

Natural Alternative Food Cooperative Board Meeting Minutes

September 21, 2017

Lisa Doerr called the meeting to order at 6:30 PM.

Jeff announced that filmmaker Harlan Krueger would be at store around 7 pm to do some video-taping of Board in action. Harlan is doing a promo film for NA and wants to show how anyone can serve on the Board and are elected by members.

Present: Board members Stephanie Lundeen, Lisa Doerr, Steve Clark and Jeff Peterson; staff members Ron Erickson and new Co-op Manager Marie Clark

August 2017 Minutes were approved (Jeff moved, Steph seconded; all in favor)

Manager's Report – Marie provided written report and discussed key elements. Ron will continue as light bookkeeper for 4-5 hours per week. Question about Gandy Dancer Marathon in October and what kind of presence we might have; Marie will contact race organizer Eric Olson to see if we can get coupon in racer's packets or provide snacks for racers at reduced costs and pursue other options. We will be contracting with Patty Lehman to do monthly accounting and provide for tax readiness estimated to be about two hours/month. Marie also discussed some ideas for GMO-free Month and Co-op Month both of which are October. Lisa said she would do a news release on GMO-free Month.

Financial Report

We have \$14,000 in checking account and payables are way down from previous months. We are now in a position to bring in some new products. Ron worked for approximately 600 hours (\$8,000 value) but did not bill the co-op for any of the hours, hence, the financial picture is stronger than it otherwise would have been.

Overview

August sales were up 2.7% over 2016 and Gross Profit was up \$242.19. Our margin remains strong at 41% and our expenses came in 24.7% lower than 2016. Net Income for August was \$6,307 compared to \$2,937 for 2016. Year to date Net Income is \$10,125 or \$14,410 above 2016. We are now tracking performance against our 2017 budget. Sales are \$19,924 ahead and Net Income is \$16,434 ahead of projections.

August 2017 Detail

Sales 2017: \$37,493
Sales 2016: \$36,525
Increase: \$968 or 2.7%

Gross Profit 2017: \$15,382
Gross Profit 2016: \$15,140
Increase: \$242 or 1.6%

Expenses 2017: \$9,213
Expenses 2016: \$12,230
Decrease: -\$3,017 or -24.7%

Net Income 2017: \$6,307

Net Income July 2016: \$2,937
Increase: \$3,369 or 114%

Year to Date Detail (YTD)

Sales 2017 YTD: \$271,098
Sales 2016 YTD: \$281,866
Decrease: \$10,767 or 3.8%

Gross Profit 2017 YTD: \$84,795
Gross Profit 2016 YTD: \$98,584
Decrease: -\$13,789 or -14%

Expenses 2017 YTD: \$78,598
Expenses 2016 YTD: \$106,643
Decrease: -\$28,045 or -26.3%

Net Income 2017 YTD: \$10,125
Net Income 2016 YTD -6,310
Increase: \$14,410 or 336%

Steph moved and Steve seconded to accept financial report; all approved.

New Business –

Jeff talked to insurance company representative regarding liability and worker's compensation premium which currently is a little over \$2000 plus \$4000 for worker's comp. Because our staff is doing physical work we pay 5% of wages for this insurance. One change that was made and agreed upon was to drop terrorism insurance. An area for consideration is to increase insurance to cover new replacement costs which is nearly \$400,000 more than previous \$569,400. Board members questioned if the \$569,400 is at a functional replacement cost or not. Currently we still have insurance coverage for lesser amount (569,400).

Renters insurance: members of co-op using the space might be covered under our current policy but it agent recommends that office space renters show proof of their own liability insurance and add NA as an additional insured. The Board agreed that the agent should be invited to discuss options at a future board meeting.

Upstairs Update

HVAC workers were supposed to be at store week of Sept 19th to complete some work but had yet to show up. Lisa reported that Adrian says he will be done with his work by Nov. 1st. Black mold was found in insulation and was completely removed and is no longer an issue. Lisa believes we can have tenants by Dec. 1st. Rest of Board agreed we should shoot for this.

A video is being put together featuring upstairs. Lisa would like to see Board authorize an additional \$3000 loan for entry way security door – total loans would then be \$8,000. Jeff suggested that Go Fund Me would be going live and the first \$3,000 could be used for the new door. Lisa moved, Steve seconded to authorize \$3,000 more in loans. All voted in favor.

Board member nominations

Steph described how the process works for recruiting new board members and why the process needs to begin now. Stephanie is leaving Board after serving for six years. Lisa's two year term is also up so

she will need to run again. The rest of the Board would remain on for another year. Steph agreed to be on nominating committee. There will also be a staff person serving on the committee and a member at large. Marie agreed to serve as staff representative. Several names were mentioned as potential Board candidates.

Co-op affordability project

People who have EBT cards could receive an additional discount under this program. Others can donate to make this program successful. Lisa believes it would be a good way to bring in more diverse membership. Marie agreed that this is a good idea assuming we can make it financially viable. The Wedge is doing it. Lisa believes a 10 percent discount is a good number, Marie thinks maybe even 15% if possible. Marie also suggested it could be part of a reduced membership program. Steph said it could work as long as others are helping to make up the difference through donations. Steve stated that such a project would be consistent with our original mission of providing good quality, healthy food at affordable prices and affordability is a relative term depending on income. Also discussed was the WIC program and whether it might make sense to become WIC eligible.

Volunteers

Marie discussed how new volunteer law has made Fridays much more difficult because unloading truck when boxes come in can be hard physical work. In the past we had volunteers who were stronger than current staff. But current law precludes this as it would be viewed as replacing potential or current staff hours.

Adjournment

Lisa called the meeting adjourned at 8:28 PM.

Draft minutes submitted by secretary Steve Clark.

Next meeting date: October 19, 2017 6:30 pm