

Fairbanks Community Cooperative Market
dba "Co-op Market Grocery & Deli"
Annual Meeting Minutes
Location: JP Jones Community Center
Date: October 19th, 2019

1. Call to Order/Roll Call
 - a. Hilary Shook, the Vice Chair, called the Fairbanks Community Cooperative Market Annual meeting to order at 4:33pm
 - b. Board Attendees: Brian Kassof, Anduin McElroy, Rich Seifert, Hilary Shook, Art Gelvin, Madeleine Patterson O'Dell, Jodi Tanksy
 - c. Attendance is about 60 people
2. Review and Adopt Agenda:
 - a. The agenda was approved as submitted
3. Approve the 2018 meeting minutes
 - a. Minutes were printed and distributed to every table.
 - b. Rich Seifert read aloud the 2018 minutes.
 - c. There were no discussion, it was moved and seconded to approve the minutes, and approved by consensus.
4. Chair Report:

Anduin McElroy, Board Chair, addressed the group of owners by recognized the people in attendance who had been instrumental to the founding of the Co-op. She pointed out the wide variety of owners, those who are relatively new owners since the store opened, and those that have been involved well before the store opened.

She then talked about the strategic planning from last year and the work that was done to refine the strategic plan. On the back of the 2019 Annual report, are the finished mission statement and values that is used to define our priorities for the Board, and for the organization. The Board asked ourselves several quests as a maturing store. Questions like where are we going as we move forward? What do we want to do in the next 5 – 10 years? We settled on the decision that we need a solid foundation so we clarified what our values are for Service, Sustainability, and Social Responsibility.

The Board sees challenges in our state and the world, we realize that the Co-op can contribute to the betterment of the climate, waste, local and state economy, and food security. These are real issues that the Co-op can make a difference. The Board needs to communicate this message in order to get the owners more engaged on a greater and deeper level with the Co-op. We encourage you to become more involved, there are many levels of engagement, to think about how you might further engage with this organization and how it might impact these issues. We have volunteer opportunities coming up, we would like for you to become more involved with the store, to join the Board, come to the Board or Committee meetings, we need new people to get involved and are excited about what the store can do.

5. Co-op Market Report: Mary Christensen, General Manager, provided a management update reviewing the current balance sheet and profit and loss of 2018.

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- a. Staff Introductions of those present were made: Megan Curtis – new grocery team leader, Shaun Sims – retail support manager, Wayne Jex - Grocery Assistant and Buyer, Abby Waldorf – lead cashier, Joan Taube - Front End Team Leader, Kristin Summerlin – Marketing & Owner Service Manager, Amber Hernandez – bookkeeper and HR specialist, Ricki Current - Deli Assistant
- b. The National Co-op Grocers started a task force that start an initiative to look into reducing plastic within the Co-op stores. This year we have started our own project to identify ways to reduce plastic. We have begun to look at different ways to reduce plastic:
 - i. Stopped selling the ½ liter plastic bottles of water, the decision was made to stop selling plastic bottled water that is less than 1 liter.
 - ii. Bringing bottled water packaged in metal that can be recycled, long term plan is to phase out other bottled water and replace with metal or glass.
 - iii. Clamshells have been removed for wraps, using a thinner plastic wrap.
 - iv. We want to start a utensil exchange, it turns out that the compostable dinnerware that we currently use are not really compostable in Alaska. We are asking that if you have any spare metal utensils so we can start an exchange of metal utensils in an effort to reduce plastic waste.
 - v. Future bigger projects: salad bar, purified water refill station, liquid bulk, gallon jugs of oil, vinegar and cider, improving recycling in the store,
 - vi. Looking for ways to bring industrial composting in Alaska, ultimately the industry as a whole needs to make changes to make this effort attainable.
 - vii. Cardboard is showing up in the produce, yogurt is showing up in glass packaging
 - viii. Goal is to be plastic free by 2025
- c. Finances:
 - i. First year of over \$4.3 million in sales, profit was \$81,463. Sales growth was 14%
 - ii. September 30, GM read out the report for the balance sheet for 9/30/2019 (see Figure)
 - iii. Accomplished a lot in 6 years of business.

BALANCE SHEET
9/30/2019

ASSETS	
CURRENT ASSETS	
Checking/Savings	\$45,189
Inventory & Other	\$501,209
FIXED ASSETS	
Equipment	\$203,077
Leasehold Improvements	\$568,107
Other Assets	\$159,846
TOTAL ASSETS	\$1,477,428
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	\$150,117
Payroll & Other	\$217,250
LONG-TERM LIABILITIES	
Owner Loans Payable	\$597,500
Other Loans	\$136,767
TOTAL LIABILITIES	\$1,101,634
EQUITY	
Co-op Market Owners	\$864,640
Retained Earnings (accumulated deficit)	-\$442,637
Net Income	-46,209
NET EQUITY	\$375,794
TOTAL LIABILITIES & EQUITY	\$1,477,428

PROFIT & LOSS REPORT
1/1/18 – 12/31/18

INCOME	
Net Sales	\$4,339,385
Cost of Goods Sold	-\$2,917,079
GROSS PROFIT	\$1,422,306
EXPENSES	
Personnel	\$843,622
Occupancy	\$151,055
Outreach	\$40,391
Operations	\$147,087
Depreciation	\$95,903
Administration	\$16,051
Governance	\$18,021
Interest	\$28,713
TOTAL	\$1,340,843
PROFIT	\$81,463

2019 SNAPSHOT

- We have repaid \$135,500 in long-term debt to Owners. We've also paid off other long-term debt totaling \$734,663.
- Sales for the first three quarters of 2019 equaled \$3,123,797.
- We've had two million-dollar quarters so far in 2019.
- We are on track to have sales of at least \$4.2 million this year.
- We now have 4167 Owners, an 8% increase over last year's total of 3870 Owners.

Questions and comments:

Question: Can you bring in smaller mesh bags for produce?

Mary: Yes we can do it.

Question: I wonder you said you would get oil in gallon size, plastic or glass?

Shaun: Most of it would be in plastic, some of it would be available in metal, stainless most likely?

Question: Is there, or will there, be room for expansion in the building that we are in?

Mary: Yes, there is a possibility, it will take time to determine if it's feasible.

Question: What is management going to do with the \$80k profit?

Mary: I haven't thought about it, we are trying to build our cash up, being careful with building up our projects, by putting in equipment to increase sales and meeting our ownership needs. Liquid bulk, water station, meat case improvement.

Question: would it be possible to post a list of items that the store is willing to take things back?

Mary: Yes. Will ask our bulk coordinator to come up with some ideas, such as ways to use the little glass for samples. Will ask Kristin Summerlin to come up with a list to post.

6. Election Results: Jodi Tansky, Board Secretary announced the results of the 2017 Board of Directors Election. Board members included –

The membership also voted to pass the proposed changes to the Bylaws.

Membership comment, “Did we have a quorum?” Yes, there was a 16.5% quorum. (*Election Final Report: 16.5% quorum, 488 on line, 20 on paper, 508 ballots of 3070 eligible voters*).

Art Gelvin elected, Brian Kassof – approved, Anduin McElroy- approved

Bylaws were approved.

7. Owner Comment Time. Directors and Managers had an opportunity to respond to questions. Comments included:

Question from a card: For Scott Mudge (guest speaker), how can we get your food to schools?
Scott: Through the USDA, probably the best avenue, Alaska has a local preference.

Door prizes

Comment: I have everything I need to clean my kitchen with 😊

Comment (Jamie Hanson): I work with a group looking to do a solarize campaign in Fairbanks and I was wondering if the Co-op would be interested in doing solar.

Hilary: I think that would be a great thing is you would like to come to a board meeting to talk to us about Solarize Fairbanks.

Comment: On how the store looks, looks great, the vegetables look great, the best thing about the store, doing a great job.

Comment: On the recycling, the CRF doesn't accept from commercial enterprises. Residential can take materials to the CRF.

Comment: Recycling has been talked a lot about during this meeting, the CRF was a prime topic during this last borough election, if you appreciate having the ability to recycle here in Fairbanks I would strongly encourage you to talk to the assembly members and the mayor's office and let them to know that you would like for them to continue the program. Let your assembly members know that you value the program.

Comment: I go into store once a week, love the smell of the store and the cashiers always say hello.

Comment: Mary, Does the store participate in recycling?

Mary: We're going to try to improve that, the labor is expensive to take the cardboard to the CRF. We used to send the cardboard used the Rescue Mission, Alaska Waste is now taking our cardboard, but not sure if it's being recycled. Currently, most of our cardboard is being given away,

you will find a shelving unit at the store entrance, which will have cardboard boxes that can be used to carry out groceries. Since we have started this, our cardboard container is taken away once every three weeks.

Comment: Trevor, the produce looks so good, it would be nice to see something like a CSA style produce box, which features a few items that need to be moved. The produce looks so good that I want to buy it all.

Comment: I like the effort of reducing the amount of plastic in the store, excited that the strawberries are in cardboard.

Comment: If you're thinking about a salad bar, what about an olive bar?

Mary: This is something that we will explore, we need more space to have something like this, we are working on it.

Anduin (Board Chair): Mary, could you please talk more about our comment system?

Mary: We have a system in place to keep track of all comments, we ask that you please put in your comments at the front desk of the store, we keep track of how things are being improved.

Rich (Board Treasurer): This is a very opportune moment to make a comment that this is the one thing that the board actually does, we get a list of the comments that are submitted, and how they are acted upon. We actually keep an eye on the actions of the comments and that they are taken seriously. It is astounding at how many there are and how many are acted upon. The staff is doing a terrific job, it's all invisible to most people, and they may not be aware that this is going on. The magnitude is huge and we have to keep on it.

Anduin: The Co-op is working on developing a culture where if you see something that needs improved on, say something to the staff or drop a comment card. People are quick to write a bad comment on Yelp instead of taking a bad apple, or an expired product, to a cashier or store employee. We can all work together to improve our store.

Comment: Nice being in a group of people that share the same logical thinking.

Comment: Thanks to the board, past and present, the GM and the current employees at the Co-op for all the things you are doing.

8. Annual meeting was called to an end at approximately 5:30PM. Next Annual Meeting date will be announced in the annual newsletter.

Respectfully submitted,

Art Gelvin
Fairbanks Community Cooperative Market

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