



DPFC Board Meeting Minutes December 11, 2023

Meeting minutes by Patrick Collins

In Attendance: Brock Auerbach-Lynn, Christine Bucheit, Suzanne Keers, l'Talia McCarthy, Mark Richman, Margarita Reina, Sarah Wick, Whytnee Bush, Patrick Collins

Meeting Agenda (Decision)

Meeting agenda approved unanimously by the Board.

Owner Comment (Listening)

- Margarita inquired about perpetual inventory / less manual, more tech-based tools. l'Talia noted those systems are rare for co-ops and quite costly.

Finances (Discussion)

Review Key Finance Indicators & Scorecard

- Suzanne noted that October is a hard month to analyze, partially because we did not do an inventory. Moving back to doing inventory monthly in 2024.
- November sales were good, 4K more than October, with one less day in the month.
- Brock hypothesized that transactions are decreasing while basket sizes are increasing due to cold weather (people shop less frequently, but purchase more during their visits). l'Talia noted that most of our customers walk or bike, as opposed to driving vehicles.
- Based on previous years, we expect sales to decrease Jan-March, and pick back up in April. l'Talia noted that she will decrease staff hours and encourage vacations during this time to keep labor costs under 20% of sales.
- l'Talia is doing a big push on Mercato, the delivery service provided by the store. Emily (who is leaving soon) is updating Mercato department-by-department so the online options better reflect availability in store.
- Suzanne noted we also need to back-pay 10-15K for 401K contributions missed between 2018-2020. This will accrue interest if not paid soon.
- Healthcare costs are increasing by \$4K per month in 2024.

Update on Rent Status

- We are working with an attorney to find a resolution to our issues with our landlord.

Update on NLRB Case

- Suzanne confirmed we need to begin paying back the \$20K starting in January. There are two options we need to decide between: a single payment (which would be difficult) or pay over time (which would accrue a lot of interest - roughly 8%). Suzanne and Brock discussed various options for finding money: 1) Asking

lenders if we can borrow the money from the \$100K and then pay it back 2)
Additional sales 3) Additional capital.

Update on Institutional Lenders

- Suzanne noted that the current deferment runs through January. We can request another deferment until the end of May.

Update on Capital Campaign

- Brock noted we are up 10K. Important to get new owners and have existing owners add to their equity.
- The group discussed ways to incentivize contributions. Brock suggested putting together a comprehensive list of what we can offer people who give money. l'Talia noted we still have beanies and totes. Mark wondered if any of our vendors would be interested in providing some swag as well. l'Talia is reaching out to vendors.
- Margarita suggested doing a benefit concert or event (e.g. "Slow January" "Owner drive") to raise capital and generate new members. Margarita offered to spearhead a family-focused event.
- Mark noted people may be more willing to help if we provide more context to where the money is going. Brock noted crowdfunding comms can be hard because it's not easy to describe the dire situation (loans, cash flow etc.). We need to be a bit vague about "supporting the co-op."
- Sarah questioned our marketing budget, and whether we have data/insights on the ROI. l'Talia noted we are not currently spending any money on external marketing, and that she has seen success doing more low cost events versus paid marketing efforts that didn't lead to measurable results. To that point, l'Talia is interested in strengthening our partnerships with neighborhood businesses.
- Brock questioned a union worker day with discounts. l'Talia said this is worked into the contract. Brock questioned increasing the x of times we do this. l'Talia and Suzanne noted that we're already losing a lot of profit to discounts. Brock thinks the benefits of bringing people in outweigh the cons and could be a small discount. Margarita suggested one day a month might be often enough.

Vice President Position + Committee Structure & Chairs (Decision)

Vice President

- Margarita was voted in.

Owner Linkage Committee Chair

- Mark and Patrick will co-chair.
- They are solidifying a day and time for monthly meetings, and will share out with the Board so it can be added to calendar and website, and included in the newsletter. Brock noted these committee meetings are a great sweet spot to engage owners who don't want to 'do nothing' but don't want to fully commit to the Board.

Policy Committee

- Whytnee noted we need to focus on sales for the next few months. Brock suggested putting the policy committee on sabbatical, and Whytnee can lead those discussions when they arise.

Operations (Discussion)

Update on Building Owner / Property Mgmt Company / Demand Letter

- -As noted above, we are working with an attorney. We may send a Demand Letter to the landlord.

Update on Union Negotiations / CBA Updates

- I'Talia signed the contract and is posting on socials Thursday 12/14, as well as doing an additional photoshoot. Sarah questioned where the content goes. I'Talia explained it will be used for a PR news release, website, and socials.

Update on UNFI fulfillment

- I'Talia noted we're continuing to see a ton of out of stocks every week, several estimated for 3 months.

Store Changes - recently completed and upcoming

- I'Talia is working on improving lighting in the cafe and around the store (50-60 new lights), alongside other updates to make it more welcoming (fixtures, dusting ceiling, deep-cleaning store, fridges, coolers). They are implementing lighting this weekend to brighten up dark spots in the store. I'Talia is looking into a filter for other lights to make them more warm. Everyone pitching in.

Upcoming Events

- None discussed.

Board brainstorm for improved sales, increase margin, reduce expenses

- Suzanne noted that expenses are going up, largely due to things out of our control (healthcare, NLRB ruling). She reached out to Nancy to see if we can bring expense accounting down, but this wouldn't be a substantial amount.
- Margarita suggested brainstorming ways to encourage people to shop during the cold season (content around family meals, etc.).
- The group discussed ways to utilize the cafe better to increase foot traffic (events, promote coffee + donuts, sandwich board marketing). Margarita noted a sign might encourage people to come in and treat it like a warming center. Phil said he is ordering pastries from Publican.
- Suzanne suggested decreasing frequency and/or percentage of owner discounts. Christine agreed. I'Talia noted that the owner bonus increases the cart order. Christine suggested Josh should be a part of this conversation. Suzanne suggested that the decision should be data-driven. The group agreed it would be very helpful if the cashiers could track the use of discounts. I'Talia noted that

Josh would have to remotely go into each account to see if 20% discount was used.

- Brock noted that 2% of every transaction with a credit card goes out the door (8-9K a month in credit card fees). He suggested the Executive Board should use debit or cash if able.
- The Owner Linkage committee will meet in January to continue/build off of this brainstorm.

Review Crisis Management Plan & State of Policy Reporting (Decision)

- Move to formally adopt. Voted in favor of policy. Will report on a monthly basis if we are still in a crisis situation. This will be added to the monthly agenda. Whytnee and Christine suggested adding to the addendum of The Policy Register. Christine will update the registry.

Approvals (Decision)

- The consent agenda was approved by unanimous vote.
 - New Meeting Schedule
 - November meeting minutes
 - December Finance Committee Minutes
 - New Owners / Owner Equity Repurchases
 - Equity to Refund / Repurchase:
 - Caitlyn Koscielski / No Longer Shop At Dill Pickle / \$55
 - Joann Hutto / Moving / \$250
 - Miya DeBaker / Moving / \$100
 - Max Astell / Moving and Financial Distress /\$250 / "Love you pickle! I moved out of state 2 years ago but I just got laid off and need some funds."
 - New Owners:
 - McNally, Nicholas 11/02/2023
 - Holloway, Malenis 11/04/2023
 - Aybara, Lewin Beatrice 11/04/2023
 - Harwell, Gabrielle 11/05/2023
 - Shannon, Eli 11/07/2023
 - Gallardo, Alejandro 11/10/2023
 - Sample, Cara 11/11/2023
 - Onwuzurike, Nneka 11/12/2023
 - Mccarthy, Nora 11/12/2023
 - Hamlett, Rebecca 11/12/2023
 - Garza, Lizette 11/13/2023
 - Catlin, Nora 11/17/2023
 - Strug, Ian 11/17/2023
 - Doney, Jeffrey 11/18/2023

- Lubeck, Steve 11/19/2023
- Stratman, Nicole 11/20/2023
- Sandwisch, Hope 11/22/2023
- White, Ben 11/23/2023
- Smith, Genevieve 11/26/2023
- Heidlage, Ben 11/26/2023
- Hoffman, Alan 11/27/2023