

# **Spiral Natural Foods**

## **Board of Directors Meeting**

### **September 12, 2017**

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Attendance: Lynn Gannon, Matt Malecha, Alex Mohrbacher, Carol Morgan, Betty Schiefelbein, Ed Schiefelbein, and Sue Taylor. Absent: Stacey Clark.

The meeting was called to order at 6:14 p.m. Lynn moved and Ed seconded a motion to approve the minutes, with changes suggested by Matt and minor edits as noted by Betty, and the consent agenda. Motion carried.

**Store Update:** Sales for August 2017 were down slightly, about 1.6 percent, approximately \$1,500, from sales during August 2016. Matt noted that in August 2016 the board sent a letter to Spiral owners concerning the co-op's dire financial situation, which caused a bump in sales at the end of that month. August 2017 saw a small increase in the average sales amount for the month; however the total number of transactions were slightly less than the previous years. Two new people became owners in August and, since the beginning of September, three additional people have joined the co-op.

For the quarter, sales are up 2 percent over the previous year. There is an upcoming meat sale which should help to drive up sales through the end of September.

Matt hired two cashiers, Sam and Kelsie, to help on the front end.

Round up at the register raised \$289 for the Hastings Family Service backpack program. Money raised will provide school supplies for kids in need. September round up funds are designated for Feed Texas to help with hurricane relief and, thus far, the co-op owners and shoppers have been very generous. Matt praised Kelsie for raising an impressive \$15 for Feed Texas during a recent shift.

Matt said that overall he is satisfied with the department performance reports. He felt that the grocery department has been trending well. Matt provided additional details about the \$13K in HBC inventory purchases made in July 2017. Gwen had placed an order and after three weeks it still had not been delivered. In the meantime, Gwen placed other orders and those arrived early. The result was multiple invoices that ideally would have been spread out over several months all came in in July. Matt said that because of declining HBC sales, he is looking at trimming back the bottom 20% of HBC products.

In the upcoming month, Matt has directed his department managers to conduct price audits to determine what is available at other stores in Hastings and at what prices. Previously conducted price audits have resulted in more competitive pricing in the co-op.

Matt was happy to report that the freezer has been repaired and is working okay. There was minimal food loss due to the August failure. Because the compressor was under warranty, the only expense was for labor, which (unfortunately) totaled \$1500. The board and Matt discussed

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options for dealing with the repeated freezer failures and decided that there aren't really any affordable options available. Even doing something minor, such as buying new freezer doors (because the door seals are shot) would cost nearly \$600 per door.

Matt and the co-op's duck egg supplier have agreed to a trial composting program whereby the store will save all of its compostable waste for the duck egg farmers to compost on their farm.

Matt toured two co-ops in St. Joseph and St. Cloud, Minnesota, and he briefed the board on his observations and thoughts from the experiences.

Matt is working with Ace Hardware in Hastings, which is also a co-op, to replace the store's light bulbs with higher efficiency LED bulbs. Spiral will receive a co-op to co-op discount and, with a rebate and expected savings on the store's utility bill, the bulbs will have paid for themselves in about a year. Additionally, the bulbs carry a 5 year warranty.

Matt told the board that he has received some comments from people who were members of Spiral Co-op prior to 1992, when membership in the co-op involved an annual fee and volunteer hours in the store. Those older former members have complained to Matt at various times that they do not think it was fair that the \$30 they invested in the co-op prior to 1992 was not recognized or credited for them when the change was made to a one-time membership fee of \$100. Matt asked the board to consider options for enticing these former members to become current co-op owners.

**Policy Monitoring:** Ed informed the board that the D Policy Monitoring report on the Board-Management Relationship needs to be completed before October. Ed will send an email to remind the board members to complete their individual reports. Ed hoped that the board could vote via email to accept the D Policy report before the October meeting.

**Communications and Outreach:** The board reviewed the Communications Committee charter and made minor edits, such as capitalization. Betty moved and Sue seconded the motion to approve the revised charter. The motion passed.

Susie reported on her efforts to build a relationship with the Hastings School District Wellness Committee. She has been invited to deliver a presentation about what the co-op can do to support community wellness.

Sue also reported on the Chamber of Commerce's "Lunch and Learn" event that she attended. She learned that substantial resources are available through the Dakota County library that can help businesses with marketing and training.

Carol said that she is delivering a seminar on smoothies and juices on September 26<sup>th</sup> at Syneria. Carol will be sure to tell the attendees about Spiral.

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Lynn was not able to contact the YMCA to explore a partnership with the co-op.

Lynn and Carol reported that their time spent at the farmer's market was productive; however interest by the market shoppers seemed noticeably diminished compared to previous Saturdays. Lynn and Carol plan to attend the farmer's market in Cottage Grove on Tuesday, September 28<sup>th</sup> with the idea that a new venue and time of day might reach some new people.

**Annual Meeting:** The next board meeting will also be the annual meeting. Matt said that the co-op will supply food for attendees. Betty is going to prepare a postcard sized "invitation" for board members to hand out during the week before the meeting, October 5 to 9<sup>th</sup>. Matt suggested that the board members could bag groceries for customers and hand them the invitations. Matt said that the busiest times are 5 to 6:30 on weekdays, 11 to 1 on Saturday, and 3 to 6 on Sunday.

Matt will have a roster prepared and ready for the annual meeting of all co-op owners that are in good-standing.

Lynn moved and Ed seconded a motion to conclude the board meeting at 8:06 p.m. Motion was approved.

The next meeting will be held on Tuesday, October 10<sup>th</sup> at 6:00 pm at Hastings Health Solutions Center.