

Daily Groceries will be a welcoming place to shop and work. Intentionally sourcing food; nourishing a kind, engaged community.

Daily Groceries Co-op - Board Meeting-Mon. February 8th 5:00 pm - Virtual/Conference Call

In attendance:

Kara Brown, General Manager
Landon Bubb, Board Vice-President
Liz Soloman , Board Member
Amelia Herb, Board Secretary/Treasurer
Annaka Woodruff, Board Member
Jenny Gallucci, Board Member
Elizabeth, Co-op Member
Patrick Wermert, Member-Worker

- I. Approve February 2021 Meeting Agenda
 - A. February meeting agenda was approved.

- II. Approve Minutes From January 2021 Meetings
 - A. January meeting minutes were approved.

- III. Check In - "Around the Room Chat"
 - A. General Check-in between the board members.

- IV. Recap New Board Of Directors Orientation
 - A. Board members discussed the benefits of the board training and orientation.
 - i. General consensus was the training was very useful, the plethora of resources available were very appreciated.

- V. Member Forum (part 1)
 - A. None of the members in attendance had anything they wanted addressed.

- VI. GM Report
 - A. [GM Monitoring](#) - B1 Financial Condition 4th Qtr 20
 - a. GM reports compliance with some parts of this policy
 - b. Reports noncompliance in allowing sales to become stagnant, at -16.51% growth. Strongly affected by COVID-19
 - i. 4th Qtr was a dramatic improvement from previous quarters.
 - ii. Daily is recovering slightly slower than national peers
 - iii. Sales began rising in October following store re-opening
 - iv. Online and curbside pickup growth remained after re-opening
 - v. Meat and Produce departments are performing very well, following national trends of more customers cooking at home. Kara feels that we should expand this as well as our fresh side.
 - vi. Basket size is still high despite low customer count.

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- vii. Membership is growing despite low sales- indicating local community support for Daily
- viii. Kara would like to re-evaluate the 3% sales growth role in order to better reflect the likely retail changes post COVID.
- ix. Goals for 2021- Increase sustainability
- c. Reports noncompliance with the second policy in regards to net income as percent of sales.
 - i. Negative net income is obviously not ideal, however these numbers are still better than in years past.
 - ii. December of 2020 was profitable by about \$11,000. Each sub-department achieved or overachieved their margin goals
 - iii. For the quarter, store margin was 39.98%, goal was 37%. Kara feels this shows promise that we can reach the goal of 40% in 2021
 - iv. Labor percentage is still too high, but is improving
 - v. New expense is the cloud service we began using this year; this expense is now covered by an optional service fee.
- d. Reports compliance with subpolicy three in regards to liquidity
 - i. Current ratio of assets by liabilities is 4.72
- e. Reports noncompliance with subpolicy 4 in regards to debt-to-equity
 - i. Debt to Equity ratio: (3.29) [negative]
 - ii. This ratio has improved throughout 2020, as accounts payable balances decrease, and as investment assets (membership in NCG) appreciate
- f. Reports compliance in regards to subpolicy five
 - i. Did take on new debt, but was done at the approval of the board.
- g. Reports compliance with subpolicy six
 - i. No real-estate purchases thus far
- h. Reports compliance with subpolicy seven
- i. Reports compliance with subpolicy eight
- j. Reports compliance with subpolicy nine
- k. Reports compliance with subpolicy ten

B: General Manager Updates

- i. Bumper stickers are in the store!
- ii. Door-knocker campaign is put on hold
- iii. NCG is enabling us to do a direct mailer campaign for March
 - 1. for \$250, they will mail 750 members coupons for a free item.
 - 2. NCG will reimburse a certain amount of these free items
- iv. Added bulk-up Thursdays for members to receive discounts on bulk items

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- v. Parklet on Pope Street- progress is being made, Kara had a phone call with government officials but it sounds like a 90 day trial will be beginning.
- vi. Daily employs 17 people currently, looking to hire two more
- vii. Purchased one round of N95 masks for staff
- viii. Kara discussed the proposal for solar paneling- very complicated and a long-term goal
- ix. January Sales report
 - 1. Down around 15%
 - 2. Basket size is healthy (anything over 20)
 - 3. \$1000 in equity payments from January
 - 4. Cloud sales were 18% total of sales
- x. PPP forgiveness is still pending; applying for the new round
- xi. Payments on last PPP loan begin in June
- xii. Kara attended NCG board meeting in January
 - 1. Would like to add education opportunities for staff, which have been limited in the pandemic
- xiii. Capital Campaign updates
 - 1. Old Jail location could be folded into the POS upgrade campaign to increase interest in the community.
 - 2. Goal raised to facilitate moving the offices into the old jail.
\$15000
 - a. \$8000 for POS upgrade
 - b. \$700 for membership cards
 - c. \$2600/ mo rent for old jail
 - i. Sublet for six months @ \$1000/mo
 - d. Cost of renovating backroom is TBD
 - i. Annaka asked for clarity on what these renovations entail
 - e. Jenny asked for clarity on what the utility of the old jail building looks like post-COVID
 - i. Meeting space, more on-site storage, office space, etc.
 - ii. Increases chance to get bulk deals
 - iii. Gives us access to the parking area
 - iv. Just more space for the staff
 - v. Phase 1- moving into space
 - vi. Phase 2- second retail cooler
 - 3. Timeframe March-April
 - 4. Yard signs, which would coincide with direct mailer campaign.
 - a. Retail @ \$30/ ea with goal of 500 sold.
 - i. \$24 per sold toward goal
 - 5. Kara detailed what responsibilities fall to whom in this campaign

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6. Kara mentioned that the final form of the capital campaign may take on another shape depending on the reception to the lawn sign.

C. The board unanimously approved the GM update & monitoring report

IV. Board Report

- A. Code of Conduct Follow Up - Conflicts on Interest
 - a. Everyone has signed and returned this code of conduct
- B. Board Policy Monitoring Discussion (If needed)
 - a. [Review Policy C1: Governing Style](#)
 - i. Landon covered the details of what needs to be reported yearly by the board.
 - ii. Landon covered the details of how the board shall govern, as dictated by policy
- C. Policy Monitoring Committee Plan for 2021 - Follow Up
 - a. Addressed in section IV.B
- D. Landon - Slack 101 Follow Up
 - a. Landon asked if anyone needed help with Slack
 - b. Spent some time demonstrating how slack functions
- E. Landon Board Education: "Balance Sheets" by Mark Goehring
 - a. Landon went over the board education documents for the month
 - b. This month's focus was balance sheets, Landon explained how they can be used to give a more clear picture of how to deal with the financial outlook at the co-op.
- F. The board voted to approve policy compliance with policy unanimously.

V. Member Forum (part 2)

1. Patrick asked for clarity in regards to the 3% sales goal for growth, and how Kara feels growth should better be quantified.
2. Kara advised that a board vote on the old jail decision should likely happen within two weeks, in the name of expediency.

VI. Misc.

- Next Meeting: March 8 2021

VII. Executive Session (If needed)

1. Not called

Meeting was adjourned at 6:52 P.M. by Landon Bubb.

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Minutes submitted by: Patrick Wermert