

Spiral Natural Foods Board of Directors Meeting Minutes May 13, 2020 at 6:30pm

Location of Meeting: videoconferencing via Skype due to State of Minnesota Shelter in Place order

Attendees: Lynn Gannon, Renee Thompson, Tammy McGinn, Nikki Milton, Annie Zastera, Jenni Garlough and Matt Malecha, Tammy McGinn and Nikki Milton. Absent: Pete Maccaroni

ADMINISTRATION **6:32 pm**

- **Call to Order** Lynn motioned to call meeting to order; 2nd by Tammy. Motion voted on; passed

BOARD DECISIONS

• **Consent Agenda** **6:32 pm**

- May 2020 Meeting Agenda
- April 2020 Meeting Minutes
- April 2020 Executive Meeting Minutes
- C4 Policy

Lynn motioned to approve consent agenda. 2nd by Annie. Motion voted on; passed

GM BUSINESS **6:34 pm**

• **Store Report** **Matt**

- Matt has been able to reduce the aging A/P balance by approximately \$42,000 during the 3rd quarter. Goal is to continue to paydown 31-60 day aging accounts and become current on all invoices due.
- In an effort to improve upon how the store meets owner needs (policy B5), Matt has taken the following steps:
 - Matt implanted a wholesale purchase program whereby businesses enroll and can then make wholesale purchases from the Coop at 15% above cost. In exchange, participating businesses agree to provide discounts to Coop owners at their stores. Whole Foods Coop in Duluth had a program like this called Community Perks. Matt believes this program will strengthen the Coop's connections with other small businesses.
 - Matt extended the case discount program (5% for anyone in community or 10% discount for owner/member) to include sale-priced items as well.
- Coronavirus Effects
 - Curbside proved to be difficult because customers did not know exactly what items were in the store.
 - Store is functioning well through Shelter in Place. Sales saw a decline at the beginning of April but has since come back up. We are currently about 35% above this time last year.
 - The Coop's new website for online ordering is up and running The online system uses a platform offered by NCG, which matches UPC codes to prices in COPAS, which made listing items easier. Cost is \$20/month. Matt hopes that the availability of online shopping combined with the wholesale discount program will help boost our purchases with UNFI, which may lead to a better discount rate.
 - Matt is seeing a few item shortages from suppliers – mostly chicken and yeast

• **Policy Report**

○ **B1 Policy (Financial Condition)**

- Matt informed the board that he was unable to prepare the B1 policy report due to a lack of reporting from peer coops.
- In general, the store saw a \$33,000+ increase in sales compared to last year's 3rd quarter. Bulk and HBC did well and shrink declined. Produce saw a decline in sales but Matt believes it was due to outages of items. Deli saw the greatest decline (about 40%). Expenditures went up by \$17,000 due to additional workers compensation (due to an audit finding), credit card fees, salaries, and vacation expense
- There was a retro-active one-time adjustment to the Coop's interest payment on the Shared Capitol loan due to a prior change in the amortization schedule

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- Matt has not yet decided whether he will continue with the \$2/hour wage increase that was implemented in March. He is watching what other groceries are doing.

Lynn made a motion to postpone full B1 report at next month’s board meeting due to lack of reporting from other peer coops 2nd by Annie. Motion voted on; passed.

BOARD BUSINESS

7:14 pm

- **Board Member Bios**
 - Discussion about the propriety of including business ownerships and/or employer information in Board member bios. Matt supported inclusion of information about Board members who own small businesses and/or work at local businesses because it shows involvement of the Coop with our community. Board members discussed that making such disclosures in a matter of fact, non-promotional manner within a Board member’s helps with transparency. The Board should continue to be mindful of potential conflicts of interest and ensure that no Board member receives an improper advantage to their business or employer due to the Board member’s involvement with the Co-op.
- **Board Authorization – Government Payroll Protection Loan**
 - This was approved via email voting on April 21, 2020. Document posted for board reference.
- **Board Budget – Lynn**
 - Reviewed Proposed July 2020-June 2021 budget and updated 2019 actual expense information.
 - Matt suggested that future Board budgets should use verbiage that aligns with P&L statement for cohesion.
 - Matt requested that the Board keep its annual budget reviewed as it is currently scheduled (in March and finalized in April) so that he can use the information when preparing the fiscal year store budget.

Lynn motioned to approve Board FY2021 budget as written. 2nd by Renee. Motion voted on; passed
- **Culminate Webinars**
 - Lynn provided information about two Columinate webinars on how Covid is impacting Coops.
 - Columinate is offering online CBLD 101 on 5/14/20 at 12pm.
- **Communications Committee** **Nikki & Jenni**
 - No new updates. Board is still requested to write articles and recipes for newsletter. These items should be sent to Vicki.
- **Q & A – none**

Lynn motioned to move into closed executive session part 1 to discuss possible store expansion and executive session part 2 to discuss GM quarterly bonus. Meeting moved to closed executive session at 7:40 pm. Motion was 2nd by Jenni.

Lynn motioned to move out of closed executive session at 8:26pm. Motion was 2nd by Jenni. Motion voted on; passed

Open Discussion: None

Assigned Responsibilities that resulted from Board Meeting

TASK	RESPONSIBLE PARTY	COMPLETION GOAL DATE
Newsletter content (see above in Communications section)	Board members	Ongoing

Lynn motioned to adjourn. 2nd by Renee. Meeting adjourned at 8:27pm
Next meeting rescheduled for June 10th at 6:30pm.