

Combination Finance and Board of Directors Meeting

Monday, January 17th 2022

6:02pm open | 7:49pm adjourn

6:02 Opening

- Attendance: Brock Auerbach-Lynn, Peter Frank, Mike Strode, Troy Martin, Whytnee Bush, Christine Bucheit, Agela Abdullah, Suzanne Keers, Victoria Birkbeck
- Owners: Rebecca
- Staff: I'Talia McCarthy (GM), Robert Curtis, David Nobel, Jessico Dickerson, Alexis Figueroa
- Consultant: Thane Joyal
- Rounds question: What fictional family would you like to be a part of if you could?

6:07 Meeting Agenda- Rebecca

- Is the proposed agenda okay with everyone?
- Suzanne: I know we spoke about board monitoring, are we still doing this?
- Rebecca: Does anyone want to change board monitoring or C7? Does anyone feel strongly about doing board monitoring and C7 principals?
- Brock: I think it is fine as is. Let's continue with the current agenda.
- Rebecca: Thumbs for approval?
*Everyone thumbs up.

6:10 Owner Comments- Mike

- No owner comments were made.
- Mike: We do have the owner linkage meetings the first Thursday of every month. And the owner forum is on the last Tuesday of this month.

6:14 Operations Report

- Rebecca: Has everyone gotten a chance to look this over?
- Peter: I saw the newest ops report didn't have the final sales. Do we not have this yet?
- Italia: Brad has not put this in yet they will be in tomorrow.
- Brock: I also updated the sales tracker. It's a rough estimate.
**Brock summed up the report for those who haven't had a chance to look it over.
- Rebecca: Any questions or clarifications?
- Whytnee: Can David share the information on the Mercato numbers?
- David: The weather was cold and we had a surge of orders. It was all hands on deck, a team effort to complete over 20 orders. We got our 5000th order. We are in the running for best local grocer for the 3rd year in a row. Also the Super Bowl is coming up so we expect another Mercato surge.
- Christine: How does the average basket size on Mercato differ from the store and why?
- Italia: The basket size and store between \$28 and \$35 on Mercato the basket size is between \$100 and \$119. Mercato is much larger. In the store most people are walking to and from the store and they can't carry as much. On Mercato you're trying to get as much as you can in one order.

- Rob: You also have to take into consideration people come in just for a bottle of water or a single bag of chips. Also with Mercato we have been doing a cleanup on the website causing us to cancel a lot less items. That helps basket size stay a little larger.
- Brock: Any progress with the gift card process?
- Rob: We don't have a specific timeline on the gift card issue. We are actively working on it though.
- Brock: What's the cost of living adjustment?
- Italia: It's outlined in the bargaining contract all of the raises are based off of the hours they already dictated in the CBA.
- Mike: Is there feedback on the comment section of the Repurchase request?
- Italia: Yes there is. Alexis and I can put it in the operations reports for the future.
- Suzanne: The roof again, it sounds like the landlord should be paying for repairs.
- Italia: we haven't heard from our landlord in over 2 1/2 months. We have tried contacting her but the closest we get is her assistant. We don't know where she is. We are invoicing anything we have to pay for the store and sending it to her assistant and she's taking it off of our rent. We do need to discuss our lease soon.
- Peter: Looks like we had a big increase around New Year's and we are back down again. It sounds like supply chain issues and out of stocks is there anything else you want to share?
- Italia: we are currently experiencing major out of stocks from all of our largest distributors UNFI, Alberts, Kehe and some of our produce vendors. UNFI is doing order smoothing. We're getting about 25% of our orders most days.
- Peter: We had one week of positive sales, correct?
- Italia: Yes New Year's week we weren't in the negatives for the first time in a while. Customers are coming in but it's hard to make sales when the shelves are empty.
- Rebecca: Is there anything else in the operations report? We just have to approve the purchase request later on.
- Rob: We just had another surprise health inspection and once again we passed with flying colors. This is a result of an apparent complaint so it wasn't like our regular inspection. They found nothing of what the complaint was about and it was the inspector that shut us down last time.
- Peter: I filed the ERC tax credit. We are now in the window where a check from the IRS could come in any day. We have to file for another in the next few weeks for smaller amounts but this one is coming soon.
- Suzanne: Are we still contacting our lenders frequently?
- Peter: We send the meeting minutes, so they know what's going on. We have a lot to discuss with them.
- Rebecca: We need to move forward to loan rollovers, thumbs up to move forward?
Yes. Thumbs Up.

6:45 Loan Rollovers- Brock

- Brock: I'm reaching out to loan lenders. Working to get them a roll of their loans or possibly forgive them. Lots of people have agreed to roll over their loans.

GM Monitoring: BX,

- No monitoring reports this month

6:46 Board Monitoring: C6

- Rebecca: Has everyone had a chance to review C7? Thumbs? Are there any questions or concerns?
- Victoria: Yes. Pretty simple. Pretty much says you cannot start a second board in your committee.
- Whytnee: We have a very clear way to track things on the policy committee. I'm not sure if the same system could work with other committees.

- Suzanne: When I was on the board before we had a comp committee. What happened to it?
- Victoria: It evolved. It was absorbed. It seemed like a thing that the whole board needed to be involved and not just one committee.
- Rebecca: Are we out of compliance with anything?
- Victoria: Let's just make some committees charters in the next month's packet. Thumbs? Yes. Next month the chargers will be in the board packet

6:57 Strategic Conversations/Board Committees and Projects Conversations- Victoria

- Victoria: What is working? What is not working with our committees? If you have any comments or concerns please share.
- Mike: Some shared reflection space could be good. Something based off of our peer review procedures.
- Victoria: Sounds great, will you start?
- Mike: I've been very vocal about handing off my chair of the owner linkage committee. I feel like I could contribute more as an hour attending the meetings rather than a Board Member hosting the meetings. I would like to deepen my participation.
- Brock: It's difficult to get people to join when they aren't angry with you or vice versa when they are angry with you. Plus it's hard to do everything in a digital world.
- Victoria: It seems people aren't interested in the most fun committee. They seem to be more involved in finance or policy committees.
- Christine: I think I can join the committee now. Now that I know how things work I can't help with that committee.
- Whytnee: I think it goes back to digital engagement. Alexis and I are working on getting the calendar up for owner participation.
- Peter: I am grateful we launched this committee before Covid began. We have a lot of work to do. I have made it clear I'm not going to run again for the next election. Borst has done a lot of the work we are lucky to have a dedicated CPA. We have an all-star team but we are low on resources in the finance department.

7:31 Approvals

- December meeting minutes
- The Brine January

7:37 February Agenda, Upcoming Items

- GM Monitoring will be back next month.
- B4, B5, C1, C2
- COmmittee Charters.

7:38 Meeting Evaluation, Check-out

7:49 Meeting adjourned.