

Natural Alternative Food Cooperative Board Meeting Minutes via Zoom Conference Call

October 12, 2020

Jeff Peterson called the meeting to order at 6:34 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 October agenda, W. Peterson to second, all in favor.

Doerr made a motion to approve August 17, 2020 minutes, Montgomery-Reiss to second, all in favor.

Financial Report

September 2020

Overview

September Net Sales were up 7.2% over 2019 at \$37,889. With 22 sales days in 2020 instead of 24, Average Sales per day were up 16.9% from \$1,472 to \$1,722. We averaged 49.9 sales per day, down 9% from 53.9.

Our largest department, Grocery, continued its upward trend with an increase of 19.6%. Refrigerated stayed hot with 22% growth. Alcohol chugged up 85% and Special Orders outpaced all the rest with a 152% jump.

Several larger departments posted declines including Produce (-4%), Dairy (-8.4%) and Meat (-8.7%).

Donations for Frederic and Luck schools were \$349. Rental Income is down from 2019 at \$610.

Gross Profit on Grocery Sales went off the cliff at only \$2,315. Cost of Goods was \$35,210 a whopping 95% of sales with inventory surging after months of trouble filling orders. From the big picture, Gross Profit for the year stands at 28.24%: our goal is 30%. While we only do annual inventory, that investment in goods means the store is very well stocked coming into the fourth quarter.

Payroll Expenses for September were \$6,629 right on target at 17.9% of Net Sales. Total Payroll Expenses for the year are \$74,289, also on target at 19.3% of Net Sales.

After Depreciation and Other Income, Net Income was -\$8,537 down from -\$3,275 in 2019. Net Income for the year is -\$8,008.

Our Balance Sheet remains strong with all Accounts Payable current.

Year to Date Profit/Loss (YTD)

Net Sales 2020 YTD: \$384,814

Net Income 2020 YTD: -\$8,008

Net Sales 2019 YTD: \$339,513

Net Income 2019 YTD: \$1,543

Increase: \$45,301 or 13.3%

Decrease: \$9,551

Mattson made a motion to approve September 2020 financials. Montgomery-Reiss to second, all in favor.

Manager Report

Financials

- There were 127.67 Less hours used in September 2020 vs. Sept 2019.
- There have been multiple departments that have increased in August and September 2020 compared to August and September 2019.
- Dairy/nondairy, meat/fish, bakery, gifts/kitchen, health/beauty, books/cards are departments that have decreased year to year September 2019 to September 2020 compared to the increase that September 2018 to September 2019 had.
 - Many of these departments were able to sustain full shelves, something that we have struggled with over the past months. This primarily has to do with product unavailability when ordered.

Operations

- The consignment area is beginning to take on an updated fresh look with added kitchen products.
- The awning was cleaned October 5, 2020 and just waiting to detail the flappy part.
- An interview was to take place to fill staffing needs, but that individual took a position elsewhere prior to the interview. The Co-op is still looking for one person that is of the age 18 or older. It is a possibility that we may be able to get by until Debbie comes back in November if confirmed.
- A four hour per week cleaning staff was hired who started Monday October 5th.

Discussion

COVID-19 Policy

The board has been working on a Covid-19 policy that would give employees guidelines to follow in the event that a direct contact, symptomatic, or Covid positive case takes place at the

Natural Alternative. Employees will be asked for their thoughts and opinions prior to executing such policy.

Policy Updates:

M1 – Policy has been discussed and adopted.

J. Peterson made a motion to adopt, Cook to second, all in favor.

M2 – Policy has been discussed and adopted.

Mattson made a motion to adopt, W. Peterson to second, all in favor.

M3 – Policy has been discussed and adopted.

Doerr made a motion to adopt, Cook to second, all in favor.

Revolving Loan

It has been brought to the boards attention that there is a revolving loan available to small businesses up to \$10k. It was discussed as to whether or not there is a need to secure this low interest loan for working capital. A decision has yet to be made.

PPE Loan

The PPE loan that was granted to the Natural Alternative for small business relief at the onset of Covid-19 has been forgiven.

Marketing Committee

October is Co-op month and typically we do something special during this time. Given the circumstances, the Natural Alternative will not be hosting anything special at this time with the concern of drawing a large number of people in the store.

Education Committee

Wendy Peterson will be teaching Fortify your Immune System on October 15th via zoom through Luck Community Ed. Wendy was waiting to hear from the Luck Community Ed director on the number of participants planning to attend. The Natural Alternative will be working with Wendy to have available the supplies needed for this.

Building Committee

The computer that is upstairs in the loft seems to be no longer functioning. We will be needing a new computer.

Board Meeting – November 9, 2020 at 6:30

Adjournment – J. Peterson moved to adjourn meeting at 7:52 PM.

Minutes submitted by Sarah Cook