

Natural Alternative Food Cooperative Board Meeting Minutes

November 16, 2021 (via Google Meet)

Present: Board members Jeff Peterson, Zach Mattson, Mike Noreen, Amy Free, and Manager Kyle Wondrasch. Lisa Doerr joined the meeting at 7:20.

President Jeff Peterson called the virtual meeting to order at 7:05 p.m.

Mattson made a motion to approve the agenda, Free seconded, motion approved.

Doerr made a motion to accept October 11 minutes, Peterson seconded, motion approved.

Manager's Report

Kyle Wondrasch presented the manager's report. Highlights include:

- Chris Tao was hired and started employment end of October 2021.
- Ella Cook was hired to start employment 11/20/2021.
- Other new hire was still out with personal injury, had not started employment yet.
- Manager is working with employees to streamline produce PLU efficiency.
- Manager is working on Data-Based Management to improve efficiency.
- Manager reported that of total sales, 47% top gross profit went to small and local businesses. Board talked about the possibility of printing this data on register receipts.
- Manager would like to pursue the co-op acquiring a license to allow for wholesale food sales. The co-op currently has a license to sell retail food.

Treasurer's Report

Lisa Doerr presented the treasurer's report:

Overview

October Net Sales were down 12% from 2020 at \$35,138. Frozen, Meat and Supplements logged increases of 40%, 20%, and 19%, respectively. However, that was not enough to counter decreases in large departments such as Produce and Bulk which are down 23% and 19% respectively. Produce needs special attention as sales are down 36% over 2019.

Round up donations for Luck and Frederic schools came in at \$86 down from \$316 in 2020.

Gross Profit on Grocery Sales is strong at 34.6% or \$12,248. Payroll ran \$9,252 or 26% of sales. This exceeds our goal of \$7,081 by \$2,170. Covid pay bonuses make up \$1,002 of that.

Year to date Gross Profit on Grocery Sales is \$102,732 or 27.5%. That misses our goal for Gross Profit of 30% or \$112,469 by \$9,737. Strong rental income of \$7,700 and Payroll Expenses of 18.5% help maintain cash flow.

Net Ordinary Income for October was \$1,470. After Depreciation and Other Income, Net Income was \$1,331. This brings real Net Income Year-to-Date to -\$6,791 down from 2020's loss of -\$6,140.

It is important to note that our 2020 Payroll Protection Program (PPP) grant of \$16,200 was forgiven in February 2021 and taken as non-taxable income. This brings our paper income to \$9,409.

Our Balance Sheet remains strong with all Accounts Payable current.

BIG OCTOBER NEWS!! We settled the last \$8,000 of the \$54,200 in 2014 member loans taken out to remodel the front of the store. *Many thanks to all the members who stepped up to make loans. We all owe special gratitude to those who then forgave \$25,000 of that debt.*

Since 2017, the board of directors has focused on building the Co-op's financial foundation. Paying down the member loans was key to that effort. With the Fransden mortgage at \$26,986 and Regional Business Fund loan at \$2,778 we are now at an excellent debt load of \$29,764.

Year to Date Profit/Loss (YTD)

Net Sales 2021 YTD: \$375,841

Net Sales 2020 YTD: \$424,068

Decrease: \$48,227 or -11.37

Net Income 2021 YTD: \$9,409* Includes \$16,200 PPP grant

Net Income 2020 YTD: -\$6,140

Increase: \$15,549 or 253%

Action Items

Free moved to adopt new Petty Cash Policy as presented. Noreen seconded, unanimous approval.

The revised Covid-19 Guidelines for Employees policy was unanimously approved as presented on a motion by Free, seconded by Noreen.

On a motion by Peterson, seconded by Mattson, the board approved recommending the following addition to our bylaws: We seek to promote a robust regional economy by patronizing local producers to the extent possible. This will be presented at the 2022 annual meeting.

Doerr moved to extend current \$2/hour Covid bonus to all employees for the next five pay periods. Mattson seconded; board approved unanimously.

Peterson reported that the Shopper Survey is ready to go. He will print 250 paper copies that will be given to customers as they check out. We may also create electronic versions as time and resources allow.

Committee Reports

The Building Committee reported that all three furnaces have been checked out and are ready for winter. There is one office available for rent in the Co-op Loft.

Next board meeting – January 10, 2022 at 7:00 p.m.

Meeting adjourned at 8:10 p.m.

Draft minutes submitted by Amy Free

DRAFT