

Natural Harvest Food Co-op
May Meeting Held Tuesday, May 24, 2022 Board of Directors Meeting
Held at Natural Harvest Classroom

Board Members Present: Stephen Levchak, Jenna Ballinger*, Nick Renollet, Jennifer Krenz, Kyle Lynch, Tera Nowicki*, Sulaiman Syed, and Raini Knaeble-Weiss

**Attended via Zoom*

Absent: Victoria Ranua

Staff Members Present: General Manager Lori Maki and Marketing Manager Morgan Cossette

Call to Order - President Stephen Levchak called the meeting to order at 5:06 PM

New board meet and greet; discussion about conflict of interest disclosure, which is something to be made aware of.

Consent Agenda Items –

- **3-22-2022 Board Meeting Minutes**
- **4-18-2022 Special Session Meeting Minutes**
- **March and April New Owners/Cancellations**
- **C1 – Governing Style**
- **D2 – Accountability of GM**

Kyle motioned, Nick seconded, and the consent agenda items motion carried.

GM Reports

B1 – Financial Condition – 1st Qtr 2022 – Lori prepared and explained the financials in B1, and the investments and loans for the first quarter. Covid scare had returned, and negatively affected growth and sales as compared to the prior year's 1st quarter. Things are starting to level off, and we have a new quarter to grow. The gross margin is great. The Cometrics report is an independent third party, and is used to double check work; the Cometrics report matches what we have. Expenses are consistent; though we have growing personnel expenses. Profit sharing efficiency rating suggested as a quarterly incentive. Financial key points explanation; working on growth. Discussion on a quarterly coupon; would like to improve in the area of owner benefits. Discussion on ways to increase sales, promotions, extending store hours, increasing wages.

Jenn motioned to accept B1 as compliant with the exception of sales growth and net income and Sully seconded it. The motion carried.

The financial review by Wegner CPA's for 2020 and 2021 was reviewed. It was a clean review in accordance with GAAP. It was discussed whether a financial review or audit should take place for

2022. An audit is more thorough and is typically performed every few years. This will be decided on at a later date.

Monthly sales chart – Monthly sales chart was discussed. March and April showed negative sales growth. Explanation was that it was very difficult to show positive growth to the previous year when the pandemic was still affecting our sales.

STORE HAPPENINGS

March, April

11 new owners in March, 14 new owners in April. Lori added 3 hanging plants, which are coming in soon, to be hung in the classroom.

New registers are coming. Lori explained that NHFC wants to use the classroom as much as possible, and some additional suggestions were putting owner-owned products for sale in the classroom. Classroom criteria discussed for the community.

Round-up: Quad City \$2k match \$115 round up 21st.

Natural Harvest was represented at Earth Fest. Duyen is the new point of contact for IT support, Morgan is marketing. There was also discussion about the credit card processing through the website.

\$1993.75 for Round up for Contented Critters.

OWNER LOAN PAYBACKS

Lori recommended payback of owner loans due 2022. Discussion followed. Kyle motioned to approve the owner loan paybacks, Raini seconded. The motion carried.

NEW BUSINESS

GM job description to be put up; ad placed in hometown focus. It was discussed to also post the job on MN job board site, Facebook, Natural Harvest website. The job will be posted first or second week of June; more info is needed for the job description. Timeline – updated preliminary budget, but not finalized. It was discussed to use the Duluth co-op as an example, after making a few changes. Initial overview of duties, should have info at next meeting. Get the final version to Raini, at timeline with budget, Raini and Jenna communicating.

Annual meeting board election, Jenn and Steve were a tie. Jenn expressed her interest in the two year term, therefore the board decided Jenn will serve 2 years and Steve will serve 3 years.

New board contact information is needed to update the board books and website. Physical copy or digital copy is fine. Raini will update 2022 book. Victoria will order board shirts.

New board orientation was discussed. It was decided a weekday evening or one weekend day would work best. Steve will contact Leslie to see what's available.

Board Officer Nominations and Election

Steve was nominated for board president, he accepted, no objections.

Victoria was nominated for vice president Victoria, contingent acceptance upon communicating with her, which no one objected to, and Steve will reach out to her.

Secretary – No one expressed interest in the secretary officer role, Raini will continue as secretary.

Treasurer – Tera expressed interest, there were no objections.

Treasurer report – No current treasurer's report due to Kelsey finishing her term. Lori provided board expenses for March and April.

Committee appointments and reports

GM Evaluation Committee - Jenna and Jennifer will remain on committee, Sully will be joining them.

Education Committee - Steve, Kyle, and Raini will remain on committee. CBL 101 training session coming up again for directors.

Perpetuation Committee - Victoria, Tera, and Nick will Remain on committee.

The next board meeting is June 28, 2022 at 5pm in the Natural Harvest classroom.

Motion to close at 6:44pm, Kyle first, Jenna second, all in favor. Motion carried. A closed session will follow to discuss a personnel issue.