

Natural Alternative Food Cooperative Board Meeting Minutes via Zoom Conference Call

May11, 2020

Jeff Peterson called the meeting to order at 8:02 PM.

Present: Board members Jeff Peterson, Lisa Doerr, Zach Mattson, Chuck Boutcher, Jason Montgomery-Reis, Wendy Peterson, Sarah Cook, and Raya Capuzzi

Cook made a motion to approve the May agenda, Mattson to second, all in favor.

Boutcher made a motion to approve April 13 minutes, W. Peterson to second, all in favor.

Board introductions to new Natural Alternative Trainee Manager Raya Capuzzi.

Financial Report

Overview April Net Sales sprung up 18.7% over 2019 to \$43,829. With 22 sales days in April instead of 26 in 2019, Daily Average Sales were up 39% to \$2,055.

Growth was strongest in Frozen, Bulk and Meat/Fish at 78%, 52% and 41% respectively. However, Grocery and Produce delivered the largest sales jumps at \$3,932 and \$1,144.

Basket Size rocketed up over 2019 by 52% to \$43.40. The average number of daily sales dropped to 47.4 from 51.8 in 2019.

Donations to our heroes with the Gandy Dancer Trail were \$352. Rental Income was \$760.

Gross Profit on Grocery Sales was excellent running at 40%, or \$18,194. This balances out the low gross we saw in March as we built up inventory. April Payroll Expenses came in at 18.5% of Net Sales. Total Payroll Expenses for the year are \$32,559 right on target at 19% of Net Sales.

Net Ordinary Income for April was \$5,451. After Depreciation and Other Income, Net Income was \$4,534 up \$2,756 over 2019. Net Income through April is \$8,075, up \$7,693 over 2019.

Our Balance Sheet remains strong with all Accounts Payable current.

We received a Payroll Protection Program loan as part of the national Covid-19 stimulus package on April 23. Having our 2019 financial records in order helped expedite the process. Many thanks to staff at Frandsen Bank for the excellent service they provided on the loan application.

Year to Date Profit/Loss (YTD)

Net Sales 2020 YTD: \$170,824

Net Sales 2019 YTD: \$143,287

Increase: \$27,537 or 19.22%

Net Income 2020 YTD: \$8,075

Net Income 2019 YTD: 382

Increase: \$7,693

Boutcher made a motion to accept April 2020 financials, Mattson seconded, all in favor.

Interim Manager Report

Thank you staff, who really excelled in April integrating new team members and launching curbside shopping!

Staffing

Finally, fully staffed for current number of days and hours open. Team working well together.

Performance Bonus - \$2/hour for all staff for period from April 19 to May 3.

Raya Capuzzi – Accepted Co-op Manager Trainee offer on April 17. Interviewed with two board members and outgoing manager.

Brenna Olson – Started working the week of April 27.

Sales

April 2020 – up 18.7% over 2019, averaged \$2,055/day up 39%.

Suppliers – UNFI still out of about 30% to 50% of ordered items. Adding US Foods to fill in on some products. Chicken was down but got good Schultz order and Liana's lined up two local producers for early summer.

Bulk – Starting to move gravity bins back into service. Still packaging product from scoop bins but putting back in bins with tops removed.

Operations

Keeping face covers in stock continues to be a challenge.

Water heater from 1987 finally gave up the ghost. Jeff Peterson got us great service from Adam Eichten at Frederic Plumbing.

Curbside Shopping by Appointment

Completed Order Form, FAQ's, and webpage.

Jeff Peterson got phones and headsets going. Ann Boland trained staff on blue tooth.

Began ordering with BETA customers week of April 20.

Emailed to member list week of April 25.

Posted on FB week May 4, plan to boost FB this week.

Considering ads and earned media for June.

Staff feels safe keeping store open and offering curbside as service.

Finances – see also Treasurer's Financial Report

Cash flow still very strong paid

All accounts current

PPP loan received April 23

Raya Capuzzi's store update

- Raya has been in touch with other co-ops and has learned that bulk bins are being reopened in other co-ops.
- We will be getting consignment back in the store if bulk bins are utilized again.
- Curbside is going well and is used 50/50 by members and non-members. Customers are being asked for their opinions on what they would like to see. Currently there are detailed photos of the store aisles and products on our website.
- Looking at creating an online shopping cart through a program that is available for \$29/mo after the initial first free month. We would be able to feature every product that we carry, allowing for an efficient and convenient shopping experience, potentially growing curbside shopping.

Discussion

Lisa shared that the co-ops goal is to solidify farmer relationships. We are currently working on proposals with Mike Noreen and Janet Marsh. This relationship will be beneficial in hopes to help stabilize farm income and the co-ops source of vegetables.

Round Up

March/April – Friends of the Gandy Dancer

May/June – Natural Alternative

July/August – Food pantry or struggling vendor are possible options

Mattson made a motion to divert the May/June round up proceeds to Morning Sun Farms. Boutcher to second, all in favor.

Natural Alternative Manager

Boutcher made a motion to hire Raya Capuzzi as the Natural Alternative Co-op manager. Doerr to second, all in favor.

Heartfelt Thank You

Thank you to Lisa Doerr for filling in as Interim manager for the last two months, guiding the Natural Alternative through these uncertain times with procedure, guidelines, staffing, and above all the safety and comfort level of our staff. Thank you!

Adjournment – J. Peterson adjourned meeting at 9:00 PM.

Draft minutes submitted by Sarah Cook