

In Athens there will be a thriving, local, cooperative economy; a fun, inspiring place to shop and learn; a hub for community and civic engagement; and a source of excellent food.

Daily Groceries Co-op - Board Meeting
Tuesday, July 10th, 2018 7:00-8:00 PM
Collective Harvest - 940 W. Broad St. Athens, GA

Present: (Board) Will Hodges, Alex Rilko, Diona Fredo, Tom Reynolds, (IGM) James Morrell, (Staff) Kelsey Young, Matthew Epperson, Tina Patterson, (Owner-Members) Landon Bubb, Quinn, Chris

I. Welcome

- A. Will explained that we normally do not have a meeting in July and further expected to not have quorum due to scheduled absences of some board members. Because of this, all voting items were scrapped from current agenda.

II. Member Forum

- A. Quinn, UGA student, member for about 6 months. Asked for clarification on where Daily is at financially. James responded that we have strong customer traffic. We are on the threshold of the next growth phase. And we must focus on the relationship between what we are purchasing and what we are selling.
- B. Landon Bubb, member for about 4-5 years. Works at Buvez and the PLACE non-profit. Really wants to see Daily be successful and continue to influence local food and the Athens economy. Most excited to see future community initiatives.
- C. Chris, recent member. Here to observe. Got the email.
- D. Matthew - Thanked Tina for being Daily's Front End Manager. Expressed appreciation to the Board for GM Interview Committee formation.

III. General Manager Updates

A. GM Update

- 1. James is focused on day to day operations and digging deeper into current projects such as:
 - a) We completed a merchandising reset in the produce and refrigerated departments. It was a big project but has been an easy way to increase sales and customer excitement. There is more room for customers in the produce department. James explains category audits that will become routine. These audits insure data is correct so cost, retail price, product descriptions, etc. are accurate for reporting. These reports are also used to track movement of items to help determine if we should keep selling or get rid of an item. We plan to do this for the whole store. New manager will be able to carry on process.

- b) James met with the Athens Anti-Discrimination Movement. Reported that the AADM sincerely wants to support Daily's internal work and external community outreach efforts.
 - c) Hiring practices
 - d) Community Outreach and Engagement
 - e) Staff Training
2. Inventory completed from Q2. The process has been updated to be more efficient especially for financial reporting.
3. GM hiring process.
- a) Staff interview committee was assembled and successfully interviewed our finalist candidates.
 - b) GM transitional documents are being created for the new GM to insure smooth transition.
4. An update of the current hiring practices is in progress.
- a) We need to hire a Front End Manager. Thank you Tina for your years of hard work.
 - b) Produce and Deli Manager positions are pending.
 - c) Cultural development is tied into hiring process.
5. We are updating our operations manual and employee guide. We are going through item by item to check for places to improve.
6. Margin improvement plan is in progress.
- a) James explained actions to increase Margin from list handout.
7. 3rd and 4th Q Sales and Labor Budget
- a) Explained sale goals and projected budget via handout
 - i. We are tracking month by month sales, purchases, customer count, etc. We are close to where we want to be for margin, improvement plan will get us there.
 - ii. Customer count is on track.
 - iii. No real erosion in traffic during last year.
 - iv. Sales are down about 2% from LY but last year was a year of exceptional sales growth. Cited NCG document showing that growth in the co-op sector is slowing down nationally.
 - b) Explained margin in relation to budget. Presented idea for budget for rest of year.
 - c) Presented sales graph handout for projected sales in relation to budget. This should result in flat growth for the year. This is on track for all East Coast co-ops in general in this year.
 - d) We are already seeing our margin grow. Explained target margins by department. Margin goals might need to be adjusted in some departments. Dept. Managers are now specifically responsible for the

margin in their department. Moved margin goal setting from weekly to monthly. Labor will still be reviewed weekly.

e) Explained inventory turns. We are exceeding expectations compared to stores our size nationally.

f) Margin%Sales is at the minimum goal of where we want to be. We are at 35% but would like to get to 38%.

8. Business plan outline hasn't been started but James presents some ideas and will make further suggestions in the future.

a) Marketing and Outreach Plan in development. We are working our way into the community. West Board, First Fridays, engaging broader community in general. Newsletter targeted for Aug 1st. Board will be asked to participate. Signage - instore, street facing.

B. Financial Report Follow Ups From June

C. Member Survey Results

1. Finish report today
2. Presentation coming in August

IV. Board Policy & Governance Updates

A. Consider Dates For Early Retreat/Ends Revision

1. Will will send board invite to retreat.

B. No Board Policy & Governance Updates

V. Old Business

A. Election Committee: Vacant Board Seats Update

1. Marketing department will send email to members to fill board seats.

VI. New Business

VII. Executive Session.

ADJOURN 7:45pm