

## Natural Alternative Food Cooperative Board Meeting Minutes April 18, 2017

Lisa Doerr called the meeting to order at 6:42 PM.

Present: Stephanie Lundeen, Lisa Doerr ,Steve Clark and Jeff Peterson; Staff: Nico SanFilippo. Absent: Jason Montgomery-Riess

**March 28, 2017 Minutes were approved** (Stephanie moved, Jeff seconded)

**General Manager's Report:** Nico provided the following key points to the Board:

Both ballasts are now fixed in freezer so it's fully functioning with full lighting. All metal lids on jars with bulk foods (teas, spices, etc.) are being replaced with plastic. Sales for month of March were \$32,500 but costs were higher mostly because the five Fridays in March creating three payroll periods. Three new members joined the Co-op. There were three activities/events during the month of March – two Indian food cooking classes and an educational visit by the "After school All-stars" of the Luck School District which included 25 students and five teachers. The students learned about natural foods and how a cooperative functions and then participated in the making of peanut butter from peanuts. It was noted that Nico's going away party would be taking place the following evening and again the Board members expressed their gratitude for Nico's work as Natural Alternative's General Manager.

### Resolution

A motion was made by Steve Clark and seconded by Stephanie Lundeen to **remove Nico SanFillipo from all the bank accounts held with Frandsen Bank & Trust and add Ronald Erickson and Jeffrey Peterson to all accounts held allowing them full access to on-line viewing, transactions and check signing duties.** Resolution passed with all four board members present voting affirmative.

### Financial Report

Lisa provided the financial report noting that in the future it would be delivered by Jeff Peterson who was still learning the software/spreadsheets as the new treasurer. Lisa introduced a draft 2017 budget that had been crafted by Ron Erickson, Jeff Peterson and Lisa Doerr . Total income projected for 2017 is \$380,000, down \$80,000 from the 2016 budget and nearly \$40,000 less than the 2016 actual. Lisa explained that the Co-op is currently \$11,180 behind last year's sales for the first quarter. She also said that key to meeting the budgetary goals of 2017 would be the reduction of labor and labor costs, noting that in 2016 the Co-op spent \$10,000 more in salaries and wages than what was budgeted.

March 2017 had total income of \$32,402 with a gross profit of \$7254 resulting in a net loss of \$2,024.

### Financial Report and 2017 Budget Approved

Jeff Peterson moved and Steve Clark seconded to approve the 2017 Budget as presented by Lisa (handout titled "The Natural Alternative – DRAFT 2017 BUDGET"). Resolution passed with all four board members present voting affirmative.

### Draft Capital Budget

Working closely with Stephanie Lundeen and others, Lisa also drafted a Capital Budget for the upstairs portion of the building owned by the Co-op. This was presented to the Board. It was noted that of the \$34,110 estimated for necessary improvements \$4,500 had already been procured, leaving an estimated \$29,610 to be raised. The largest

line item anticipated is for HVAC (heating and cooling) at \$9,200 followed by electrical work at \$7,500. The draft budget also included estimates for monthly income at \$1,300, resulting in net income of \$523 even with loan payments (at 3% interest) and other monthly expenses. The board members had questions about the estimates and there was much discussion about the potential for this improved space.

### **Resolution**

Steve Clark made a motion that ***“pending adequate donations and/or loans including in-kind services in the next two weeks (sufficient to ensure no adverse liability or extra costs to the Natural Alternative existing financials) that the Co-op begin making the necessary major improvements for the upstairs including ceiling, HVAC and electrical work with the goal of completion for a June 22<sup>nd</sup> Open House.”***

The resolution was seconded by Lisa and all board members present voting affirmative (4-0).

### **Contract for Interim General Manager**

Jeff Peterson and Stephanie Lundeen shared that they (as delegated by the Board at a prior committee meeting) had interviewed Ron Erickson following his declaration of interest to serve as interim general manager. Ron developed an “Interim General Manager Contract Description” for the Natural Alternative which was brought before the Board describing ten on-going deliverables and seven specific project deliverables that he would complete as part of a contract with the Co-op with a billable rate of \$13.75/hour with maximum billable hours at 80 hours every two pay periods (~20 hrs/week) and no benefits with starting date April 24, 2017.

### **Resolution**

Jeff Peterson moved to ***offer Ronald Erickson a contracted position based on the Interim General Manager Contract Description with the modification of Deliverable # 10 to read “provide recommendations to the NA Board for hiring and firing of employees as needed”.***

Motion was seconded by Steve. Lisa recused herself. The vote was 3-0 approval. It was also agreed that the contract with Ron will be signed by Vice President Stephanie Lundeen.

### **New Business**

It was noted that Lucky Days will be taking place July 21-23 and there was consensus that it would be in the Co-op’s interest to be actively involved in this community event. Steve indicated Cyclova XC in St. Croix Falls is looking for partners to help with an Electric-assist bicycle demo day that might fit in well with Lucky Days. He also suggested that the Co-op consider involvement with the Lucky Days 5K foot race, perhaps as a sponsor or to be present so that runners realize where they can obtain good, healthy food within two blocks from the start/finish. Steve agreed to contact organizer Kyle Johanson to discuss possibilities for involvement.

### **Adjournment**

Lisa called for a motion to adjourn the meeting. Stephanie so moved, with a second by Jeff. The meeting was adjourned at 9 PM.

*Minutes submitted by secretary Steve Clark, 4/22/17.*