

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. December 14th 5:00 PM -
Virtual/Conference Call

In attendance:

Will Hodges, Board President
Kara Brown, General Manager
Landon Bubb, Board Vice-President
Liz Soloman , Board Member
Amelia Herb, Board Secretary/Treasurer
Annaka Woodruff, Board Member
Sage Rios, Board Member
Jenny Gallucci, Board Member
Theo Horne, Outreach coordinator
Patrick Wermert, Member-Worker

- I. Approve December 2020 Meeting Agenda
 - December meeting agenda was approved
- II. Approve Minutes From November 2020 Meetings
 - November minutes were approved
- III. Check In - “Around the Room Chat”
 - General check in between board members.
- IV. GM Report
 - A. General Manager Updates
 - a. Outreach- Theo is working on stickers, bumper stickers, etc.
 - b. Business plan will detail advertising goals long term
 - c. Currently have 19 employees- two new hires replacing two on exit
 - d. New management position was posted- scan coordinator- not a supervisory position. This is to keep our POS data as clean and organized as possible
 - e. Planning all-staff meeting and employee guide, likely changes to time off/ absences
 - f. Working on staff survey, should be out next week
 - g. Changed air filters in store- slightly more expensive \$6 to \$12 for covid precautions

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- h. Received \$554 (after \$1000 deductible) due to power outage
- i. Sales only down 10% this period- strong turnaround. Basket sizes are up even with lower transaction numbers
- j. Income and property taxes moved to Retail Financial Services
- k. Application for PPP forgiveness submitted to Synovus- appearing to be \$60k forgiveness. \$9k was not forgiven- payments begin in February.

B. GM Monitoring

- a. Business Plan 2021
 - i. 2020 was intended to be a year of big growth, but obviously things have changed greatly, “a lost year”
 - ii. Kara feels like we have gained a lot this year even despite lack of growth
 - iii. 2021 plan is to remain lean, nimble, grow in place
 - iv. How do we make the new normal better?
 - v. Kara would like to focus on the seven cooperative principles.
 - vi. Curbside pickup is a big part of the model moving forward
 - vii. Listed stakeholders- not just owner-members or staff, but the community, suppliers, etc.
 - viii. Marketing campaigns for 2021- Door knockers, lawn signs. Cash for small direct mailing cards, UGA bus campaign, member cards.
 - ix. A few small non-capital purchases (under \$1000)
 - x. Need to make an IT purchase to remain PCI compliant within the next year.
 - xi. Kara detailed a proposal for a mini-member capital campaign. Goal is \$10k, raised via lawn signs with cost for signs built in. Will also increase neighbor outreach. Any extra funds should go towards member cards (\$700)
 - xii. Kara feels that we need to evaluate payroll and move into a more progressive direction.
 - xiii. GM should re-evaluate staff pay yearly.
 - xiv. Any potential growth the co-op needs to benefit the staff and community, not simply just growing the store.
 - xv. Daily staff received hazard pay the second half of 2020, this isn't sustainable.

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- xvi. Kara proposed that in policy B6 staff treatment report should include an evaluation of the wage structure, and with the B2 report, evaluate wages for current staff.
- xvii. Yearly staff compensation evaluation puts us in line with other co-ops, better compliance on B6.
- xviii. Communication of staff pay/ changes need to be clearly communicated at all times.
- xix. Kara shared labor cost breakdown after the hazard pay has gone away.
- xx. Showed labor as a percentage of sales- much too high at current sales levels
- xxi. Advocacy for employee rights, health insurance benefits, etc., would only strengthen our ability to hire strong individuals
- xxii. Proposed what health insurance coverage for full-time employees would look like. (40% employer covered)
- xxiii. Sick leave needs to be evaluated, especially after the increase in use of PTO throughout the pandemic.
- xxiv. Staff will be allowed a certain amount of hours per year for sick leave. Given out at Kara's discretion. This PTO balance will be reflected on the balance sheet as a liability.
- xxv. GM salary will remain the same from this year to next
- xxvi. Proposed two consecutive quarters of growth in 2021 as set by the board the GM salary and management team should see a wage increase.
- xxvii. Eventual goal is to get the mgmt team to \$15/hour minimum.
- xxviii. Proposed the GM be included in profit-sharing
- xxix. 2022- What is after survival? We want to become financially stable
- xxx. Occupancy cost has been rising yearly- current location is vital to our role, however.
- xxxi. Lease is up in February 2023, need to be able to negotiate favorable lease terms, purchase the building, or move.
- xxxii. How do we grow? Strong focus on curbside pickup.
- xxxiii. Proposed we lease upstairs space if it becomes available. Room for offices, small cafe, and more space for deli.
- xxxiv. Renting a space nearby could be useful to free up more space.

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xxxv. Could purchase a delivery van- even grocery home delivery.

b. B2: Planning and Budgeting

- i. Last revised december 2019
- ii. Reports compliance with some parts of this policy
- iii. GM provided the board with a full P/L budget for 2021 fiscal year via email.
- iv. Report noncompliance with ensuring the budget avoids any sort of fiscal jeopardy. Much positive trajectory was affected by the pandemic. Beginning of year 2% growth was projected (conservatively), but did not pan out after March.
- v. Kara feels that there was strong positive momentum at the beginning of the year, but these operations were thrown into uncertainty once the health crisis developed.
- vi. We were able to take advantage of government funds for covid to reduce this fiscal harm.
- vii. We were able to increase curbside pickup in order to limit total revenue loss.
- viii. Business slowly picked up through the summer, leading up to fully open to guests in October.
- ix. GM hesitates to predict any large sales growth due to global uncertainty in 2021
- x. Budget presented is likely only sufficient thru Q1
- xi. May go back to drawing board on budget quarterly or even monthly
- xii. Predicting 1.88% Q1 growth
- xiii. Kara feels that by growing curbside is our best chance to hit budget goals
- xiv. Meeting these goals does require staffing at current levels in order to anticipate growth.
- xv. Q1 re-evaluation will examine labor costs relative to growth
- xvi. Deli is continuing to grow, new items being added
- xvii. Not much growth projected to dry goods, but there are plenty of opportunities to grow with NCG promotions.
- xviii. Supplements are continuing to grow largely due to immunoboosters/cbd.

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- xix. These tempered expectations still are optimistic towards growth and efficiency.
- xx. Break even for 2021 requires approx. a 13% annual growth
- xxi. Reports noncompliance to debt to credit ratio, but that ratio has fallen this year.
- xxii. Kara feels that we need to change our margins- people need to be paid more, food costs need to be adjusted. She presented these broken down by sub-department. Store wide margin goal is 40%, up from 37%.
- xxiii. These are our internal margin targets, but these numbers do not always relate month to month due to differing accounting practices with some of our partners. These numbers are best looked at over a longer-term window
- xxiv. Kara presented daily sales goals for 2021.
- xxv. Weekly sales goal- \$26,000, goal is \$28,000/wk to be thriving.
- xxvi. GM reports noncompliance with projected cash flows and balance sheets- she is working on that currently.
- xxvii. No proposed capital expenditures this year
- xxviii. Some non-capital equipment purchases- convection oven, ice machine, new slicer blade (under \$1000). Ice machine for produce, oven to augment the deli, blade to increase efficiency.
- xxix. Kara detailed a few options to providing more items to guests
- xxx. Reports compliance with policy C: plan expenditures in any fiscal year that would cause default. Kara cannot predict a debt to equity ratio for 2021. Loans and debt are reflected on the balance sheet. Interest payments are covered on P/L.
- xxxi. Kara detailed the various loans we are currently enrolled in
- xxxii. Monthly loan payments will be on cash flow data sheets monthly.
- xxxiii. Solvency will be a challenge due to all these loans, but they were necessary to keep staff. Also gave us cushion to balance curbside pickup with labor/staff costs.
- xxxiv. Reports compliance with any sort of data in relation to expansion- largely because no expansion projects are currently underway.

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- xxxv. Reports compliance with the board's budget expenses.
Board should notify Kara before October of any year for any expense requests.
 - xxxvi. Kara detailed the budget goals for the board next year.
 - xxxvii. Kara detailed the budget for outreach and marketing.
Biggest expense typically is an annual meeting, given the circumstances of this year, can likely reduce costs.
- c. B8: Board Support
- i. Last reported in January 2019- data is year of 2020
 - ii. GM is responsible for providing support to the board.
 - iii. Reports compliance to proper support to the board
 - iv. There is an opening to board support members- board admin.
 - v. Other board admin duties are GM responsibility or delegated.
 - vi. GM is obliged to ensure the admin position is aptly filled to support the board
 - vii. Administrative support data was approved by Will and Amelia for the year
 - viii. GM reports compliance to ensuring a communication channel between the board and the co-op. This is in the form of board packets delivered Friday before board meetings, as well as shared google drive folders.
 - ix. Kara feels that more information could be made available to the board, with a happy medium existing.
 - x. Reports compliance to alerting board members to all policies and by-laws
 - xi. Policy register last updated Sep. 2019
 - xii. Reports compliance to providing adequate notification to the board of all current board events. Board meetings were not posted physically in store due to the extenuating circumstances of the pandemic.
- d. Board Discussion
- i. The board thanked Kara for her thoroughness and support of both the board and the staff.
 - ii. Landon suggested a single source of communication to consolidate and make it easier to access.

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- iii. Annaka asked to clarify what the easiest route to increasing growth is- Kara said increasing customers not basket size is most important at this juncture
- iv. Increasing store hours in the springtime can help growth.
- v. Curbside pickup (30% of sales) can increase revenue without increasing labor costs.
- vi. The board accepted Kara's reports on B2 and B8 unanimously.

IV. Board Report

A. Approve 2021 Calendar

- a. The Board approved the 2021 calendar unanimously.

B. Board Policy Monitoring Discussion (If needed)

- a. Will ensured Annaka and Jenny have access to these policies

C. [Review Policy](#)

- a. D3: Delegation to the GM
- b. D4: Monitoring GM

D. Board Buddies - Landon

- a. Landon proposed a lightly structured partnering of board members in order to foster a stronger level of board communication.
- b. Partnering three new people with three older members
- c. Buddies:
 - i. Landon/ Jenny
 - ii. Liz/ Annaka
 - iii. Will/ Sage
- d. Will intends to recap the meeting within 24 hours each month.

E. Code of Conduct

- a. Board members need to sign and return the code of conduct to Will.
- b. Generally discusses disclosing conflicts of interest, etc.

V. Member Forum

VI. Misc

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Next Meeting: January 11, 2021

VII. Executive Session (If needed)

- *Not called*

Meeting was adjourned at 6:55 P.M. by Will Hodges.

Minutes submitted by: Patrick Wermert