

Natural Harvest Food Co-op Annual Owner Meeting

April 20, 2021 6:02 pm-7:03 pm

Annual meeting conducted via Zoom

Board Members Present: Stephen Levchak, Pauli Rancourt, Julie Juntune, Emma Peterson, Kelsey Gantzer, Jenna Ballinger, Tera Nowicki, Kyle Lynch

Board Members Absent: Victoria Ranua

Welcome: President Stephen Levchak called the meeting to order, welcomed the members in attendance at 6:02 p.m.

New Business: Honore Lehtinen motioned to approve the 2020 board meeting minutes. Tera Nowicki seconded. The motion was unanimously approved at 6:08 p.m.

President's Report:

- We welcomed four new board members in 2020.
- Goals for this year included organization of board documents, revising processes to become more efficient and ensuring future board members are prepared.
- Professional development and training activities for the board included orientation for new board members, an Annual Fall Retreat, and focusing on teamwork and collaboration in a virtual environment.
- The board worked through many challenges in 2020, including adapting to virtual meetings, a digital work environment, and creating contingency plans for possible technology glitches.
- Board goals for 2021 and beyond:
 - 1) Finish process revision and reorganizing board documents
 - 2) Use technology in new and creative ways to enhance the way we work
 - 3) Maintain policy governance through board candidate recruitment and training
 - 4) Find new ways to connect with our owners
 - 5) Continue to grow our Co-op membership

General Manager's Report:

- At 6:17 p.m. GM Anja Parenteau welcomed the members in attendance and presented the 2020 GM Report.
- Sales for 2020 were \$4,090,122
- 8% sales growth
- 67% of sales were from owners
- Average sales per day was \$11,317
- Average of 298 customers per day
- Basket size grew by 35%
- We had our first positive bottom line since our expansion
- NHFC turned into an essential business in 2020
- After mid-March NHFC's focus had to shift to providing our community with a safe place to shop, while navigating supply shortages and increased uncertainty about how Covid-19 would affect our community and business.
- There were challenges in securing certain staples.
- There were uncertainties about warehouses running out and shortages of people such as people who harvest or pack our food, warehouse workers, and people in the trucking industry.
- NHFC implemented industry best practices such as putting up plexiglass, wearing masks/ face shields and the salad and hot bar was shut down to comply with an order from the Governor of MN.
- Created curbside shopping for people who could not come into the store to shop that has morphed into a true "click and shop" program that people can now use.
- First positive net profit since the expansion was achieved
- Operating expenses were lowered due to fewer hours open per day
- Hoping to repeat the positive net income in 2021
- NHFC applied for PPP loans and EIDL advance loans and received \$154,600 which was forgiven in January.
- We added \$14,400 in owner equity.
- \$112,698 in long term debt was paid down.

- NHFC will be able to pay back the first batch of owner loans this year.
- \$862,478 was invested towards staffing in 2020.
- Staff received thank you pay in addition to regular wages and an extra week of PTO.
- Focused on smaller formats like teacher appreciation or Trick or Treating to welcome community into the store.
- \$14,000 was given to eleven local charities this year through the Change Within Reach program.
- In October, NHFC rounded up for our Microgrant Program.
- The solar panels generated 33.84 MWhrs of electricity in 2020.
- A solar awning will be installed in 2021.
- Fewer plastic bags were used in 2020 than in previous years.
- Saved over 10,000 lbs of expired or “ugly” foods by giving it to the Salvation Army.
- Sold about 4,000 lbs of local produce from 16 Iron Range growers.
- 20% of our sales come from products produced within 400 miles of the Co-op.
- \$5 off coupons were sent out twice last year. This made the owner discounts for 2020 \$20,000.

2020 Microgrant Winners Update

- Video updates were given by Shannon & Mary Ann Wycoff of Bear Creek Acres Farm and Van Conrad from Northern Delicious CSA, the winners of the 2020 Microgrants.

2021 Microgrant Award

- The 2021 Microgrant award winner Janna Goerdts of Fat Chicken Farm was announced.
- Janna talked to the members about her farm and how she will use the Microgrant to build a small walk-in cooler to extend the life of her produce.

Election Results for 2021-2024

- The election results for the new members of the Board of Directors were announced. The new Board members are Tera Nowicki, Carly Antus Wilk, Dominic Renollet and Raini Knaeble-Weiss.

Owner Questions

- Question: Did unexpected expenses, such as the purchase of plexiglass, have an impact on this year?

Answer: Yes, but the PPP loan helped cover those expenses.

- Question: Please tell us more about the PPP loan.

Answer: It was a loan for small businesses unsure about how Covid would affect business. It was calculated by wages paid to employees for a certain amount of time and was meant to help retain employees.

Adjournment

- Pauli Rancourt motioned to adjourn the meeting and Tera Nowicki seconded. The motion carried and the meeting was adjourned at 7:03 p.m.

2021 NHFC Annual Meeting Attendance List- Taken from Zoom Chat sign in and Zoom Poll on 4/20/2021

Anja Parenteau

Stephen Levchak

Pauli Rancourt

Julie Juntune

Emma Peterson

Kelsey Gantzer

Jenna Ballinger

Tera Nowicki

Kyle Lynch

Carly Antus Wilk

Zella Ellshoff

Janna Goerdt & Tim Strasser

Darrel Swenson

Michelle Robillard

Amy Loiselle & Tim Wallace

Lisa Hesse

Sarah Westby

Jennifer Krenz

Honore Lehtinen

Carol Booth & Jim Ganahl

Paul Monacelli