

Natural Alternative Food Cooperative Board Meeting Minutes October 14, 2019

Jeff Peterson called the meeting to order at 6:39 PM.

Present: Board members Jeff Peterson, Lisa Doerr, Jason Montgomery-Reiss, Sarah Cook, and co-op manager Marie Clark.

Doerr made a motion to approve the August agenda, Cook to second, all in favor.

Montgomery-Reiss made a motion to approve September 9th minutes, Doerr to second, all in favor.

Manager's Report

Staffing

- Two new hires backed out in September. Staff is being left as is for now and everybody picked up extra hours to cover shifts.
- PTO policy – A few staff members have questioned the effectiveness of having PTO for part-time employees. From a management perspective, hours still have to be covered if someone is gone because of retail, unlike many salaried positions where the workload is managed by another employee. A higher pay rate may be an option rather than PTO. Further discussion needed.

Maintenance

- There have been quite a few issues this past month including water in the basement, the water heater went out, and front door lock issues. There is the question of who to call in these situations when an extra hand is needed.
- Ron Erickson is often called when it comes to maintenance issues, which is deeply appreciated. It would be nice to have a contact list for general maintenance issues and clearer guidelines when it is necessary to call a professional.
- Jeff Peterson was contacted in regards to some issues that need to be addressed from the recent fire inspection. Fire extinguishers have been checked, cleaned, and tagged. A fire extinguisher holder needs to be installed in the loading dock area.

Loyalty Program

- We are always looking for innovative ideas to get customers to choose to shop here more often.
- CoPOS now offers a loyalty program where customers can accrue money through purchases. The program can set any number of cents on the dollar and can be individualized for each member.
- The question would be is whether or not we replace the monthly member discount of 5% with a loyalty program.

Natural Alternative Food Co-op September 2019

Overview

Net Sales for September were up 7.8% over 2018 at \$35,338. That is the third month in a row of growth. Our largest department, Grocery, saw 11.6% growth. Meat, Refrigerated and Dairy also saw increases of 37%, 24% and 23% respectively. Gifts and Consignment hit sales out of the park with 191% and 194% increases. Produce and Alcohol struggled with negative growth of 11% and 19%. Net Sales for the year are up 2.9% over 2018 and 13.2% over 2017.

Basket Size is up over 2018 by 10.6% to \$28.21. Donations for the back wall improvement project were \$233. September Rental Income was \$1,067 and \$9,505 for the year.

Gross Profit on Net Grocery Sales was low at 23.6% or \$8,358. Gross Profit for our 3rd Quarter (July, August, September) varied widely but came in at a solid 28.7%. Gross Profit for the year is 28.3%.

Payroll Expenses for September were right on target at 19.2% of sales or \$6,857.

Net Ordinary Income for September was -\$2,793. After Depreciation, Net Income was -\$3,459, down \$1,584 from 2018. Year to Date for 2019, Net Income is \$1,643 up \$11,446 over 2018.

Our Balance Sheet remains strong with all Accounts Payable current.

Year to Date Profit/Loss (YTD)

Net Sales 2019 YTD: \$341,262

Net Sales 2018 YTD: \$331,755

Increase: \$9,507 or 2.9%

Net Income 2019 YTD: \$1,643

Net Income 2018 YTD: -\$9,902

Increase: \$11,446

Montgomery-Reiss moves to accept financial report, Cook to second, all in favor.

Discussion – There was some discussion in regards to getting a lease in place for the two tenants that rent the back space of the building.

Building Committee Report

Loft – Discussed ideas for renting out office #2.

Back Wall – The back wall may need to be stuccoed instead of metal-clad.

Adjournment – J. Peterson moved to adjourn meeting at 7:51.

Draft minutes submitted by Sarah Cook