

Board of Directors Meeting
Monday, July 18th 2022
6:03 PM Open | 7:32 PM Adjourn

6:03 Opening

- Attendance: Brock Auerbach-Lynn, Mike Strode, Troy Martin, Christine Bucheit, Suzanne Keers, Victoria Birkbeck, Peter Frank, Whytnee Bush, David Culpepper
- Owners: Rebecca Williams, Riggs McCarthy
- Staff: I'Talia McCarthy (GM), Jessico Dickerson, Alexis Figueroa
- Board Consultant/ Support: Thane Joyal

Introduction Question: What's the best thing you've purchased this year so far?

6:12 Meeting Agenda

- Rebecca: Any changes to the agenda?
- Italia: I don't have the revisions to B1 and B2.
- Rebecca: Do we approve the changes made to the agenda?
*Everyone thumbs up.

6:13 Owner Comments

- Italia: we just got our floors done. They look great.
- Brock: Jessico made a very cool sign for the Wine Wednesday. Jeff and I are big fans of it.
- Victoria: I noticed the floors. The store looks great. I've noticed all the improvements.

6:15 Board To-Do List

- Brock: David how are you getting along with getting access to everything?
- David: I am fully on boarded. I have access to everything. Thank you.
- Brock: great! We will remove from the to-do list.
- Suzanne: When the board gets an email, who answers the emails?
- Brock: I usually just answer them if I know the answer perhaps we should have a more Democratic approach?
- Victoria: We don't get that many emails so we haven't come up with a specific system.
- Suzanne: Peter, under your role do you officially have a relationship with the lenders?
- Peter: I don't have the treasury description in front of me but I think it's the treasurer's role to represent the co-op with the lenders along with the GM and the Board President.
- Brock: should we keep this in the agenda or should we remove it and check on it next year?
- Whytnee: I appreciate it being here.
- Brock: I think the cost estimates for equipment replacements have taken a backseat to things but has there been any update Italia?
- Italia: Elizabeth our AP clerk has been gathering all of the quotes from the people besides Zone. We would have to replace all of the programming and some of the equipment. It will be a costly thing. She said she'd

be done by the end of next month. I'll be able to get that to you by August's board meeting. We have had to replace two compressors this past quarter. I was told by Zone that we won't have to replace anymore.

- We only saved about \$30,000 by buying used equipment rather than new and in the past few years we have spent way over \$30,000 on repairs and replacement equipment.
- Brock: Any update on ERC?
- Italia: no not yet. Suzanne is reaching out.

6:33 Operations Report

- Italia: we updated the leadership team on the finances we discussed at the meeting.
- We will be changing the owner bonus again. 10% off every month. We need that last big push to get us to break even.
- We kicked off a needs based ownership program.
- The bag charge is going well. The majority of customers have been fine with it.
- The pet fresh fridge is doing well. We're getting more cat food because it was brought to our attention that there was only one cat food option.
- We saw a \$16,000 decline in labor for June.
- Brock: Will the building's owner be covering the cost of the water heater?
- Italia: yes I've already attached the invoice to July's rent. We deducted the cost from the rent. I haven't submitted it yet because we haven't paid it yet. There are still some issues with the water heater but the lease says the landlord will cover the bill.
- Peter: I know you applied for Chicago Regional Food Fund grants have you received anything yet?
- Italia: no not yet no information. I applied through LinkMatch so I need to connect with them to see if there's any new information.
- Peter: Did you get a chance to meet with Nancy or Linda to sort out the bag charge?
- Italia: we have it on our agenda for our next meeting at the end of next week.
- Suzanne: Can we see a plan for product mixes?
- Italia: Supervalu has a program where they come in and re-tool all the sets to the specific product mix that you want for your store. We want to keep 70% of the store natural/organic and about 30% of it conventional. They are coming up with something.
- Brock: I mentioned this during the last in store orientation and they all seemed to understand.
- Suzanne: I appreciate that there is a plan of 70/30%.
- Whytnee: do you think people are going to buy more plant-based meat because of the rising prices or do you think they might scrap buying meat altogether?
- Italia: yes in the past people scale back on meat or adapted plant-based diet they are looking for the best bang for their buck. I expect people to buy specific cuts of meat that are usually cheaper. Such as chicken thighs or drumsticks. Tofu hasn't changed in price yet so he is still doing very well. We are focusing on value prices our store brands/basic items.
- We have an all staff meeting August 18th and a staff appreciation party August 12th.

6:52 Turnaround Plan

- Italia: I briefly spoke about bringing in a sushi company to rent out our deli space and I have a meeting with them Thursday. They will be doing samples for the staff. They work with other cooperatives. They are pretty much a shoo-in but we just need to hammer out the timeline after the meeting.
- Fresh pet cooler is already here.
- Pet food, carbonated beverages, international, and alcohol are some of the things we can expand. We already started sprinkling alcohol into the produce section and it has been selling well.
- Wine Wednesday is going to be held on Mondays as well.

- We are getting bulk pet food and kitty litter.
- Labor has been good. We have a few people leaving at the end of the month and if we don't replace them we should be good on labor.
- We are working on the store aesthetic. We are getting artists to do some murals and we are getting planters for the Spaulding side of the building.
- We cut our accounting costs by half.
- Peter: We have until the end of September to be profitable for one month. And then it continues like that every quarter.
- Italia: we will be reducing our vendors by about 40%. We plan on bringing back vendors once we are in a better place. The larger vendors give us a better margin.
- Troy: If you need help with the farmers market I am available.
- Italia: Yes! Since our staff is reduced I need to be at the store on Sundays so I need help with the farmers market. I don't want to commit unless there is

7:06 Policy Monitoring B3

- Peter: Who is BLG?
- Italia: BLG is our IT company. They are contracted with us. If I leave they have admin rights. BLG and SMS(North Country) I'll do security and back up.

7:17 Policy Monitoring B5

- Brock: Who is in charge of answering the notes in the suggestion box?
- Italia: I check the box every two weeks, sometimes I check it sooner than that. I give them to the specific department heads to answer. The answers in the board now are fairly recent. If emails or phone numbers are written the department heads will contact the customers.

7:20 Approvals

- June Minutes
- Finance Notes

7:25 Upcoming Items

- B4
- B12

7:32 Motion to Adjourn