

Fairbanks Community Cooperative Market
dba "Co-op Market Grocery & Deli"
Annual Meeting Minutes - DRAFT
Location: Zoom
Date: October 23, 2021

I. Call to Order/Roll Call:

- a. Art Gelvin, the Secretary, called the Fairbanks Community Cooperative Market Annual meeting to order at 4:06 pm
- b. Board Attendees: Brian Kassof, Anduin McElroy, Hilary Shook, Art Gelvin, Madeleine Patterson O'Dell, Patrice Lee
- c. Attendance was 75 people via Zoom

2. Review and Adopt Agenda:

- a. The agenda was approved as submitted

3. Approve the 2020 meeting minutes:

- a. There was no discussion and approved by consensus.

4. Chair Report: Hilary Shook:

- a. Recognized Madeleine Patterson-O'Dell for her completing her three-year term and this is her final meeting as a board member.
- b. Despite the challenges that the store has faced, there have been several important improvements.
 - i. Wage compression work with our partners at National Cooperative Grocers (NCG) = \$15 per hour starting wage, with a strategic plan to improve wages throughout all position tiers.
 - ii. NCG provided a consultant to improve our margins, many of you may have noticed the tags on our shelves announcing lower prices
- c. Work specific to the board in 2021 included:
 - i. Responding to requests from store operations to move our Annual Meeting to April. October through December are incredibly busy months for store operations, and this move will allow all of us to put more focus and energy into the meeting. We also anticipate increased owner participation.
 - ii. We are working to separate the election from the Annual Meeting to improve our on-boarding process for new board members.
 - iii. We have restructured annual budget approval process to be in line with the calendar year.
 - iv. Our board members have attended trainings through our membership with Columinate:
 - I Board members have attended or are attending workshops and trainings provided by our consultants GM supervision, GM compensation, Co-op facilitation and Co-op Finance.

- d. Staffing shortages are at a crisis for most retail businesses locally and nationally, as I am sure you have personally experienced. Our co-op hasn't been immune, and many of our team members have been working multiple positions to keep our doors open and keep food on the shelves.
 - e. Thank you to Richard Rosenberg, who resigned this summer for personal reasons, has worked closely with the board to implement a transition plan.
 - f. Our partners at Columinate offered our co-op an opportunity to hire an Interim General Manager to help bridge the gap while the hiring of a new GM takes place.
 - g. Seeking a new General Manager is ongoing with hopes of identifying a new GM at the start of the year.
 - h. Three board seats are open for election in the spring.
5. Introduction and remarks of Interim General Manager Dennis Hanley:
- a. First time in Alaska, 42 years of retail experience, worked closely with NCG (National Cooperative Grocers) for about 10 years.
 - b. The co-op has a great team of people that are working hard during a challenging time with COVID-19.
 - c. The current plan as IGM is to work with NCG and Food Marketing Institute (FMI), look at the data from these two organizations so a standard benchmark for the co-op can be established for everything that we do. This benchmark will help us look at how we are doing at a local level and not comparing our performance to stores outside of Alaska that don't match our size.
 - d. The initial goal is to get the co-op sales at an average of about \$110,000/week.
 - e. The next area is sales per labor hour. This is a productivity tool that many co ops and grocers use that basically is taking the dollars in sales and dividing the cost of labor. It's really important for us to know how to use it this metric. The co-op is running at about \$115 cells per labor hour in the month of September. The numbers fine. Our first goal is going to get this number to be at \$125. Currently, October, the store is operating at \$240 sales per hour, which means that there aren't enough hours and it is affecting our sales.
 - f. Hiring and recruiting will be one of the main priorities in order to get the store back to operating from 8am to 8pm. I'm excited to bring on more team members and to teach them and get our productivity as a higher rate.
 - g. We'll be doing a review of all the margins by each department, grocery, dairy, frozen, produce, bakery and prepared foods.
 - h. There's nothing more important than this first one, build trust with the total team. That's what I'm about to do. Get our team fired up. We are the best place to work, and shop in the community and help the team, the owners and the customers understand the power of co op in this community. I can tell you going into other stores, of which I've been to six food stores in our, in our market

6. Co-op Market Report:

- a. Net sales for the first three quarters of 2021 totaled \$3,379,138 – 3% lower than the same period in 2020.
- b. However, produce sales are up 8% over the same period in 2020. Sales of local produce have more than tripled in 2021, totaling \$49,474. We sold 9261 pounds of local produce thru 9/30.
- c. Given continuing supply chain issues and difficulties in hiring, we are hopeful that total store sales in 2021 will be equal to or slightly less than last year.
- d. As of 9/30/21, we have 4801 Owners, a 5% increase over the 4568 Owners we had on 9/30/20.

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

Question: We may have missed the announcement of the departure of Rich as the GM, but we are wondering what the reason was for him being gone.

Answer: If the reason was because of the Fairbanks (winter) climate, is there any weight or preference given to recruiting local candidates? We are reaching deep within our local resources to find our new GM to lead the co-op. We have advertised nationally however, we hope to find someone closer to home. Once again, please help us by sharing the news.

Question: Are there any plans for store expansion?

Answer: We have started the process of negotiating our new lease which comes up next year with expansion on our minds. Before we plan for expansion, we need our staffing and supply issues to stabilize. The specific areas we are looking to expand are Deli, Grocery and areas for local suppliers.

Question: In case you aren't covering this elsewhere, what effects has COVID had for Coop finances, personnel, etc.?

Answer: The pandemic has impacted our supply lines, and has only increased challenges of keeping staff. We are working to continue improving wages and benefits as well as the store culture to make the co-op the best place to work in Fairbanks. With Dennis' help, we hope to increase our profit which will allow for better compensation. Store managers are looking for creative solutions to our supply issues. One significant way to address our supply problem is looking to local vendors. The co-op has tripled its sales of local produce in 2021 as well as recently sourcing local dairy, eggs, meat and fish helping the co-op fulfill part of our mission to supply locally produced food.

Question: Is the Co-op still in need of owner loans? Thank you, and thank you for carrying the Delta dairy milk.

Answer: You bet! And no we are not soliciting for new member loans at this time.

Question: \$20/lb for bulk granola, even local and high quality, is surprising. Is it popular?

Answer: We will take a look at it, I can tell you, depending on the quality of the of the product, the costing of all that, sometimes it can be that high, but we'll take a look at it and that's what our SWOT analysis will do, by looking at our competitive price checks, we will look at products that are high priced, and just as a strategy we'll be making a lower margin so we don't have a sticker shock or scare you, our owners or customers. But what we'll do is we'll make margin somewhere else, on a better cost of product on something, I said we can do that so I think you have my commitment, we'll take a look at that granola

Question: Any plans/timeline when the deli seating will reopen?

Answer: This is really an operations questions, when our staff feel it's safe, based on CDC guidelines and when it makes sense it will be the first thing that we'll be doing is to reopen this deli and the seating.

Comment: Best apple selection this fall! Especially love those Macintosh apples!

Question: Is there any chance of getting bulk soap and shampoo for refilling containers? It was one perk of PCC and refilling and reusing plastic containers and reducing plastic use would be wonderful.

Answer: We do have a soap refill, we will be looking into expanding to add additional options.

Comment: Sunshine Health foods currently has a refill station for different soaps.

Question: When shopping I am always look for sodium content. I wonder if there might be a color code for low sodium items.

Answer: Yes, there is. There's a program actually that can be installed on a point-of-sale system. That's one that our point-of-sale system does not do. There are programs out there that that can be put right on the side so I think that's a great initiative, and I think

that's something, obviously we all should be concerned about. So we'll look into it to see if there's something we could do in the meantime, a very good suggestion.

Comment: I appreciate the increase in offering of local produce! I hope it is good for the co-op and good for the local producers.

9. Annual meeting was called to an end at 5:00pm.

Respectfully submitted,

Art Gelvin
Board Secretary
Fairbanks Community Cooperative Market