

Fairbanks Co-op Market and Deli



Co-op Board Meeting

Mon Nov 21, 2022 6:00 PM - 8:00 PM AKST

Attendance

Members

Remote: Art Gelvin, Hilary Shook, Anduin McElroy, Richard Seifert, Brian Kassof, Patrice Lee, Amber Quesenberry, Briana Walters

Chair- Hilary Shook, **Vice Chair-** Anduin McElroy, **Treasurer** - Brian Kassof, **Secretary** - Art Gelvin, **GM** - Amber Quesenberry

1. Welcome

Meeting called to order at 6:05pm

a. Check-in with Board Members

Quick round table to check in with everyone.

b. Read Mission Statement

Fairbanks Community Cooperative Market works for health and sustainability by providing healthful foods and products, promoting local suppliers, and offering consumer education in an open, community-centered environment, through a viable business.

Mission statement read by Anduin

2. Approve Agenda

Board Action/Outcome: Board Approval

 All approved agenda

3. Owner Time

Board Action/Outcome : Listen

No owners present

- Discussed responses from owners as we talked with them about their loan.

4. Approve Meeting Minutes

a. Approve August Minutes

 Approved August Minutes

b. Approve September Minutes

 Approved September Minutes

c. Approve October Minutes

 Approved October Minutes

5. Review Action Items

1. Look into who has the authority to make the financial commitments for the Co-op, not explicitly stated in Bylaws.
2. Look into different pricing options for CBLD
3. Look into State Statutes about paying back membership dues.
4. Create a document to provide a highlight for the suggested changes to ownership
5. Discussion for Annual Performance Review for GM
6. Board budget for November
7. Schedule a workshop for the 10-year celebration

6. GM Reporting

Board Action/Outcome: Listen

a. FYI Report

- **Sales Growth:** -10%
- **Average Basket Size:** \$43 (-5% change)
- **Owner Sales:** 69% **Non-Member Sales:** 31%
- **October Lend a Hand Donations:** \$2455 for Resource Center for Parents & Children
- Meat and Fish are off as compared to 2021, it's been really difficult to get a variety of meat such as lamb and duck. Getting a majority of our beef products locally. The cost is higher but it is local, reliable and better dates.
- We plan to keep the produce looking fresh and in season with our offerings. Looking to have samples available during the Local Love Event.
- A majority of the staff is part-time (~50%). The management team has been complete for the first time with having the Fresh, Operations,
- Continuing to develop partnerships with a variety of in state vendors and businesses to help bring people to the Co-op. CSA distributions, Bread Line and Food Bank, UAF, BCDC, Local Love Event and the RCPC.

- Supply chain issues continues to plague our ordering and being able to get the product that we need.
- Lots of turkeys haven't arrived due to shipping issues, had to cancel the turkey order as it won't arrive until after Thanksgiving.
- Discussion: It would be great to be able to highlight reasons as to why we're experiencing a higher number of shortages as compared to other stores. There might be something as to where the larger stores are getting the same product as our store is able to get.

b. Policy Report B1: Financial Conditions and Activities Report for Q3 2022

- Not seeing much traction on some of the promotions, unsure of how effective the 72-hour sales, looking to see what annual sales that are coming up to see if they can increase sales, hopefully will guide the smaller sales events.
- Continue to find substitutes for long term out of stocks, work with reps to find best replacements.
- Inventory and factoring in the cost of shipping has caused the store to undervalue our inventory is causing major margin challenges. The Point-of-Sale system is also hindering the ability to adjust product pricing/margin in a timely manner. The shipping has increased three times in the last several months, that it very difficult to keep up with the constant changes.
- The POS system, CO-POS, is incompatible with many different financial systems. An analysis is being made to look at what the potential cost savings would be to improve the POS system.



The board accepts the Policy Report B1 as submitted. The board accepts non-compliance for B1.1 to B1.3 and the actions to get back into compliance

- ☑ Begin the process for looking for funding/grants to replace the POS system.

7. Break

8. Committee Reports

a. Board Development

b. Executive

No Report

c. Finance/Audit

- ☑ Finance committee to review the budget prior to the December meeting.

Assigned to: Brian Kassof

- Met to meet to discuss the Bachner Lease Proposal
- Working on getting the board budget together.
- The loan campaign is under way, currently focusing on loans that are due in 2022 and 2023.

d. Board Governance

- **B2. Planning and Budgeting Report:** the report will be due at the December meeting. Discussed the building of the 2023 budget, the GM has been given homework by NCG to focus on areas so that she can learn the different parts of the budget. Supply chain issue continue to impact sales, there are several factors that contribute to the sales, staff ordering mistakes, shortages for manufacturers, delay from shippers.
- Review Bylaws to decouple the board elections from the annual meeting. Changed the Bylaws, under Article 6: Board of Directors and Officers, Section C. to read: "**Such appointment shall be subject to vote of confirmation by the membership at the next regular board election annual meeting if the election or annual meeting occurs before the end of the unexpired term.**". This change will need to be on the ballot for the next election cycle.
- Suggest adding the same information into the B2 Report to give us the narrative of what impacts the budget.
- **Annual Performance Review for GM:** Once the GM left the meeting, the committee discussed the annual performance review, ask for input from board members at the Nov meeting, due by end of Nov. Final review due by Dec. 12, board decision on the 19th. Further discussion to be had in executive session at end of tonights meeting.

e. Outreach and Planning

No Report - Next meeting will be held in December


9. Board Discussions

a. GVEA Loan Request

- It is unclear as to what we would like to do to approach GVEA for a suggestion on how we could apply for a zero interest loan. Need to figure out a presentation to show the GVEA board a need to the loan to improve the POS system. Might be an alternative way to make improvements versus looking for grants.
- ☑ Put together a simplified benefits for a new POS systems, efficiencies gained, and other information to chase after grants.
Assigned to: Amber Quesenberry
- ☑ Compile list from Amber to generate a presentation for GVEA
Assigned to: Brian Kassof, Richard Seifert

b. Approval of Lease as amended by the Bachner Group

- Bachner Group returned with a response, we need to confirm that this 3-year extension is being treated as an extension of existing lease. The extra space that is being added to the extension includes the space with the air handling system and the bathrooms, which are being charged at a reduced rate.
- ☑ Contact Bachner to change the name on the bottom of the lease from Rich to Amber
Assigned to: Amber Quesenberry

 The board requests that Amber to contact Bachner to change the name on the bottom of the lease from Rich to Amber, as if the change in the lease is based on the existing lease, and sign the lease. Board approves.

10. Closing

a. Review Discussions, Tasks and Assignments

b. Preview next meeting topics

i. Confirm next board meeting date: Dec 19, 2022 at 6pm via zoom

ii. Important Dates

iii. Absences next month?

Brian will be out on travel.

11. Executive Session