

Natural Alternative Food Co-op

Annual Member Meeting Minutes

March 22, 2022

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

Present: Board members Jeff Peterson, Liza Doerr, Zach Mattson, Mike Noreen, Sarah Cook; manager Kyle Wondrasch; incoming board members Peggy Tolbert and Jon Bjork; and members Debbie Trantow, Patti and Terry Mattson, Chris Tou, Molly Tulkki, Helen Sullinger, Pam Girtz, Judy Grumstrup, Susan Lanoo, Mary Curran, and Dan Winterhalter

Zach Mattson walked us through the logistics of how to interact within the online meeting setting.

Welcome and introductions from Jeff Peterson – It is the 48th year since the the Natural Alternative has been established.

Patti Mattson made a motion to approve the agenda, Helen Sullinger to second, all in favor.

Poetry reading by writer and author Debbie Trantow

“The Waste Land”

2021 Annual Meeting Minutes were presented and viewable by all attendants.

Judy Grumstrup made a motion to approve the March 8, 2021 minutes, Zach Mattson to second, all in favor.

President’s remarks by Jeff Peterson

- The Natural Alternative received new awnings in 2021 from a secured grant that covered the majority of the cost.
- Bonnie Urfer was hired to refresh her paintings of the produce murals that had faded over time due to sun exposure

- Co-op Loft update – We currently have two private offices out of four occupied.
- We have stayed mindful of Covid and continue to revisit guidelines and policies every month, which include to wear or not to wear masks. From the beginning we have adhered to the CDC guidelines.
- Currently, we are fully staffed with a great team.
- Thank you to Raya Capuzzi who was the manager through the pandemic and got us through unprecedented times. We are fortunate to have Kyle Wondrasch as our manager who brings great expertise and enthusiasm.
- Introduction of the staff via slide show.
- A heartfelt thank you to Lisa Doerr for her many years of dedication, not only for her service of six years on the board, but always supporting and being available in so many aspects to the Natural Alternative.

Manager's Report by Kyle Wondrasch

Four Sets of Fundamentals

Values

Sustainable

- Promoting a regional economy -53.6% of the sales dollars of the top 100 sellers were for products from local farms/producers
- Providing fair wages - Avg hourly wage for employees \$13.09
- Through bonus hazard pay and emergency paid sick leave, the co-op paid staff \$5906 in the 2021 year of the pandemic
- Highlighting food produced ethically - Burning River, Morning Sun, Johnson Family Pastures, Whetstone Farm, Blackbrook Farm, Cylon Rolling Acres, Whole Grain Milling

Values

Local

- Prioritizing local farms and producers - We renewed efforts to add shelf tags that identify local producers and make it easier for customers to support local farms/business with their purchases
- Adding these local and independent tags to items in our database from the farms and producers. With this we hope to

be able to provide customers with a line on their receipt indicating what % of their purchase was local

Values

Community

- Added 30 new member-owners
- Filled 354 special orders
- 51% of member-owners active in 2021
- Those 446 active member-owners accounted for 66.2% of our total sales for the year
- Round up donations equaled \$2019.68 for the recipients: Ruby's Kitchen, Farm Feral & Stray, Luck Fire, Luck & Frederick Schools, Community Referral agency

Staff

- Current staff - 11 staff
- Full-time to part-time ratio: 0:11
- New hires 2021: 9
- Employees who left: 8
- Staff turnover rate: 88.89%
- Hours worked: 5784
- Change in hours over 2020: -9.36

Operational Growth

- Expand with purpose
- Improve customer experience
- Drive sales with good member-owner appreciation days, highlight new and newsworthy local farmers and producers
- Improve merchandising

Margins and Shrink

- Improve ordering practices through quarterly look-backs
- Open books management to include staff in the financial narrative
- Pricing to meet standards and margin goals
- Handling inventory to minimize shrink

Profit

- Inventory management
- Discontinuing poor performing items
- Increasing inventory turns

Financial

	Mid-sized Coop	NA Coop '21	NA Coop
'22 projected			
Total Income	\$4.8M	\$464K	\$472K
Sales Growth	5.2%	-8.42%	1.65%
COGS	57%	71.8%	70%
Gross Profit	40%	28.2%	30%
Labor % Sales	21%	20.48%	20%
MML	19.8%	10.3%	10.8%
Net Profit	2.5%	0.32%	1.02%
Sales/Labor Hour	\$69.29	\$78.75	\$79.00
Inventory turns	13.3	4.7	?
Owner Sales %	69%	67.2%	68%
Donations % Sales	0.35%	0.44%	0.45%
Owner Discounts	\$12840	\$3776	\$3950

Poetry reading by writer and author Debbie Trantow

“After Solstice”

Zach Mattson presented the 2021 shopper survey recap with 74 total responses

Treasurer's Report by Lisa Doerr

2021 Year End Financial Report

Net Sales for 2021 were \$456,036. Gross Profit on Grocery Sales was \$128,758. Rental Income added another \$9,160.

Net Ordinary Income was -\$1,302. Net Income including our Payroll Protection Program (PPP) granted Depreciation was \$3,015.

New Member Equity was \$2,925. Payroll Expenses were \$92,844, including \$5,906 in Covid-19 bonus and sick pay.

2021 Round Up

Total raised \$2,019

Donations to Outside Groups - \$1,833

Community Referral Agency	\$439
Cooked 2 Serve	\$332
Frederic & Luck Schools	\$178
Farm Feral & Stray	\$220
Luck Fire Department	\$176
Ruby's Kitchen	\$488

Co-op - \$186

2022 Board of Directors Election Results by Sarah Cook

Ballot Count 28

Board Candidates

Sarah Cook 25

Zach Mattson 26

Jon Bjork. 27

Peggy Tolbert 25

Bylaw Amendment – Adding “We seek to promote a robust regional economy by patronizing local producers to the extent possible.”

Yes – 26

No - 0

Open Floor Time for Members Thoughts and Questions

Patti Mattson shared thanks and appreciation for Lisa Doerr for all of her work and dedication over the years.

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

Draft minutes submitted by Sarah Cook