

Annual Member Meeting Minutes March 8, 2021

Jeff Peterson called the meeting to order at 7:00 pm.

Present: Board members Jeff Peterson, Liza Doerr, Zach Mattson, Wendy Peterson, manager Raya Capuzzi, incoming board members Mike Noreen, Amy Free, and members Debbie Trantow, Marcia Marquardt, Patti Mattson, Chris and Molly ????, and Ron Erickson.

Zach Mattson explained how to interact on the online meeting.

Welcome from Jeff Peterson – It is the 47th year since the the Natural Alternative has been established. There was not a 2020 annual meeting due to Covid.

Jeff Peterson made a motion to approve the agenda, Cook to second, all in favor.

Poetry reading by Debbie Trantow from her published book, “Hear the Turtles Words”

Poem 1 – “December 2020”

Poem 2 – “As Far as we can go on a Saturday”

Poem 3 – “Bait”

Cook read the 2019 annual meeting minutes.

Amy Free made a motion to approve 2019 minutes, Marcia Marquardt to second, all in favor.

Jeff Peterson introduced the board.

Jeff Peterson shared thoughts and thank you’s.

We have a wonderful connected community that include our employees, local businesses, local banks, nonprofits, members, nonmembers, and other co-ops. This incredible network is what makes us strong.

Thank you to Mark and Nancy Buley for your time, ongoing willingness to help, and always going above and beyond with your support for the Natural Alternative.

Thank you to the Boland family for all of your time and commitment and a special thank you to Ann and Mike who stepped up and ran the store for us during the early, unknown months of Covid.

Thank you to Suzanne Batalle, Nancy Stewart, and ??? who made and donated masks, keeping our store stalked.

Thank you to Shirley Crowe for doing the plant sale, a much anticipated visit every spring.

Thank you, Stephanie Jones, for your seventeen years of dedicated service. We are very grateful for your many years and you are missed.

The Natural Alternative had between thirty-five and thirty-eight new members in 2020.

Raya Capuzzi is our new manager!

2020 Recap by Jeff Peterson

January – Set annual meeting

February – A question of whether or not we continue alcohol sales? The grab and go cooler was in the process of being secured. The last in person board meeting.

March – March 25th was a special meeting held via zoom. Covid protocol was reviewed and worked on instituting protocol. Marie Clark resigned as manager. Lisa Doerr filled the position as interim manager. The co-op applied for a PPP loan. We set record sales this month. Curbside shopping became real and the motions were set in place to be able to offer this by April.

April – Staffing was crucial. The co-op received a monetary gift from the Buley's. We went to curbside only for one week. Sales stayed strong. Raya Capuzzi accepted the managers position on April 17th.

May – The Natural Alternative learned we received the PPP loan. There was a struggle getting product in that were ordered. Hours changed to being closed on Monday's. The water heater was replaced.

June – There was a shortage of employees that were of the age twenty-one and older, needed for any alcohol sales.

August – We lost Stephanie Jones indefinitely.

September – Security cameras were put in place.

October – The PPP loan was forgiven. A computer was purchased for the bookkeeper position.

November – A by law amendment was passed. Round up recipients were discussed and decided upon.

Manager's Report by Raya Capuzzi

Raya shared that she was an Aldi store manager for eight years.

Buyer's Team – Marie Clark is behind the scenes doing orders, along with Judy Alverson orders our freezer and grocery products, and Liana who is our fresh and local buyer.

Store Keeper's – Patti Mattson who has been strong and steady throughout the years. Anne and Mike Boland who are currently in school got us through tough times and kept the store going during the summer of 2020. Brandon ??? is our most full-time employee and always willing to help. Madison ??? is our newest employee who has a great mind for customer service. We have an amazing team!

Covid Response – Raya, along with the board have listened to scientific findings and the CDC that have determined the actions the store has taken and whether or not to tighten or relax protocol.

Changes – The grab and go needs a part time person in order to expand. The online shopping experience is almost complete, where shoppers can exclusively shop online through Shopify. Work is being done on the store appearance by trying to streamline the checkout area. The awning is in need of replacing, which is being looked into and will bring a facelift to the store.

Treasurer's Report by Lisa Doerr

Natural Alternative Food Co-op

February 19, 2021

2020 Year End Financial Report

Overview

Net Sales for 2020 set a new record at \$497,978, up over 2019 by 7.2%. Truly a remarkable achievement in such a disruptive year, especially considering that we were open just 264 days in 2020 in contrast to 306 in 2019.

Many thanks to the extraordinary staff, board and members that shepherded us through 2020.

Special orders, Grocery and Refrigerated saw large gains with growth of 30%, 22% and 20% respectively. Frozen along with Meat/Fish saw very healthy gains at 14% each. Alcohol sales followed a pandemic trend with an increase of 36%.

Produce, Bakery and Health/Beauty saw small negative growth around 3.5%. Consignment and Gifts dropped 30% after these departments were cut back to stock packaged bulk.

Basket size really drove sales increases, running at \$37.75, an increase over 2019 of a whopping 30%. Member and non-member basket size were up 27% and 34% respectively. The number of daily sales dropped from 54.33 to 51.47.

Gross Profit on Grocery Sales was 28.9% or \$143,390, slightly missing by \$5,248 our target of 30% of grocery sales. Payroll Expenses were \$94,000, up over \$5,000 but on target at 18.9%. This included \$3,557 in bonus and sick pay. Net Income after Depreciation was -\$5,206.

Inventory increased by \$1,646 and Member Equity was up 103% to \$3,850. Rent was down to \$8,765 from \$12,756. Mortgage, facade loan and member loans are all up to date. We made \$5,200 in payments on the 2015 member loans for the store remodel and \$5,000 in loans for The Loft. We received a Payroll Protection Program loan of \$16,200 that will be forgiven.

Balance sheet remains strong with all Accounts Payable current.

2020 Round Up

Round up donations rose 23% to a record \$3,640. We matched May and June donations of \$547 to support Morningstar Farm that was hit hard by the pandemic shutdown. Pre-pandemic roundups in January and February donations of \$428 went to help fund the Co-op kitchen.

Donations to Outside Groups - \$3,759

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| Community Referral Service | \$584 |
| Frederic School Backpack Program | \$333 |
| Friends of Gandy Dancer Trail | \$623 |
| Luck School Backpack Program | \$333 |
| Morningstar Farm | \$1,094 |
| Ruby's Pantry | \$790 |

2020 Profit/Loss

Net Sales 2020: \$497,978
Net Sales 2019: \$464,443
Increase: \$33,535 or 7.2%

Net Income 2020: -\$5,206
Net Income 2019: -\$7,328
Increase: \$2,121 or 29%

Marcia Marquardt made a motion to accept the financial report, Zach Mattson to second, all in favor.

Board of Directors and Bylaw Change Results

Sarah Cook read the election results and welcomed back Jeff Peterson, Jason Montgomery-Riess, along with newly elected board members Michael Noreen and Amy Free.

The bylaw amendment allowing electronic communication to be a part of our communication with members regarding special member and annual meetings passed unanimously.

Jeff Peterson thanked Wendy Peterson for her time served on the board. Jeff asked for a motion to accept the results of the election.

Raya Capuzzi made a motion to accept the election results as presented, Wendy Peterson to second, all in favor.

Open Floor Time for Members Thoughts and Questions

Marcia Marquardt complimented the positive change in the store layout including the cards and isles in general. The flow is good and it feels open.

Ron Erickson complimented the board and staff for doing a great job and making good decisions this year, staying ahead of the curve.

Lisa Doerr gave a big thank you to Jeff Peterson for being so calm and collective this year with the many challenges that were present.

Adjournment – Jeff Peterson moved to adjourn meeting at 8:10 pm