

Natural Alternative Food Cooperative Board Meeting Minutes – DRAFT MINUTES April 13, 2020

Jeff Peterson called the meeting to order at 7:02 PM.

Present: Board members Jeff Peterson, Zach Mattson, Amy Free, Mike Noreen, Jon Bjork, Peggy Tolbert, and Sarah Cook, manager Kyle Wondrasch, recent treasurer and member of honor Lisa Doerr, and Jim Tolbert

Introductions and meet and greet

Cook made a motion to approve the April agenda with addition of discussion of annual meeting, Mattson to second, all in favor.

Election of Officers

President – Jeff Peterson nominated Zach Mattson. Sarah Cook nominated Mike Noreen – declined.

Motion made by Jon Bjork to elect Zach Mattson as President, seconded by Peggy Tolbert, all in favor.

Vice President – Jeff Peterson nominated Sarah Cook.

Motion made by Jeff Peterson by unanimous acclimation to elect Sarah Cook as Vice President, Jon Bjork to second, all in favor.

Treasurer – Amy Free nominated Jon Bjork.

Motion made by Peggy Tolbert by unanimous acclimation to elect Jon Bjork as Treasurer, Mike Noreen to second, all in favor.

Secretary – Amy Free to nominate herself.

Motion made by Sarah Cook by unanimous acclimation to elect Amy Free as Secretary, Jeff Peterson to second, all in favor.

Jeff Peterson, former President, and Lisa Doerr, former Treasurer, to be removed as check signers. Newly elected President, Zach Mattson and Treasurer, Jon Bjork to be added as signers to the Natural Alternative checking account.

Peterson made a motion to approve the February 14th meeting minutes, Free to second, all in favor.

Free made a motion to approve the March 7th special meeting minutes, Noreen to second, all in favor.

Treasurer's Report by Lisa Doerr

Natural Alternative Food Co-op

March 2022 Financial Report

Overview

Good news on the Net Sales front! We moved \$39,127 worth of nutritious, delicious food - up 10.5% over 2021. This brings Net Sales for the year even with 2021 at \$107,430.

Produce, Supplements, Meat, Refrigerated and Bulk all saw healthy dollar gains. Rent brought in \$800. Donations for the store were \$198.

Gross Profit on Grocery Sales was a solid 31.5% or \$12,210. Payroll Expenses before the Covid-19 bonus were 20.6%, very close to our payroll goal of 20%. With the bonus, payroll ran 21.2% of Grocery Sales. Total Covid-19 bonuses for 2022 are \$2,153. Bonuses have now been phased out.

Net Ordinary Income for March was -\$951. After Depreciation and Other Income, Net Income was -\$1,828, up from -\$2,948 in 2021.

Cash flow has improved from early winter coming in at a positive \$18. Our Balance Sheet remains strong with all Accounts Payable current.

Year to Date Profit/Loss (YTD)

Net Sales 2022 YTD: \$107,430

Net Sales 2021 YTD: \$106,962

Increase: \$468 or .44%

Net Income 2022 YTD: -3,933

Net Income 2021 YTD: \$9,622 includes \$16,200 PPP grant (-\$6,578 without PPP)

Decrease: -\$13,025 (Increase of \$2,545 without PPP)

Presentation of gift to Lisa Doerr as a thank you for all of her years and services on the board.

Manager's Report

Operations

Our website overhaul is nearly ready to begin. This will take place over the next few months. The site will present our strengths in local and organic food, allow a platform to inform customers of new and noteworthy producers/items, and reinforce the values of the coop.

We went live with a new feature on receipts. At the bottom, we now include the \$ and % of a customer's purchases that went to local sources!

A few more resets this quarter. The frozen grocery category was condensed to make room for meat and poultry. All of our local meat and poultry are visible and easy to shop. This allowed us to remove the bunker freezer and reduce some energy costs.

The refrigerated grocery case was overhauled. Large gaps were removed, cheese was shifted and dairy was reorganized. This all made way for beer. Our beer is now all refrigerated.

I've conducted a brief energy audit of our store lighting. We have 168 fluorescent bulbs in the store and back-of-house. If we were to replace these all with LED we would consume 775 kWh less per month and save roughly \$117.32/month after we paid down the initial investment.

Sales

Our produce team completed a quarterly inventory count! That in combination with tracking of our quarterly purchases has allowed us to calculate actual achieved margins for the dept. With a gross sale of \$14225 and purchases of \$11787, we achieved a margin of \$2664 (or 18.59%). Our 2021 achieved margin for produce was 13.93%. Q1 is a nearly 5% improvement!

March brought a 19% sales increase over February sales. This brought the total Q1 sales growth to a slight 0.44% over 2021. Prelim achieved margin for the quarter is 29.41%. Shrink was at 2.35%. Both margin and shrink are in line with our goals.

March 25th was a member-owner appreciation day sale on bulk. When compared to an average Friday, the one-day sale increased the pounds sold of bulk by 87%; total sales \$ increased by 37.8% and gross profit increased by 33.1%. Top sellers were garbanzo beans, black beans and olive oil.

Of the top 25 sellers in Q1, 59.97% of those sales dollars were for items from local producers/farmers

In Q1, we saw good dept success in produce, bakery and bulk.

Dedicated work was put into produce by the whole team and it is paying off. Our margin achievement is coming up, shrink is going down (the introduction of Slippery Hill in March shifted hundreds of dollars of greens out of the garbage, a much better shelf life on this product) and sales growth was notable at nearly 12%.

Bakery is looking really successful as a department. Pars are right, shrink is in the range, dependable availability is encouraging return customers and the sales growth continues to look good. Claudia is doing a great job keeping the jars filled with perfectly baked items.

Bulk margin tightened up nicely after I audited the category. Good margin achievement even with a 10% sale day. The targeted sale did what we wanted in terms of increasing sales.

Areas of focus and opportunities to improve are in grocery and alcohol.

Grocery numbers came in soft across the board. Margins should look a lot better than a preliminary 26.6%. Negative growth is an indicator to follow and perhaps assess product sets. Ordering filled the shelves, end cap sales were advertised, we just came up short.

Alcohol sales were down more aggressively. We will look to a nice uptick when warm weather comes around and we have COLD beer. String Theory Cider is an excellent local cider that could find a market if folks give it a try. Wine selection should look more enticing in the next quarter.

Topics of Conversation

Independent Contractor

The Natural Alternative has been asked to be an independent contractor for the St. Croix Valley Food Alliance through the Farmers Union. They will provide their own supervisor who will market the farmers market in St. Croix and Osceola, collect the vendor fees, etc.

Petersen makes a motion to approve the Independent Contractor Agreement, Bjork to second, all in favor.

Committee Structure

Marketing Committee – Nancy Buley and Cindy Cutter have been the main members of the marketing committee. Discussion on keeping face book presence and resurrecting the marketing committee.

Strategic Plan

Discussion on gearing up for strategic planning which entails putting together a five-year plan. The last strategic plan was put in place in 2017. Further discussion and details will be looked at in the fall of 2022.

Annual Meeting

The annual meeting was nicely attended and thank you to Zach Mattson for the wonderful online presentation so that attendants had the opportunity to follow along.

Next board meeting May 9, 2022 at 7:00pm via Google Meet

Adjournment – Zach Mattson moved to adjourn meeting at 8:44 PM.
Draft minutes submitted by Sarah Cook