

Natural Alternative Food Cooperative Board Meeting Minutes

November 12, 2018

Lisa Doerr called the meeting to order at 6:36 PM.

Present: Board members Lisa Doerr, Jeff Peterson, Zach Mattson, Sarah Cook, Jason Montgomery-Reiss, member Cindy Cutter. Member Loreen Clayton-Morrell by phone.

October 2018 Minutes were approved - Moved by Doerr, seconded by Peterson, all in favor

Manager's Report

Sidewalk and road construction is mostly finished!

We are now fully staffed; Debbie is our latest hire. She is only available to work through June because she has a homestead that takes up her time in the growing season, but she trained quickly, works efficiently, and has already given me some great ideas for helping our store to run more smoothly. Our buyers now have time to do their ordering, set sales, and maintain beautiful displays. Storekeepers will have time for projects that will make our store run more smoothly. We have a cleaner with dedicated time for cleaning both the loft and the store. I'll be closely monitoring our labor costs and making adjustments as necessary, but I think the increased labor hours and clear job descriptions will help us to increase sales. I'm considering the next 4-5 months a trial period to determine the feasibility of the new schedule.

I will continue to focus on the reverse osmosis/produce mister/produce shelving issue. It looks like we may have to get a new misting system put in the cooler because we are missing some parts, and it sounds like it would be more expensive and difficult to piece everything together than to get a new system. Benedict's will be giving me a quote on that soon. Midwest Best Water will be bringing a hot/cold water dispenser for the Loft -- it was supposed to be here when the new shelving unit and false wall came, but alas, the delivery guy knew nothing about it. If not sooner, it should be here next month when they service the machine.

Financial Report for October 2018

Overview

October Net Sales were \$34,392, up from 2017 by 6%. We have seen positive sales growth every month putting us up 8.8% for 2018! Meat & Fish, along with frozen saw great growth with 74% and 68% respectively. Two of our biggest departments - bulk and produce - saw gains of 15% and 12%. Health & Beauty continues to underperform with a drop of 22%.

Basket size drove our sales increase, running at \$26.28, an increase of 16% over 2017. This outweighed an 8% drop in the number of sales. Non-member Basket Size had especially impressive growth of 21%.

Gross Profit on Grocery Sales remained weak again in October at \$8,504. That leaves us with a 27% Gross Profit for 2018 or 10% below 2017. Payroll Expenses were right on target with October and year to date running at 19%.

October Net Ordinary Income was \$110 with a Net Income of -\$446. Net Ordinary Income year to date is \$5,559. After Depreciation of \$9,167 and Capital Repairs on Equipment of \$8,285, Net Income year to date stands at -\$9,715.

Our balance sheet remains strong with all Accounts Payable current.

Year to Date Profit/Loss (YTD)

Net Sales 2018 YTD: \$365,870

Net Income 2018 YTD: -\$9,725

Net Sales 2017 YTD: \$333,774

Net Income 2017 YTD: -\$5,276

Increase: \$32,096 or 8.8%

Decrease: -\$4,449

Net Ordinary Income 2018 YTD: \$5,549

Net Ordinary Income 2017 YTD: \$14,442

Decrease: -\$8,893

Co-op Loft

Office 3 is currently available with rent of \$275/month. The tenant moved into the co-work space, making a total of two people who utilize this space at \$59/month. The co-work space monthly rent was adjusted from \$99/month to \$59/month in hopes of accommodating more tenants. Office 1 will soon be vacant with \$350/month rent. Wellness open house on Saturday November 15, 2018 from 1-4.

Building Maintenance

Jeff Peterson and Ron Erickson secured the hole in the building near the fairy house where piping enters the building. Money was donated for a new garage door and installation on the back of the building. Tom Horst volunteered to do the finishing touches on the door. On November 20th the awning will be put back together due to the damage that it sustained from the main street road work being done. The Natural Alternative toilet is now working properly! Thank you, Marie, for making a call to the toilet company and getting replacement parts and Ron Erickson for installing them!

Farmers Summit

Jason Montgomery-Reiss through networking with many local farmers has been working out the logistics of how to supply the co-op for 20 to 26 weeks out of the year with local produce. In theory this would benefit the farmers as well as the co-op. To do so proves is complicated.

Food for Change

The "Food for Change" screening that took place on October 24th was attended by 25 people from around the region. A diverse group that made for good discussion and questions. \$137.50 was collected in donations. Cindy and Loreen are looking at different locations as to where the movie should be shown that will make the most impact. A possibility is through the Luck Community Ed program.

Marketing

December 1st – Luck’s Razzle Dazzle celebration. The board to have a table set up in the store to participate in the celebration. December 15th – Owner/Member Appreciation Day

1.) Budget

A motion was made by Montgomery-Reiss and seconded by Mattson to authorize the 2019 Budget.

Resolution was passed with all board members present voting affirmative.

2.) Bank Account Signers

A motion was made by Doerr and seconded by Cook to authorize:

Addition of Karen Talmadge as a check signer on Frandsen Bank Account #XX533 and allow full on-line viewing of said checking account and Savings Account #XX0034.

Resolution was passed with all board members present voting affirmative.

3.) Grab & Go Upgrades

A motion was made by Mattson and seconded by Montgomery-Reiss to authorize purchase by the Co-op Manager if \$5,614 is raised:

Phase Two-Grab n Go

Merchandise - Federal 59"w x 78"h	\$10,000
Display Case, Pastry	\$200
Cabinet to match existing - 3 @ 36"	\$1,500
Soup pots	\$250
Microwave	\$150
Coffee maker - Mr Coffee	\$125
Phase Two Subtotal	\$12,225

Resolution was passed with all board members present voting affirmative.

Annual Member Meeting Set for March 14, 2019

Adjournment - Doerr moved to adjourn meeting adjourn at 8:27.

Draft minutes submitted by Secretary Sarah Cook