.

Lisa adjourned the meeting at 8:17.