

## Natural Alternative Food Cooperative Board Meeting Minutes

January 10, 2019

Lisa Doerr called the meeting to order at 6:37 PM.

**Present:** Board members Lisa Doerr, Jeff Peterson, Zach Mattson, Sarah Cook. Manager Marie Clark

**November 12, 2018 Minutes were approved** - Moved by Doerr, seconded by Peterson, all in favor

### Manager's Report

**Inventory** - The numbers are in! We have seen a huge increase in inventory in the store over the past year. At the same time, the selection is more in line with our customers' interests, we're working on removing slow sellers, and I'm noticing a decrease in out-of-dates. We're doing something right! Spoilage/shrink continues to be low, somewhere in the 3-5% range.

Staff worked really well and very efficiently together, and we got everything done much more quickly than I expected.

**Staffing** - Our new schedule is working well. The store feels fully staffed even though sales are higher than expected. Staff seems much more content, and it's easier for our buyers to do their jobs. We are still meeting labor goals.

Ron is filling in as interim administrative assistant since our last hire has been unable to work for the past month and a half. We will be looking to fill the position again in the near future.

**RO Mister Saga continues...** I am still working on getting our misters up and running. At this point, we are looking at spending \$1800 to upgrade our cooler to get the misting system in place, which begs the question...will this cooler continue to meet our needs in the future?

### What's coming up at the Co-op?

Citrus Celebration & Member Appreciation Day -- January 19th - early Feb

Lunar New Year Displays -- early- to mid-Feb -- Asian food focus

Valentine's Day -- Chocolate & Wine Specials

### 2018 Year End Financial Report

#### Overview

Sales for 2018 were \$440,546, up over 2017 by 8.8% and the highest since 2015! Staff has fueled sales with creative inventory growth and great customer service.

At the department level, Meat & Fish saw the largest growth at 35%. Special Orders, Produce and Frozen were up 25%, 23% and 14% respectively. All other departments were up, except for Health & Beauty, which saw a 12% drop.

Basket size drove our sales increase, running at \$26.77, an increase over 2017 of 9.8%. Member and non-member basket size were up 11% and 5% respectively. Number of daily sales remained flat at 47.

Gross Profit on Grocery Sales was \$135,124 or 30.67%, very close our target of 30%. Payroll Expenses were \$84,247, right on target at 19%. 2018 Net Ordinary Income was \$25,782. Net Income was \$10,149 after Depreciation of \$11,000 and Capital Repairs on Equipment of \$7,375.

Cash flow was somewhat constricted by a \$13,225 increase in Inventory but remains solid with Member Equity paid in of \$4,506 and Rent coming in at \$15,214, up \$10,664 over 2017. Mortgage, facade loan and member loans are all up to date. Balance sheet remains strong with all Accounts Payable current.

### **2018 Round Up**

Shoppers responded very well to our Round Up program raising more than \$2,493. These proceeds were used as follows:

#### **Donations to Outside Groups - \$1479**

Crystal Ball Dairy after their fire	\$393
Ice Age Trail Alliance, Indianhead Chapter	\$484
Community Referral Service	\$602

#### **Donations for Co-op Improvements - \$1,014**

Co-op Loft Lighting	\$273
New Freezer	\$741

### **2018 Profit/Loss**

Net Sales 2018: \$440,546  
Net Sales 2017: \$404,789  
Increase: \$35,757 or 8.8%

Net Ordinary Income 2018: \$25,574  
Net Ordinary Income 2017: \$7,745  
Increase: \$17,829 or 230%

Net Income 2018: \$9,490  
Net Income 2017: \$1,266  
Increase: \$8,224 or 649%

Peterson moved to accept the Financial Report. Mattson seconded. All in favor.

## **Bank Account Signers**

- 1.) A motion was made by Doerr and seconded by Cook to authorize:

Deletion of Karen Talmadge as a check signer on Frandsen Bank Account #XX533 checking account and Savings Account #XX0034.

Resolution was passed with all board members present voting affirmative.

- 2.) A motion was made by Doerr and seconded by Mattson to authorize:

Addition of Ron Erickson as a check signer on Frandsen Bank Account #XX533 and allow full on-line viewing of said checking account and Savings Account #XX0034.

Resolution was passed with all board members present voting affirmative.

**Co-op Loft** - Office 3 has a new tenant and Office 1 will be available to rent February 1.

**Building Maintenance** - The front awning that was damaged during the street construction was repaired by Burnell Decor. The bill went to the City of Luck for reimbursement. A proposal to install solar was reviewed. The staff break room is now complete except for putting something on the walls.

**Annual Member Meeting Set for March 13, 2019**

**Adjournment** - Doerr moved to adjourn meeting adjourn at 7:42.

Draft minutes submitted by Lisa Doerr