

The Co-op Natural Foods Board of Directors Meeting
February 12, 2020
12:09 p.m. at Cutler Law Firm

Attendees: *Alex Halbach, Patrick Sayler, Annie Taylor, Jennifer Kirby, Kelsie Thomas, Stacy Newcomb-Weiland, Chrissy Meyer, Michael Haskett*

Meeting Called to Order: Alex

CONSENT AGENDA

Agenda: Approved

Minutes: Approved.

GM Report -

- Sales growth from Jan 19 to Jan 2020, sales growth in owner sales as well
- Local sales down a bit - due to much less local produce in winter
- Owner sales 45%, non-owner 55%
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- Expansion:
 - Preliminary Planning Phase IIa and b-
 - These phase includes completing business plans, updating financial pro forma to confirm feasibility, securing financing, complete design development, securing city approval, and board approvals to move forward with construction

GM Monitoring - None

Board Monitoring - None

Board Approvals- None

Board Discussion

- 2020 Business Plan Review
 - Success in 2019 included:
 - Realized a positive net income post-remodel
 - Achieved sales growth of 7.2%
 - Achieved stability in deli operations by onboarding a new prepared foods manager and team
 - Added three new positions to the team including 2 full-time and one part-time
 - Average wages continue to reflect higher-than-average living wage for our county
 - Revised our Bylaws & Articles of Incorporation to prepare for a capital campaign
 - Our workers comp insurance audit passed with lower costs than 2018, our federal rate was lowered as well
 - Raised 430k in new equity with our 2019 capital campaign
 - Nearly 75% of Co-op lenders participated in our exchange program, converting 350k in loans to preferred equity

- Completed a produce case reset and engagement with Tim Domini from NCG
 - Tracked a year's worth of equipment repairs and maintenance
 - Utilized the NCG Co+op U training videos & NCG Conferences for staff development
 - October & May Owner Drives – owner equity reached 4.5% growth Vs. -7.3% in 2018
 - Launched Owner Patronage Rewards Program with 60% participation and launched direct mail coupon program to reach non-owners in nearby neighborhoods
 - Sales to our business partners POET and Raven grew by 5%
 - Our Block Party beat the previous year's sales by 10%
 - Donated \$4,000 worth of high-quality food to the pantry at Feeding SD; Big Change program generated nearly 2k in donations for local non-profits 20, and our food rescue program diverted \$14,000 worth of useable food to the Banquet
 - Streamlined purchasing process so ensure a new cost-plus pricing structure with our main vendor, which reduced product costs by 2.5%
 - Successfully acquired the lease for our neighboring space for less than budgeted by the board
- Expansion Planning update
 - Capital Campaign part 2
 - Will launch a smaller campaign in the Spring
 - Potential event to encourage businesses to become owners
 - GM Review
 - Reviewed GM Monitoring Reports- compliant other than logo trademark and PCI compliance
 - Alex moved to increase Patrick's salary, Chrissy seconded. Motion passes unanimously.
 - CCMA Update
 - Host committee is planning food, tours, sponsorship money, etc
 - Board roles- plan to attend and volunteer at event, spread excitement around town
 - Plan for Board Retreat
 - Postpone retreat for Fall
 - Discussion to move Board Meeting to Tuesdays at noon

Required Approvals

Board Education

Closings

Next Board Meeting scheduled for Wednesday, March 11, 2020 at 12pm, Cutler Law Firm.

Meeting adjourned by Patrick. Ended 1:35 p.m.

Annie Taylor, Secretary