

Spiral Natural Foods
Board of Directors Meeting Minutes

August 5, 2019 at 6:30pm

Location of Meeting: At home of Carol Morgan

Attendees: Lynn Gannon, Renee Thompson, Carol Morgan, Erin Hood and Tammy McGinn (7:30pm)

Teleconferenced meeting: Alex Mohrbacher and Sue Taylor. Absent: Nikki Milton

ADMINISTRATION **6:36 pm**

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

BOARD DECISIONS

- **Consent Agenda** **6:45 pm**
 - August 2019 Meeting Agenda
 - July 2019 Meeting Minutes
 - July 2019 Executive Meeting Minutes
 - B2 report from Matt on 7/15/19Lynn motioned to approve consent agenda with change. 2nd by Carol. Motion voted on; passed
- **Board Activities**
 - Annual Meeting - October 7th
 - October BOD meeting - October 8th
 - Rivertown Days Parade on July 21st. Tammy, Sue, and Lynn attended.

GM BUSINESS **6:37 pm**

- **Store Report** **Matt**
 - Cooler repair had minimal cost
 - Staffing: new hire starts September. Still need one more cashier
 - Last week sales were \$25,000, which is \$2,000 more than expected. 4th quarter - best sales ever
 - Matt volunteered to participate on a team to consult and assist three small coops in southern Minnesota
 - Houston is slightly larger in sales than Spiral but it is the only grocery store in town
 - Albert Lea is a small size was impactful for community (1/6 of \$ sales compared to Spiral)
 - Blue Earth had numerous issues (\$120,000/yearly sales = 5 weeks to Spiral)
 - Shrink is improving. Some areas saw an increase due to equipment breakdown and product loss. Matt will continue to work with staff for improvement
 - Achieved margins in cheese & HBC. Margins were close in grocery, bulk, refrigerated & deli.
- **Policy Report - B1 (Financial Condition)**

Compliance: B1.1, 1.2 part 1, 1.4, 1.5
Non-compliant Plans:

 - B1.2 part 2 - missed reporting: 'Actual net income as a % of sales from the most recent year must be above [3%].' Rough estimate on the spot, cooler breakdowns will likely have report below 3%. Will track at next meeting.
 - B1.3 - did not meet goal due to paying down debt
 - B1.5 missed reporting: 'Paid-in Growth (%) and Paid-in Equity (\$)'. Will track at next meeting

Suggestions: The Board asked Matt to recommend different, more meaningful definitions for compliance on B1.3 and B1.4. Due to the fact that the store will continue to carry a large debt burden into the future, the Board would like to have definitions for evaluating liquidity (B1.3) and solvency (1.4) that are not as affected by the store's high debt.

Table: approval of B1 for FY2019-4th Quarter until the September meeting.

In preparation for the FY2019 annual B1 report, the Board asked Matt to ensure that he obtains a letter from Spiral's accountant concerning the Co-op's financial statements comply with GAAP standards. The Board also asked that Matt talk with the Co-op's accountant about how to account for the recent receipt of 24 new shopping carts and gently used bulk fixtures with new bins.

- **Q & A** - none

BOARD BUSINESS **7:07pm**

- **Board transition procedure**
 - Reviewed procedure

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Lynn motioned to approve proposed Board Transition procedure. 2nd by Sue. Motion voted; passed

- **Member Equity Refund Request**

- Discussion about policy and guidelines to be an ‘active’ member. No change in policy
- Request payout membership from Kristi Harvey
 - Suggest that member follows up with another request at end of fiscal 2020

Tammy motioned to deny request for refund of Owner equity due to the Board’s determination that the equity is necessary for the continued operational needs of the coop at this time. 2nd by Lynn. Motion voted; passed

- **Policy Monitoring - C7**

Lynn motioned to accept C7 policy. 2nd by Tammy. Motion voted; passed

- **Annual Meeting Planning & Board Election**

- Annual Meeting - approved having meeting at Hastings Social Tavern on October 7th
 - Social hour 5-6:15pm
 - Meeting will be 6:15-8pm.
 - Market meeting: Facebook Invite for event and letter will be sent to all owners/members should be sent by September 1st, which will include board position applicants
- October BOD Meeting - October 8th
- Board Election -
 - Ballots open September 1st
 - Applicants: Lynn Gannon, Erin Hood, Tammy McGinn
 - Five open positions

- **Communications Committee** **Sue/Nikki**

- Still working on a mutual event with Spiral Brewery

Lynn motioned to move into closed executive session to discuss possible store expansion and the bonus pay structure in the GM’s Employment Agreement Schedule A.. Meeting moved to closed executive session at 8:04pm. Motion was 2nd by Tammy.

Lynn motioned to move out of closed executive session at 8:57pm. Motion was 2nd by Carol. Motion voted on; passed

- **Upcoming Events/Board Activities**

- **Farmer’s Market**
 - Board volunteer July dates:
 - August 17th - Sue & Erin
 - August 31st - Erin & Lynn*
 - (Lynn will either choose this weekend or the following - NOT both)
 - September 7th - Lynn & Renee
 - September 14th - Sue

Open Discussion: None

Assigned Responsibilities that resulted from Board Meeting

TASK	RESPONSIBLE PARTY	COMPLETION GOAL DATE
Communication committee - email for Farmers Market	Sue & Lynn	Ongoing thru summer
Update on B1.3	Matt	July BOD meetings

Lynn motioned to adjourn. Carol 2nd. Meeting adjourned at 9:15pm

Next meeting rescheduled for August 5th. Location TBD.