

Fairbanks Community Cooperative Market dba "Co-op Market Grocery & Deli"
Board of Directors Meeting Minutes
Date: June 21, 2021

1. Call to Order/Roll Call

- a. Board directors: Hilary called the Fairbanks Community Cooperative Market Board of Directors (Board) meeting to order at approximately 6:08 p.m. remotely via Zoom Meeting
- b. Attendees: Hilary Shook – Chair, Anduin McElroy – Vice Chair, Art Gelvin – Secretary, Richard Seifert – Treasurer, Brian Kassof, Rich Rosenberg – GM, Patrice Lee
- c. Absences: Madeline Patterson-O'Dell
- d. Visitors: Yaso Thiru
- e. Read Mission Statement: Brian

2. Review and Adopt Agenda: Agenda approved and adopted.

3. Owner Time: Comments from Tom Paragi as received by email to Richard Seifert

- a. It has been rewarding to see steady growth in member-owners since the store opened 8 years ago, paying back loans a bit ahead of schedule, and becoming an established business near downtown and relatively remote from the large chain groceries. The minutes reflect a mature business, and recently the store has transitioned smoothly from the founding general manager to a new one.
- b. I see this growth as garnering a greater share of the existing food market for a Fairbanks population that has been relatively stable for several years. The store is moving to greatly reduce plastic and other poorly-recycled packaging in our remote location, potentially at a greater rate than the large groceries.
- c. Increasing the volume of goods moved through the existing Coop Market store is the least impactful means of growth, but it has physical limits. Potential expansion of the store footprint into other parts of the existing building, or opening another store perhaps in west Fairbanks, for greater market share would incur more of an environmental footprint (capital expansion of concrete, steel, etc.) at the expense of existing stores. Is the board thinking about these types of growth tradeoffs as the business is now producing a net profit?
- d. Are there discussions about what size (volume turn capacity, staffing, etc.) of the store is "just right" for our community and a secure continued existence of the Coop Market?

4. May Minutes: Adopted and approved

5. Review May Action Items:

Board Decisions
<ul style="list-style-type: none">• Approved May Minutes

• Approved Policy B1: Financial Condition		
Date	Assignment Action Items with Timeline	Lead
11/16/2020	Check in with Lacey Street Project	
GM Action & Non-Compliance Monitoring Report Items		
Task color codes: Ongoing, Completed, Delayed		

6. GM FYI Discussion:

May Sales: \$421,955.00

Sales Growth: 0.5%

Average # of transactions: 291

Average basket size: \$44 (-9.9%)

Owner sales: 72.3% **Non-owner sales:** 27.6%

Lend a Hand Donations to NAMI: \$3,260 (11.5%)

- a. There is a nice increase in non-owner sales, will focus on how we can convert some of these shoppers to owners. The average number of transactions were up 36%, while basket size decreased by 9.9%. Probably a sign that people are out and about more and willing to make more frequent trips.
- b. EBT purchases were up 86.9%, which is a continued good sign that shoppers who have SNAP are still choosing to shop at the co-op.
- c. Grocery sales were flat with some decline in Dairy and Wellness. We're still going up against strong sales from 2020. Prepared Foods, Meat/Fish, and Cheese departments had good increases and it is hoped that this trend continues.

7. Policy B3: Asset Protection: **Accepted and approved**

- a. Employee handbook is out of date and needs major adjustments. Three NCG co-ops, Community Co-op Market, Sacramento Natural Foods Co-op, and Davis Food Co-op, have share their handbook and once these examples have been reviewed, one of them will be our new model.
- b. As of June 2021, there has been no evidence of negative publicity in the media or other public arenas.
- c. Our owner database is current at 4,740 owners.
- d. All interpretations of Policy B3 are in compliance

8. Board Discussion:

- a. A discussion was held about the updated mask policy. Currently the store has relaxed the mask policy to allow no masks for vaccinated persons, the employees will still wear masks.

- b. Contacted Dr. Simon for advice on the mask policy and he had provided guidance on the policy and continues to provides input for our policy.
- c. Need adjust the newsletter to remove that the senior hours are no longer in effect

9. Committee Reports:

- a. Board Development: Anduin– No Report
- b. Executive: Hilary – No report
- c. Financial/Audit: Rich –
 - i. Contacted Bachner to postpone the due date for the lease, they were not clear of that the lease was due to be renewed, agreed to work with us to renew the lease.
 - ii. Bachner does appreciate that the store be located in the building, we pay our rent on-time, and are good tenants.
 - iii. A new proforma needs to be developed, met with Dave Blackburn with NCG, will provide advice on the lease.
 - iv. Patrice received an offer from Pam Throop, who is a strong supporter of the Co-op, is interested in talking with the board about the commercial property situation in Fairbanks.
- d. Board Governance: Art and Anduin –
 - i. Discussed the GM evaluation process
 - ii. Will combine policy B7 and B8 reports
- e. Outreach and Planning: Brian –
 - i. Four different options for changing the annual meeting.
 - ii. Commitees preferred option. Truncated meeting this October 2021, delay the election until April 2022, Anduin and Brian are to look into the Alaska Statutes for co-ops. Annual meeting will be held each calendar year, we are required to hold a meeting for each calendar year, it doesn't state what has to happen during that meeting.
 - iii. Expiring terms of the board directors, the terms cannot be extended, because the terms cannot exceed the three years.
 - iv. Advised from NCG and Columinate that we should do a poll with the owners to determine if the owners are in favor of changing the annual meeting.
 - v. Seed Swap worked well, needed to do a shorter period of time and earlier in the day. A 10 – 2 or 11 – 1 time slots would work well so the whole Saturday isn't tied up.

10. Board Discussion/Decisions:

- a. CCMA Report –
 - i. The Whova App was a bit difficult to use, the virtually tour of the different co-ops was a nice way to view the different stores.
 - ii. The sessions were a good way to visit with other members of co-ops.

- iii. Rich R. attended a session that discussed the future of delis and the different plans on how to recover from the changes due to covid.
- b. Vote to approve Rich Rosenberg as the Corporate Agent. A resolution will follow.
- c. Discussion about contract to do a Pro Forma and a way to figure out how to use the existing space that we are currently using.
 - i. NCG Store Development will provide services, for a fee, to do a site and remodel design feasibility study. A virtual walkthrough will help with an assessment of the current layout, merchandising and space utilization, and provide a resource for planning.
 - ii. Will provide support for re-negotiation of the lease.
 - iii. Once a conceptual plan is created, a feasibility financial “pro forma” will be created to provide adequate financial information to assist with the decision to expand or make changes.
- d. Having a group insurance plan for the current size of the store is not feasible at this time. There are four different options that are available. Once the review of the wages and other benefits are completed, we can look into health care options.
- e. It would be good to review the co-op history so we can plan for the annual meeting that will be most likely held in April 2021.

11. Closing:

- a. Review June Action Items (Decisions, Tasks/Assignments)

Board Decisions		
<ul style="list-style-type: none"> • Approved May Minutes • Approved Policy B3: Asset Protection • Voted to approve Rich Rosenberg as the Corporate Agent 		
Date	Assignment Action Items with Timeline	Lead
6/21/2021	Rich wants a reminder for the check in with Lacey Street Project	Rich S.
6/21/2021	Write a resolution for adding Rich Rosenberg as the Corporate Agent	Art
6/21/2021	Work on the owner poll to change the annual meeting.	Anduin
6/21/2021	Review the contract for the Pro Forma and building analysis for use of space for the store due by Sunday	All
6/21/2021	Contact Yaso Thiru to provide a history about the co-op.	Anduin
GM Action & Non-Compliance Monitoring Report Items		

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- b. Review next meetings topics: B5: Treatment of customers
- c. Absences: Anduin (possibly)
- d. The next meeting will be held Monday July 19, 2021 at 6:00 pm, location via Zoom.
- e. The meeting was adjourned at approximately 8:40 pm.

Respectfully submitted,

Arthur (Art) Gelvin
Fairbanks Community Cooperative Market
Board Secretary