

Natural Harvest Food Co-op
May Meeting Held Tuesday, May 19th, 2020
Board of Directors Meeting Via Zoom Video Conference

Board Members Present: Pauli Rancourt, Stephen Levchak, Julie Juntune, Emma Peterson, Kyle Lynch, Kelsey Gantzer, Kristin Dosan, Jenna Ballinger. Absent: Victoria Ranua

Staff Members Present: General Manager Anja Parenteau

Call to Order – Vice President Stephen Levchak called the meeting to order at 5:38 PM

Welcome Guests – No guests

Consent Agenda Items Approved by Directors were:

- March 24,2020 Meeting Minutes
- April 7, 2020 Special Meeting Minutes
- GM Reports for March and April for new owners and cancellations

Motion was made to approve by Kristin and seconded by Kelsey. The motion carried.

GM Reports

BI Financial Condition - Anja welcomed the new Board Members and discussed the 1st quarter financial condition. The Gross Margin set for Co-op standards was not met for this period. The fact that the professional inventory takers cancelled with less than 2 days' notice due to the Covid-19 crisis had caused Anja to do an estimation of the 1st quarter's inventory value for the packaged grocery and wellness departments. She explained that she feels her value was too low and that caused the gross margin to be off. The net profit goal was also not met, this is still an anticipated outcome due to the expansion. There is a plan implemented for monitoring this and a projected time for this to be met. Other markers for monitoring the overall financial condition were met or exceeded. Sales growth of 13.8% over last year has been achieved so far. One correction of a date in Anja's report was noted to be changed from 2019 to 2020. With these notations Kelsey motioned to accept compliance with the BI. Kyle seconded that and the motion carried.

1st Quarter 2020 Financials – Anja presented the Balance Sheet, Profit and Loss and Cash Flow Statements to the Board. She noted that sales are over the budgeted amount for this period. Cost of Goods Sold is lower than budgeted. She noted again the estimated ending inventory had a negative effect and should be corrected once we have the next inventory numbers and financial data. All other expenses were in line with our budget.

The monthly sales chart was presented for April by Anja. Sales are excellent and over any projections due to the Covid-19 situation. Our shoppers have decreased visits by almost 50% while sales are higher. Customers are shopping for more items and shop less frequently. Our average basket size has nearly doubled to nearly \$42 per owner. Deli sales declined significantly with the changes and are now coming back with the

re-introduction of hot deli items and items that appeal to the way our customers' eating patterns have changed.

Store Happenings were shared for April. Federal government loans were received for Payroll Protection and Small Business Aid for a total of \$144,000. Depending on the results of payroll numbers, most of these dollars could be a grant rather than a loan. Reporting is due June 30th, 2020. Funds forgiven will be earmarked for safekeeping because the economy is and will be very uncertain for the foreseeable future. Store hours reduction and staff placement was discussed as well. Webinars are being attended by staff and management, to be informed about regulations and best practices. A new credit card reading system will be implemented too. This will allow chip reading of credit/debit cards and helps reduce customer contact. Employee safety is a top priority for Anja. She has been keeping up with the restrictions, rules and processes involved with the Covid-19 epidemic. Curbside service was started and receives mainly wonderful comments and feedback from our customers. It is estimated that about 10% of our sales are achieved from this service. UNFI has lifted order restrictions but availability is still the main problem. Our store has been successful in keeping most products on the shelves throughout these past few months.

Covid-19 Scenarios were presented. Using different sales levels, Anja can be prepared for future changes. She was thanked by the Board for making these reports.

Board Reports

C1 – Governing Style Reporting was last updated in March of 2014. Pauli added the Policy Governance Quick Guide which was referenced for review and a motion was made by Julie that we are in compliance with C1, it was seconded by Pauli. The motion carried.

D2 – Accountability of the General Manager was agreed upon and the motion made by Kyle was seconded by Kristin. The motion carried.

Treasurer Report

Emma stated that the Board expenses were a consulting payment of \$1,750 and stipends for April were \$520 as recorded. New Board Members will be contacted for their Natural Harvest shirt sizes.

Committee Reports

No meetings were reported on, but rather this meeting was used to explain the committees and the roles they play. They were all discussed in detail and plans are being made to create a guide with some procedures and duties of each committee. Officers positions' roles, responsibilities and deadlines are also going to be recorded for future reference and guidance.

GM Evaluation – Jenna Ballinger and Kristin Dosan will join Stephen and Julie for the next year.

Education Committee – Kyle Lynch will join Emma and Kelsey to serve on this committee for the next year.

The Perpetuation Committee – Victoria Ranua was assigned to serve with Pauli and Kristin Dosan for the next year. Kristin offered to serve on both this and the GM Evaluation Committee.

A Climate Change Letter addressed to the Board was discussed and it was decided no action will be taken.

Old Business - Organizational Board Projects for 2020 – These are still in the works and Pauli and Kristin are spearheading most of the project.

Next Board Meeting – The next Board Meeting is scheduled for Tuesday, June 30th at 5:30 held via Zoom Video Conference.

A motion was made to adjourn at 7:30 PM by Pauli and seconded by Julie and it was approved.

Respectfully submitted,

Lori Beth Maki