

BOARD MEETING MINUTES
FEATHER RIVER FOODS CO-OP BOARD OF DIRECTORS
REGULAR MEETING: May 22, 2023
Approved at 6/26/23 meeting.

Time: 5:01 pm – meeting called to order by Leslie Wehrman

Location: White house and Google Meet

Board members present: Wayne Cartwright, Clare Churchill, Dana Krinsky, Melissa Lopez, Ian Schrammel, Scott Stirling, Leslie Wehrman

Board members absent: None.

Minutes taken by: Kendrah Fredricksen

Staff present: Michelle Fulton, Marcie Wilde

Welcome guests: Nance Reed

Agenda for May 22, 2023, Review & Approve:

- *Clare moved to approve. Dana seconded. Agenda approved.*

Minutes of April 17, 2023, Review & Approve:

- *Scott moved to approve. Wayne seconded. Minutes approved.*

Board Education:

- **Board Education: Wayne Re: Discounts & Dividends** – last year came to around \$80,000.
 - See pg. 5 of Patronage Dividends Policy.
 - Wayne called other coops (approx. 10) and asked about discounts – we range in the middle to more generous of discounts given.
 - Community discounts cost us more than member quarterly discounts.
 - Should we continue our current policy?
 - Marcie suggested we reduce Wellness Wednesdays to once per month.
 - Marcie would like to research the history of discounts.
 - Ian suggested that we do a survey and ask questions about how folks use our discounts.
 - We could also switch to discounts only for members.
 - Marcie said Rebecca could pull reports for us to analyze this further.
- **Board Education Schedule:**
 - June – Scott
 - July – Ian
 - Sept. – Leslie

Reports:

Manager's Reports: See separate documents.

- **April Monthly** – (month after a discount month), April Sales = \$329,557.56, 9% increase over prior year, 8% decrease from prior month, Portola had higher increase over prior year.
 - Round-up: Quincy = \$733.84, Portola = \$211.23, both for Plumas Disk Golf.
 - Portola store is now opening 1 hour earlier on Sundays (at 9 am).
 - Average basket size increased 1.8% over last year, however with inflation it is actually a decrease.
 - 7.4% increase in customer count over last year.
 - Wayne pointed out that inflation is still an issue.
 - Marcie attended NCG GM Conference, including seminar on how to grow sales each year.
 - Co-ops are struggling across the board.

- Many new coops are in low income, low access areas.
 - Utilize NCG programs to their fullest (e.g. BOGO).
 - An offsite kitchen/deli was recommended.
- **Annual Report FY2022 – See separate report.** Non-compliance areas:
 - Margin Minus Labor 15.3% (Median 16.9%)
 - Continue looking at labor schedule. We were overstaffed in many areas (except deli).
 - Michelle commented that she has done much adjusting to schedule to reduce overlap.
 - Sales per Labor Hour = \$76.50 (Median \$91). Efficiencies are an issue.
 - Offering the deli staff the ability to work four 10-hour days.
 - Labor as percent of sales is on a steady downturn.
 - Turnover of staff is also much reduced.
 - Inventory turnover = 9.6, breaking even = 10.5, median = 11.2 (new Portola buying team).
 - Michelle recommended NCG buyers training.
 - No inventory count in quarter 4 due to weather.
 - Marcie will hire a Grocery Manager for Portola.
 - **B1.2** EBITDA suffered – negative net income, our EBITDA = -3.4% of sales, median = -2%. Net income = -3.6%, median = -4%. Net income -\$150,629 for the year.
 - Utilities have jumped massively. Cap on spending – needs GM approval.
 - **B1.5** Equity growth = -14%, median -6%. PPP loans being forgiven was a major factor.
 - **B1.6** National Cooperative Bank Loan – debt service ratio must be above 1.25, we were at -12.7:1.00, payments on loan are current. We must increase net income to meet covenant.
- **Member Patronage B4 – See bylaws.** 2021 Board Elections 211 votes out of 2116 members, 9.97% (quorum 5%), member withdrawals = 19.

Ian recommended that we invest member equity if possible. The Finance Committee will look into this more fully.

Clare moved to approve Manager Reports. Ian seconded. Motion carried.

- **Review Policies C5 – C8: Board self-assessment survey results**
 - Wayne stated this is confidential and should be discussed in a closed session (tabled until end of tonight's meeting).

Old Business:

- **June 24th Annual Meeting review agenda** – Leslie said committee met May 17th. See separate minutes. Big decision was caterer due to high cost. Carol's Café was chosen as caterer (\$2,000 flat fee). Cannot afford Night Brain band due to the cost of food. RSVPs are needed (including by Board). Next meeting will be June 5th. Need all hands-on-deck to help.
- **Saturday, September 16th Board Retreat** – Scott spoke with Ben at Columinate, who will attend. Retreat will begin at 9 am at white house in Quincy. Will visit local businesses along the way and have lunch at Genesee Store. Many of the local businesses are not available on Sunday, only Saturday. Thus, the date was changed from Sept. 17th to the 16th.
- **CCMA Conference** – This was discussed through emails. Will do Briar Patch tour together. Tours start at 1 pm.
- **Committee Charters and Calendars** – This is up to date.
- **Membership Message** – One just came out about the annual meeting. We need a letter explaining no dividend options are available for this past year. (Must be in the mail by June 30th.) Scott will start work on this with Marcie and other Board members on this.

New Business:

- **Annual Meeting assignments** – Discussed above. Email will go out for sign-ups.
- **Board Retreat plan** – Working on agenda. Leslie recommended that all Board members do Myers-Briggs self-assessment ahead of time and discuss it together. Leslie will send resources/link to Scott.
- **Designated BOD Email Address** – Go into contact sheet on Google drive and update info.
- **Technical: Google Docs** – Leslie is writing step-by-step instructions on how to utilize this.
- **Patronage Dividend Options** – No options to present. Finance committee would bring options if any were available. *Wayne moved to approve that there are no options available. Scott seconded. Motion carried.*
- **Article - Annual Report** – Physical paper report will be completed. Past Board president will write a letter. Leslie said Gia is planning to participate in Annual Meeting.

Committee Reports:

- **Board Development:** Met May 6th and looked at self-evaluation. Recruiting of new board members should be ongoing (add to Old Business on upcoming agendas). Aubrey will be in touch about the next board evaluation.
- **Membership:** See above for Annual Meeting. Next meeting is June 5th 1:30 pm at white house.
- **Finance:** Met on May 9th. Lucinda joined them. Most of what they discussed was in Marcie's Annual Report. Reviewed bank and credit card statements. Next meeting is June 12th at 5:30 pm.
- **Policy:** Next meeting is Thursday, May 25th at 4:15 pm.
- **Executive:** Met April 24th. Discussed Board Retreat. Next meeting TBD.

Closings:

- **Board Member Check In:**
- **Review Decisions, Tasks, Assignments:**
 - Meeting Facilitation
 - June – Ian
 - July – Clare
 - Board Education:
 - June – Scott
 - Membership Message:
 - Charter and Calendar: ongoing for committees
 - Calendars: all review committee calendars
- **Review Board Calendar:** See color-coded spreadsheet online (and in Board members' boxes).
- **Next BOD Meeting:** June 26, 2023
- **Summary for Employee Memo:** Scott
- **GM Review:** Scott will update online.

Adjourn Meeting:

- *Clare motioned to adjourn the meeting. Leslie seconded. Motion approved. The meeting was adjourned at 7:21 pm.*

Closed Session: Self-evaluation.

Note: The Member Services Coordinator makes approved changes to the prior meeting's minutes and forwards the final version to the board secretary and the board president. The secretary posts the final minutes in the board Dropbox, and the Member Services Coordinator posts in the store and on the FRFC web site.