

Spiral Natural Foods
Board of Directors Meeting Minutes

September 3, 2019 at 6:30pm

Location of Meeting: At home of Lynn Gannon

Attendees: Lynn Gannon, Renee Thompson, Sue Taylor and Nikki Milton. Teleconferenced meeting: Alex Mohrbacher (6:30pm) and Tammy McGinn (7:05pm). Absent: Carol Morgan and Erin Hood

ADMINISTRATION **6:37 pm**

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

BOARD DECISIONS

- **Consent Agenda** **6:37 pm**
 - September 2019 Meeting Agenda
 - August 2019 Meeting Minutes
 - August 2019 Executive Meeting Minutes
 - Policy Monitoring of C8 (Governance Investment)Lynn motioned to approve consent agenda with change. 2nd by Sue. Motion voted on; passed
- **Board Activities**
 - Annual Meeting - October 7th
 - October BOD meeting - October 8th
 - Small but Strong - October 26th (\$20 at Normandale Community College)

GM BUSINESS **6:41 pm**

- **Store Report** **Matt**
 - Data tracking showed that August overall sales increase of 4.18% over last year. Quarterly sales showed a 1.72% increase over last year. There was an increase in grocery, decrease in bulk & meat and holding steady in produce.
 - Hired two cashiers. Adding additional shifts of a storekeeper. Andrew is doing great in his new role
 - COPOS visited the store to assist with further education with the system
- **Policy Report**
 - **B1 - Financial Condition - 4th Quarter FY2019 - Updates from August meeting**

Approval of B1 for 4th Quarter of FY2019 was tabled at the August meeting pending correction of omitted sub-policy data.

Compliance: B1.1, 1.2 part 1, 1.4, 1.5

 - B1.2 was revised to add data for Actual Net Income as a % of Sales
 - B1.5 was revised to add data for Paid-in Growth and Paid-in Equity.

Non-compliant Plans:

 - B1.3 - did not meet goal due to paying down debt
 - **B1 - Financial Condition - FY2019 Annual Report**

Matt explained that the Co-ops that he compared Spiral's performance to had sales ranging between \$900,000 and \$4.2 million. There are 16 Co-ops in that grouping.

Compliance: B1.1, 1.4, 1.5, 1.6, 1.8 - 1.12

Non-compliant Plans:

 - B1.2 and B1.3 - if only net ordinary income, this would be compliant. The negative net income was due to lost inventory from cooler failures. Even with the losses from the equipment failures, the store's net income improved 49.96% over last year. To improve overall viability, plan to grow the sales through possible store changes.
 - B1.3 - did not meet goal due to paying down debt
 - B1.7 - The stores A/P improved from last year, but A/P is still not current. All employees, utilities & rent have been paid on time. All business contracts have been maintained. Continue to see improvement for vendor repayment. Plan to keep consistent with vendors to maintain good relationships with them.

Updated Definitions: In response to a request by the Board for a revised definition of compliance for sub-policies B1.3 and B1.4, Matt recommended changing to B1.3 to state *The current ratio should be above*

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0.60; quick ratio should be above 0.10, and changing B1.4 to state *Debt to equity ratio must not negatively change more than 0.30%*. When the Co-op is able to reduce its debt and increase its assets, these definitions should be revisited and revised as needed.

○ **B3 - Asset Protection**

Matt reported compliance on all B3 policies.

Sue motioned to accept reports on B1-4th Quarter, B1-Annual, and B3. 2nd by Lynn. Motion voted on; passed

Lynn motioned to accept the GM's recommended definitional changes on B1 sub-policies B1.3 (current ratio and quick ratio) as well as B1.4 (Debt to equity ratio). 2nd by Tammy. Motion voted on; passed

- **Q & A** - none

BOARD BUSINESS

7:43pm

- **C-Share Dividends Payable for FY2019**

Lynn motioned that C-Share dividends are not paid for FY2019. 2nd by Sue. Motion voted on; passed

- **Owner/Member Equity Refund Request**

- Kristi Harvey is stating financial hardship
- Kiki Usuda is moving out of area

Lynn motioned to approve paying out owner/member equity from the two requests. 2nd by Sue. Motioned voted on; passed.

- **Annual Meeting**

○ **Meeting Planning**

- Ballots are available in the store. Voting will be mentioned in newsletter
- All board members should plan to spend time in the store, any time/length to encourage voting and presence at Annual Meeting.
- Lynn, president, will plan to speak. She will write out talking points and have board review
- 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
- Product thank you bags ideas
 - 'Enjoy Life' mini soft-baked cookies, individual
 - Candy or chocolate
 - Any wellness samples
 - Spiral trail mix - with NCG "Stronger Together" tag. Board could help make packages.
 - Waterloo water

○ **Board Election**

- **Candidates:** Tammy McGinn, Erin Hood, Lynn Gannon, Annie Zastera, Jenni Garlough

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

- Newsletter information/planning (due date: 9/15/19)
 - Bios & ballots
 - Board picks of favorite item
 - Recipes - Renee will submit one

○ **Outreach**

- Spiral Brewery Beer 5K Run on September 21st. Sue and Nikki are requesting board participation to promote Spiral and to handout healthy snack to runners.

Lynn motioned to move into closed executive session to discuss possible store expansion. Meeting moved to closed executive session at 8:19pm. Motion was 2nd by Sue.

Lynn motioned to move out of closed executive session at 9:12pm. Motion was 2nd by Sue. Motion voted on; passed

- **Upcoming Events/Board Activities**

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- **Farmer's Market**
 - Board volunteer dates: September 7th - Lynn & Renee; September 14th - Sue

Open Discussion: None

Assigned Responsibilities that resulted from Board Meeting

TASK	RESPONSIBLE PARTY	COMPLETION GOAL DATE
Stop into store to promote voting and attendance at Annual meeting	Board members	Through 10/6/19

Lynn motioned to adjourn. Carol 2nd. Meeting adjourned at 9:15pm
Next meeting rescheduled for October 8th. Location TBD.