

## **Natural Alternative Food Cooperative Board Meeting Minutes via Google Meet Conference Call**

**September 13, 2021**

Zach Mattson called the meeting to order at 7:06 PM.

Present: Board members Lisa Doerr, Zach Mattson, Mike Noreen, Amy Free, Sarah Cook, and manager Kyle Wondrasch. Jeff Peterson was absent.

Free made a motion to approve the September agenda, Cook to second, all in favor.

Doerr made a motion to approve the July 19, 2021 minutes, Cook to second, all in favor.

Noreen made a motion to approve the updated Covid Policy, Free to second, all in favor.

### **Natural Alternative Food Co-op September 13, 2021 Financial Report August 2021**

#### **Overview**

August Net Sales were \$39,362, down just 4% from 2020 despite many supply and staffing problems. Produce, Frozen and Meat sales saw healthy increases at 15%, 29% and 11% respectively. Drops in Refrigerated sales of 29% are due to discontinuation of Farm Table selling us Grab & Go products.

Round up donations for the Luck firefighters came in at \$47.

Gross Profit on Grocery Sales was low at 22.7% or \$9,137. Payroll was \$10,844 running at 25.6%. However, this included \$500 in Covid-19 bonus pay.

Year to date Gross Profit remains at 26.5%, short of our 30% goal. However, strong rental income of \$6,315 and low Payroll Expenses at 17.2% continue to maintain cash flow.

Net Ordinary Income for August was -\$3,655. After Depreciation and Other Income, Net Income was -\$4,682. This brings us to a Net Income Year-to-Date for 2021 of -\$5,317 down from 2020's loss of -\$1,919.

It is important to note that our 2020 Payroll Protection Program (PPP) grant of \$16,200 was forgiven in February and taken as non-taxable income. This brings our paper income to \$10,883.

Our Balance Sheet remains strong with all Accounts Payable current.

#### **Year to Date Profit/Loss (YTD)**

Net Sales 2021 YTD: \$302,902  
Net Sales 2020 YTD: \$346,178  
Decrease: \$43,276 or -12.5%

Net Income 2021 YTD: \$10,883\* Includes \$16,200 PPP grant  
Net Income 2020 YTD: -\$1,919  
Increase: \$12,802

Free made a motion to approve August 2021 financials. Cook to second, all in favor.

## **Manager's Report**

### **Staffing**

Storekeeper/Cashier staffing is at a very precarious level. There is no opportunity for overlapping shifts, and we have few options in cases of call-offs or sick calls. Our current staffing level also poses many operational challenges. Our one full-time storekeeper will be on leave beginning the end of November.

The job of Storekeeper/Cashier has been posted online and help wanted signs are in the windows. I am looking for full and part-time help. So far, I have five applicants and am pursuing interviews.

### **Operations**

Staff is in full compliance with masking policy. Some customers are complying with wearing a mask.

The produce cooler compressor was worked on due to a high holding temperature. After service it is operating normally. A motor was put on order for the compressor as the current one is likely to fail. Patti did a great job ensuring no product was lost the night she discovered the cooler wasn't holding temp.

Cleaning service was contracted. They began weekly cleaning service in September.

Store theft may be posing an issue as a consignment vendor brought up an inventory discrepancy. I've looked into the cameras which were left behind by Raya. We need a computer tablet or phone to install camera apps on. I may have an unused one I can repurpose for camera monitoring.

I have been working with buyers to fill-out the merchandising of our coolers while exploring new product offerings. We brought in new items to fill the deli cooler and expanded our meat offerings in the freezer with new sausages.

We will begin testing soup recipes this month. I'd like to offer self-serve, hot soup and to-go soup in quart containers. I've also started to focus on grab-and-go salad recipe ideas. The goal is

to augment our ability to use fresh produce. With recipes that focus on building a food web, we may be able to improve movement on our case purchases, reduce shrink, increase the daily freshness of the produce section.

I have a few bakery recipes for using more of our dairy and possibly reducing shrink there. I will start working with the deli to test out scones and quick bread recipes.

## **Sales**

August sales were down -4.4% (or \$1857) over 2020. We would have been much closer to flat growth if we had not had the misfortune event of being unexpectedly closed on Sat, Aug. 28 due to a no-call no show.

Member sales accounted for 63.6% of sales. The average, basket size sale was down from the Jan-June average of \$37.59 to \$34.25 (a slight increase over July). Average number of sales per day was 37.7.

Produce, frozen and meat sales were in good growth territory over 2020. Refrigerated grocery and alcohol sales were quite off of their 2020 numbers.

Adding in-house baked goods has led to a 75.7% growth from July to August for the Bakery category.

I have analyzed and did a store-to-store comparison on applied department margins at the co-op.

- Grocery: Bulk and refrigerated look good. Packaged and frozen could be adjusted up 4-5%.
- Prepared foods: Deli margin is very low (30% vs a usual 50-60%). This could be a function of the recipes that were drafted for the program. I've placed our bakery margin at 60%, and we have seen steady sales and shrink that was below the budgeted amount.
- Wellness: Supplements look good. Health/beauty is low.
- Produce margins look low. I am focused on assortment, improving freshness and shrink before considering any margin adjustments.
- Meat: Meat margin looks good. Seafood is a bit low. Sausage margin is low.
- Storewide: We have slightly lower margins (5-7%) when blending all departments and categories together.

## **Discussion**

### **Job Descriptions/Wage Scale**

- Presentation of new job descriptions which will coincide with proposed wage scale.
- Presentation of wage scale

Doerr made a motion to accept job descriptions as presented, along with the wage scale. Mattson to second, all in favor.

## **Policies**

Bonus pay will be extended for another month.

Doerr moves to extend bonus pay for two more pay periods through October 16, 2021. Free to second, All in favor.

### **Customer Satisfaction Survey**

Discussion on customer satisfaction survey to be pushed off until October 11, 2021.

Schedule budgeting planning meeting and discuss time that works for all.

Board Meeting – October 11, 2021 at 7:00 pm

Adjournment – Mattson moved to adjourn meeting at 8:02 pm

Draft minutes submitted by Sarah Cook