

Natural Alternative Food Cooperative Board Meeting Minutes

via Google Meet Conference Call

January 12, 2021

Jeff Peterson called the meeting to order at 6:36 PM.

Present: Board members Jeff Peterson, Lisa Doerr, Zach Mattson, Wendy Peterson, Jason Montgomery-Reiss, Sarah Cook, and store manager Raya Capuzzi

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

Mattson made a motion to approve November 9, 2020 minutes, Cook to second. J. Peterson moved to amend that \$333.00 was distributed to each Frederic and Luck schools from round up funds. Mattson to second, all in favor of amendment. Amended minutes approved by unanimous voice vote.

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.

Preliminary Gross Profit on Grocery Sales was \$144,347, slightly missing 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 is projected at -\$2,586. However, we are still working to close out the books.

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 of \$428 went to help fund the Co-op kitchen.

Donations to Outside Groups - \$3,759

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: -\$2,586
Net Income 2019: \$7,585
Decrease: \$10,171

Montgomery-Reiss made a motion to accept year end 2020 financials. Mattson to second, all in favor.

Computer Purchase

Mattson made a motion to authorize up to \$1,200 for a new computer for use by our bookkeeper. W. Peterson to second, all in favor.

Policy No: O-1 – Open Hours

Cook moved to adopt Policy number O-1, Montgomery-Reiss to second, all in favor. This policy establishes regular hours of operation and procedures for changing them.

Manager Report

Manager Report December 2020

- Just under \$40k for the month!

Operations

- Our most recent employee Madison is trained in. Gabby will be asked to remain on for one day a week.
- Brandon will be working Mondays to once again expand our hours to Monday through Saturday.
- Liana will be going on maternity leave at the end of February. Raya will be taking over her buyer duties until she returns.
- Working on Shopify by adding pictures of every item in the store.

- Raya reached out to a marketing company that would charge upwards to \$500/month for their services. They shared some valuable information.
 - How to secure our website, which is currently unsecure.
 - We have fifteen social network posts per month on Facebook and Instagram. Facebook allows “boosting” posts which makes them ads that will reach others outside those that currently follow. This is a nominal fee per post.
 - Make sure that we have control of all places where the Natural Alternative is listed. For example, Google, Bing, Yelp, etc.
- The board would like to recognize our manager, Raya Capuzzi. She is doing an amazing job running the store. Thank you!

Annual Meeting

Candidates to be on the ballot for the Natural Alternative Co-op board.

Up for reelection are Jeff Peterson and Jason Montgomery-Reiss. Possible incoming candidates are Michael Noreen and Amy Free.

Ballots will be sent electronically to members with emails currently in our database. Ballots will be sent by regular mail to those without email. In the future, we will be looking to send all candidate information and ballots to members electronically.

Reminders to join the annual meeting and to look for candidate and voting information via email will be posted in the store and on Facebook.

Next board meeting – February 8, 2021, at 6:30

Adjournment – J. Peterson moved to adjourn meeting at 7:31 PM.

Minutes submitted by Sarah Cook.