

Spiral Natural Foods
Board of Directors Meeting
July 11, 2017

Page 1

Attendance: Stacey Clark, Lynn Gannon, Matt Malecha, Alex Mohrbacher, Carol Morgan, and Sue Taylor. Betty Schiefelbein and Ed Schiefelbein arrived at 7:44 p.m.

The meeting was called to order at 6:46 p.m. (Note, from 6:00 p.m. until 6:30 p.m., SNF General Manager Matt Malecha delivered a presentation to three co-op Owners on the proposed changes to the Articles and By-Laws).

Stacey moved and Alex seconded a motion to approve the minutes, with three minor changes in the GM Business and Spiral Survey sections, and the consent agenda. Motion carried.

GM Policy Reports: Matt reported on policy B5 – Treatment of Customers. Matt provided an overview of how SNF staff obtain and act on feedback from customers, including information obtained from the recent owner survey. Matt also described Spiral’s internal policies for food safety and compliance with OSHA and ADA requirements. Lynn moved and Stacey seconded a motion to accept the GM’s B5 policy report. The motion was approved. Stacey will update the policy monitoring schedule accordingly.

Store Update: Sales for June 2017 were only down \$345 (-0.36 percent) from sales during June 2016. The average basket size was up a few pennies, which is also a step in the right direction. Given that the pro forma planned for sales to be down 4 percent, the improved June sales performance will help improve the overall numbers for the quarter. Matt is encouraged that July sales are trending ahead of last year, but he noted that sales still need to improve by at least \$5,000 per month so that he can more effectively manage SNF’s invoice obligations. The co-op gained three new owners in June.

Marty is resigning his position in August to pursue other interests. Matt hired Jessie as a front end shift supervisor.

Matt prepared and distributed talking points regarding the changes to the Articles and By-Laws so that the cashiers are able to have conversations with Owners in the event they are asked. .

Communications: Alex reviewed the sign-up list for board members who volunteered to write articles for the e-newsletter. There are still a lot of slots available for articles, which only need to be 250 words or less. Several board members mentioned they had ideas and would write articles.

The board discussed the letter that was mailed to approximately 260 owners. Some of the board members also placed follow-up calls to owners; however, all of the board members who placed calls reported that they were leaving messages and no one was calling back. Only one board member reported having a phone conversation with an Owner. Matt reported that he has had multiple conversations with Owners who approached him in the store after receiving a letter and other Owners have been claiming the coupon mentioned in the letter. Lynn reported that a number of people she spoke to at the Farmer’s Market commented that they recently received a letter from the board. Based on this, the board decided not to make any more phone calls and to

Spiral Natural Foods
Board of Directors Meeting
July 11, 2017

Page 2

instead send letters to another group of 250 SNF Owners who have not yet been contacted, primarily focusing on newer Owners. Board members decided that, to save money, board members will each print letters (approximately 50 each) and purchase the stamps needed for the mailing. Lynn will get another box of envelopes for everyone and Ed will prepare mailing labels for everyone. Matt will provide a listing of Owners to Lynn and she will match it against the mailings that have already been done and then divide it up among board members.

The board decided that the Outreach Committee, which had been previously operating rather informally, should develop a charter, goals, and a project timeline. Since Lynn has been functioning as the de facto Outreach Committee Chair, she agreed to take responsibility for accomplishing these items. Alex and Carol, who have also been assisting with the informal Outreach Committee, agreed to help. The board decided that the scope of the Outreach Committee should include board recruitment efforts, since there is a lot of overlap between the two efforts.

Susie noted that she received a list of brainstorming ideas for owner outreach at one of the seminars she attended during the CCMA conference. Susie put the brainstorming list on Google drive for all the board members to review; however, Susie asked that the Outreach Committee review the list and report back to the full board with the committee's recommendations for the best ideas to pursue next (after the next round of Owner letters has been sent out).

Lynn issued a challenge to each board member for the month of July, asking each board member to spend two hours hanging out on the bench outside the co-op at random times of day and engage customers in conversations about the importance of supporting the co-op by shopping often. Lynn had some success doing this during June.

Lynn reported that in June and the first Saturday in July she participated with Fawn and Stacey (respectively) at a table at the Farmer's Market. Both occasions resulted in many substantive conversations with SNF Owners, SNF shoppers, and people who were new to Hastings or otherwise were not familiar with the co-op. Matt said that on both Saturdays where Spiral was represented at the Farmer's Market, people came in to shop and redeem coupons they received there.

Board Recruitment: Two Owners have submitted applications for board elections this fall. Susie will follow up with both applicants to thank them for their interest, answer questions, and invite them to walk with the other board members in the Rivertown Days Parade.

The **Rivertown Days Parade will be on July 23rd**. All Owners, family, and friends are invited to participate with SNF staff and board members in the parade. Betty, Ed, and Carol offered to help put stickers on sample merchandise that SNF will pass out to parade spectators.

Other Ideas: Carol said it would be very helpful to her if SNF had the capability to phone in grocery orders, or if she could place her grocery orders online for pick up in the store. She

Spiral Natural Foods
Board of Directors Meeting
July 11, 2017

Page 3

wondered if other people would also like that capability and whether phone/online ordering would help increase SNF sales. Matt said that he has been recently contacted by a representative of Shop Hero, who would like to make a presentation to SNF. Matt thought Shop Hero has a \$5,000 startup fee, plus the company takes a percentage of every sale. Stacey suggested that SNF might be able to obtain grant funding to cover the startup fee. Matt will obtain more information about Shop Hero.

Lynn moved and Carol seconded a motion to conclude the board meeting at 8:44 p.m. Motion was approved.

The next meeting will be held on August 8, 2017 at 6:30 p.m. at the Health Solutions Center, 117 Third Street West, Hastings. Immediately prior to the meeting, from 6:00 p.m. until 6:30 p.m., the General Manager will deliver a presentation on the proposed changes to SNF's Articles and By-Laws.