

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

Jeff Peterson called the meeting to order at 11:10 AM.

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

Mattson made a motion to approve the January agenda, Doerr to second, all in favor.

Cook made a motion to approve November 11, 2019 minutes, Mattson to second, all in favor.

Manager's Report

Staffing

- The staff has been working well together and handled our record sale days in December wonderfully.
- Amy will be doing Food Safety training this month because Liana is not able to hold certification in two facilities at once. She will then be helping to monitor the food safety side of things as we prepare to expand our fresh Grab & Go offerings, hopefully in 2020.

Merchandise/Inventory

- Inventory was quick and efficient this year and completed in one day. We were approximately \$5,100 over last year's inventory.
- Date checking system has been streamlined so it is actually getting done, resulting in the co-ops inventory being higher overall and a much lower percentage of out-of-date goods in the store.

Maintenance & Machines

- Our walk-in cooler froze the day after inventory. A claim was filed and contents were inventoried. Hopefully the co-op will be reimbursed for all goods lost, minus the \$500 deductible. Along with goods lost, our insurance will be covering our repair charges for replacing the thermostat.
- The new produce cooler shelving is in place. We have our misting system installed, but because of a miscommunication on the part of the RO water company, we don't have the water pressure we need. We will have to install a tank and pump.

Store Policies

- There has been discussion about the possibility of converting the 5%-member discount to a loyalty program and looking at PTO. This will soon be given attention.
- Store as a CSA drop site – Morning Sun Farms has approached Marie about becoming a CSA drop site. The census of the board, after some discussion based on precedent, cannot be a drop site for CSA's. We fully support CSA's, but do not have the ability to be a multiple CSA drop site.

Upcoming Events/Classes

- Member Appreciation Day is January 18th – Citrus Celebration!

2019 Year End Financial Report

Overview

Net Sales for 2019 set a new record at \$464,443! That's up over 2018 by 4.6%. Staff fueled sales with creative inventory growth and great customer service.

Consignment saw the largest gains with growth of 59%. Meat & Fish also shone with gains at 38% for the year and over 46% in December! Our largest department, Grocery, saw growth of 5% while the second and third largest departments - Bulk and Produce - saw slight drops of -4% and -1%.

Basket size helped drive our sales, running at \$28.94, an increase over 2018 of 8.11%. Member and non-member basket size were up 8.4% and 6% respectively. Number of daily sales dropped from 46.78 to 45.55.

Preliminary Gross Profit on Grocery Sales was \$136,839, right on target at 29.6%. Payroll Expenses were \$88,716, also on target at 19.2%. Net Income is projected at \$7,212 but we are still working to close out the books.

Inventory increased by \$3,356, Member Equity paid in was \$5,895 and Rent was \$12,756. Mortgage, facade loan and member loans are all up to date. We made an \$11,200 payment on the 2015 member loans for the store remodel. Balance sheet remains strong with all Accounts Payable current.

2019 Round Up

Shoppers donated a record amount to our Round Up program raising more than \$2,956. These proceeds were used as follows:

Donations to Outside Groups - \$1591

Frederic School Backpack Program	\$310
Luck School Backpack Program	\$310
Northwest Alliance Community Foundation	\$389
Community Referral Service	\$582

Donations for Co-op Improvements - \$1,365

2019 Profit/Loss

Net Sales 2019: \$464,443
Net Sales 2018: \$440,546
Increase: \$23,897 or 4.6%

Net Ordinary Income 2019: \$15,749
Net Ordinary Income 2018: \$25,782
Decrease: \$10,033 or 39%

Net Income 2019: \$7,212
Net Income 2018: \$10,149
Decrease: \$2,937 or 29%

Loft Update – Office 3 will soon be available. The current tenant will be leaving at the end of the month and is paid through February. The tenant has made a generous offer, wishing the co-op to keep February's rent.

Co-op focus for 2020 – A few items that we hope to address in 2020 include the awning, boiler, cement work on the back wall, and making the service counter more functional, allowing for a smoother checkout process when multiple customers are waiting.

Mattson moved to accept the financial report, Peterson seconded, all in favor.

Committee Reports

Building

- Discussion on looking at options for remedying the water that tends to accumulate in the basement.

Marketing

- Focus on getting more members in 2020.

Bi Laws

- Looking at making changes to the bi laws regarding electronic communication.

Annual Meeting

We are looking forward to our upcoming annual meeting that will be taking place on Monday March 23, 2020 at 5:00pm at the Lion's Club Hall, formerly known as the DBS hall. All are welcome to enjoy a nice evening of good food, visiting, and short program.

Adjournment – J. Peterson moved to adjourn meeting at 12:24pm.
Draft minutes submitted by Sarah Cook