

Spiral Natural Foods
Board of Directors Meeting Minutes
November 12, 2023, at 1:00 pm

Location of Meeting: Spiral Co-op

Attendees: Tammy McGinn, Annie Zastera, Jenni Garlough, Leigh Arnoldy, and Matt Malecha
Jess Settergren and Brandon Lovejoy

Absent: Pete Macaroni, Amanda Olson, and Michelle Gallo

Call to Order at 1:17 pm: Tammy motioned to call the meeting to order, seconded by Leigh. The motion was voted on and passed.

Administration 1:17 pm to 1:18 pm

● **Consent Agenda - Tammy 1:17 pm**

- September Meeting Minutes
- October Annual Meeting Minutes
- Agenda for Evening's Meeting

Tammy motioned to approve the Consent Agenda and Minutes, stipulating adding the attendance numbers for the annual meeting. Leigh seconded it. The motion was voted on and passed.

GM Business 1:18 pm to 2:14 pm

● **B1 Policy - Financial Condition and Activities - Matt 1:18 pm**

- Compliant with B1.1, B1.2, B1.5, and B1.10
- 1.1 - The GM will NOT Allow sales growth to be stagnant – COMPLIANT
 - We budgeted for 6% growth but hit 18.3%
 - Margin Minus Labor will be at or above the median for similar-size co-ops. With our wage increases, we cut hours to balance and maintain properly.
 - Sales per labor hour - We are at \$94.70, which is very efficient
 - Inventory TurnOver is the best we've seen in a while. Three new department managers have done an amazing job sticking to their budgets.
 - We have shuffled a few roles and have great plans in place
- 1.2 - The GM will NOT Allow operations to generate an inadequate net income – COMPLIANT
 - EBITDAP has improved even though it's negative
 - Co-op Partners created a brand new system in August, but it didn't work. We either didn't receive the right items or didn't send anything at all. Invoices either didn't arrive, or we received ordering sheets without pricing. It's a cooperative warehouse we want to support, but it's also been a big stressor. The problem is that we get many of our local items through this warehouse due to logistics and the fact that we can't order in quantities needed to go straight through companies.
 - This is annually our slowest quarter anyway, so we didn't hit the goal number of sales we wanted.
 - We are still doing okay and compliant due to the move.
- 1.3 - The GM will NOT Allow liquidity to be insufficient – NOT COMPLIANT DUE TO MOVE/OUTSIDE SOURCES

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- This co-op has always run on a low cash environment and made it work. Because of the Co-op Partners' issues, we had 28 invoices at once without cash to pay. They were told we will do our best.
- We have a lot of loans out, equipment purchased, and produce displays
- We will be okay if we leverage our improvements and stay on top of the Co-op Partners.
- 1.4 - The GM will NOT Allow solvency to be insufficient – NOT COMPLIANT WITH PLANS FOR FUTURE
 - Our debt to equity isn't where it should be due to borrowed money
 - Our data solvency is still negative, but it's improving
 - We need to work on improving our dollar usage to move to compliant
- 1.5 - The GM will NOT Allow growth in ownership and owner paid-in equity to be insufficient – COMPLIANT
 - We added 33 new members - 1904 active members - 449 members paying in installments - 148 members overdue - 64 inactive members
- 1.10 - The GM will NOT Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed – COMPLIANT
 - Taxes have been paid in full

Tammy motioned to accept the B1 Policy as Compliant in 1.1, 1.2, 1.5, and 1.10 and Non-Compliant in 1.3 and 1.4 due to the move and Matt's plans. Jenni seconded it. The motion was voted on and passed.

● **Store Report - Matt 2:04 pm**

- The staff met yesterday in person
- We've had some staffing changes and opportunities to move forward.
- Our Grocery department has been split up between other staff and is thriving.
- Data from other stores and NCG has helped to show what is selling well, what is popular, etc. NCG will also come in to help with pricing at a fee.
- Our automatic door openers are closer! They now have power running to them.
- Our outdoor lights aren't working, both the parking lot lights and the one by the garbage. She said she'll work on the garbage one but is stalling on the others.
- We are looking into cameras to help with the theft in wellness.

Board Business 2:15 pm to 2:42 pm

● **Board Policy - D1 & D2 Policy - Tammy 2:15 pm**

- Unity of Control & Accountability of the GM
- Were all compliant

Tammy motioned to accept the D1 & D2 Policy as Compliant. Leigh seconded it. The motion was voted on and passed.

● **Open Board Seat & Executive Positions - Tammy 2:19 pm**

- We have one open seat available. Angie is not available this year but wants to run next year.
- Tammy will contact Sue Taylor to see if she is interested.

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- If she is not, either Annie or Pete will do one more year.
- We will need a Secretary, Treasurer, and Vice President for sure. Tammy is currently President but could be willing to let someone else run. Amanda has shown interest in Vice President, Leigh has an interest in Secretary, and Jess might be a great Treasurer.

● **Event & Next In-Person Meeting Planning - Tammy 2:25 pm**

- January meeting would be our next in-person meeting
- Looking at January 14 or 21 as options. Tammy will put both on Slack to get other people's opinions.
- November 18th is a sample day in the co-op from 11-2 – Jenni, Jess, and Leigh are all a maybe
- We are looking at Brews with the Board and do a Tap Room Takeover at the same time – Possibly December 7th

● **Communications Committee - Jenni, Jenn, Leigh 2:38 pm**

- No updates right now. Leigh will meet with Cassie to figure out upcoming events and set up a monthly rotation.

● **Next Month - Tammy 2:40 pm**

- We have the D3 & D4
- Matt doesn't have any policies for next month

Tammy motioned to move to the closed executive session to discuss store expansion and the GM contract. The motion was seconded by Leigh, voted on, and passed. The meeting moved to the closed executive session at 2:42 pm.

Open Discussion: None

Assigned Responsibilities that resulted from Board Meeting:

Task	Responsible Party	Completion Goal Date
Reach out to Sue Taylor about being on the board	Tammy	This week
Figure out the date for the Brewery	Annie	Monday

Tammy motioned to adjourn. It was seconded by Jenni, voted on, and passed. The meeting closed at 2:56 pm.

The next meeting is scheduled for December 14, 2023, at 7:00 pm.