

BisMan Community Food Co-op Board Meeting

May 8, 2017

6:00 PM

- I. Welcome! Started at 6:02 pm  
Paul Brown, Amanda Moen, Kevin Martin, Glen Philbrick, Paul Brown, Kayla Pulvermacher, Kyra Hill, Derrick Braaten, Hannah Moser, Reese Martin, Shelly W., Melody Lane, Robin Meyer, Tyler Demars, Dina Baird, Rita O, were attending.
  - A. Agenda approval – Amanda made motion to approve amended agenda with one item added to the GM’s report for update on equipment list. Kayla seconded. Motion passed.
  - B. Appointment of a secretary – Paul moved that Amanda be made Secretary. Kayla seconded. Motion passed.
  - C. Minutes approval – Paul moved to approve the minutes. Kyra seconded. Minutes approved.
- II. Treasurer’s Report – No changes per Kevin. Tyler and Robin mentioned they may be able to track subcategories within board expenses for reporting – should be worked out in next couple weeks.
- III. Interim GM’s Report - Reese
  - A. Cash position and Bank Reconciliation - \$119,434 bank balance. Savings account balance \$15,802. QuickBooks balance is \$56,195.
  - B. Sales and trends/issues – April had \$323,660 in sales, March was \$325k. There was a day of sales missing in April for Easter, so still a solid month, averaging around \$10k a day. Last week (April 30<sup>th</sup>-May 6<sup>th</sup>) was a strong week with \$83,663. On track to hit the projected \$88,000 a week. Expecting strong sales for the birthday week.
  - C. COGS and trends/issues – The P&L is being worked on.
  - D. Labor and trends/issues – Was about \$6,000 over budget for labor – there was more training in April, a full staff orientation and they implemented new handbook. Also, each dept. met with documented training, so added overtime. They are training more management on duty to take over Reese’s place on floor. A new stocker was hired part time. Tyler added that hours are related to sales, so an increase in sales added to an increase in labor, so if you look at labor per hour it was in line with previous months.
  - E. Any issues related to other operating expenses – They changed locks - break room needed to be unlocked at all times. Fire extinguishers were serviced for the year. Parking lot wheel stops were added by Randy with Cozy for a good deal. They are still trying to determine who installed hand dryers – it’s becoming an issue with the paper towels.
  - F. Volunteer Program – One number left for Reese to call, however he has not been able to reach the person as of yet.

- G. Contractor Punch List – Reese has been reaching out to contractors. Timber Ridge (plumbing work) – there were outstanding balances outside of the original build that were identified, they have written a check for everything outside the original build, they are still working to pay off the original build balance itself. As of now, Timer Ridge won't stand up to the warranty. Tyler met with them (Paul) and they agree everything should be warranted, however they want it all paid first. We will pay them for the amount outstanding (about \$7,000 for change orders created after the store opened) except for the estimated value of the work is left to do. Paul with Timber Ridge will get a number to us for estimated remaining work.
- H. Consultant's Report update – Reese has gone through the meat report with the meat department. Reese will email where they stand to the board by Friday. He plans to go through Café on Wednesday and send an email at that time as well. There were some findings with the Meat dept. and were addressed right away. Most of the consultant's points are being addressed and progress has been made.
- I. Birthday/anniversary party – Expected to be huge revenue booster and lots of fun. Music will be ongoing throughout week. Raffles with great prizes are available – you do not have to be a member to win. On May 16<sup>th</sup> an additional 10% day is provided (members receive 2 10% days in May, not one 20% day). Bouncing with the board does not specifically mean that board members will be in the bouncy house, just available for the public to meet. Invites for producers were contacted, if vendors are still interested should contact Reese or department managers.
- J. Other – Reese does not have figures for what equipment we still have. Reese is following up with the auctioneers, but we will not continue with them. The electric jack is the biggest ticket item remaining.
- K. EBT/SNAP – Has been approved, should be receiving a packet any day. Reese will review it once received.
- L. CBD oil – Wellness sales boosted for that. Employees are going through web seminars for it. The Coop does not prescribe the oils.
- M. Marketing budget – Hannah asked about budget for marketing, it's around \$3,000 a month, not \$900. The budget should increase with increased sales as it is set for 1% of sales each month.
- N. Raina asked what days the coop needs volunteers for, and does the lead volunteer need to be available during business hours? Reese stated it's a fluctuating 10 hours per week. Reese will interview with her for the position.

#### IV. Committee Reports

##### a. Finance – Tyler

- i. Tyler requested we switch the board schedule to 1<sup>st</sup> and 3<sup>rd</sup> Monday of month because it's difficult to get accurate cash flow & P&L by 2<sup>nd</sup> Monday of month. Starting in June, the board agreed they will meet the 1<sup>st</sup> and 3<sup>rd</sup> Monday of every month.
- ii. Less than \$2k decrease from March, but daily sales were up
  - 1. Net 30 terms with Kehe, still have some invoice issues, but they should be addressed with inventory on July 15<sup>th</sup> for the 3<sup>rd</sup> quarter of the year

- iii. Equity Campaign – to bring in unpaid equity
  - 1. Tyler will send an email reminder for those who have made calls so far. He's still working on the spreadsheet with phone numbers. Glen asked if we can put the responsibility on the outreach person (Heidi), it would be a separate call campaign for about \$20,000 outstanding equity. Tyler and Reese will meet to discuss outstanding equity and see if there's any ECRS options to shut off membership benefits if outstanding payments are shown.
- iv. Member Loan Campaign – to bring in additional cash infusion
  - 1. Dina Baird has come up with a plan and has the time and experience to handle this.
- v. Dina Baird
  - 1. Her idea is for members that are willing to have a sustaining membership at the level that is right for them, her sustaining membership plan was passed out to the board for review.
  - 2. Addresses immediate need but also creates equity investment going forward. Rather than calling all 3000 members, which leads to lower quality calls, we go for top members that are top shoppers. This way we just need to recruit 5-7 volunteers to train very well to make the calls.
  - 3. Derrick had raised concerns about if we would lose money due to increased sales, this will be looked at historically at member 10% shopping amounts to see if it should be a concern.
  - 4. Kayla motioned to authorize the finance committee to hire someone to implement sustainable campaign at \$1,500 a month plus reimbursement for expenses. Hannah seconded. Kayla motioned for an amendment to replace "someone" with Dina. Derrick seconded. Amendment passed, motion carried.
    - a. Paul asked about timeline. Kevin said the goal was to bring money in by July to strengthen working capital as it's not all to pay accounts payable, so July 31<sup>st</sup> would still put us in good shape as vendors are willing to work with us, so as long as we are making payments they should be okay.
    - b. Kevin and Tyler and Amanda will be contacts for Dina.
- vi. Bob w/ Kupper Chevrolet discussed with Shelly regarding wanting to help out financially, Reese had heard of it but didn't receive a card, he will follow up with Bob.
- vii. Overrun budget – There were a number of change orders created. Expenses were accounted for in wrong categories. Detailed reports will need to be provided from vendors to give explanation of what made up total numbers and we will be able to recategorize the expenses, but it will take some time. The priority is with Timber Ridge to get the punch list taken care of.
- viii. Robin introduced herself to the board as the new bookkeeper.
- ix. Mandy questioned that since the email that went out about \$300,000 in overruns, how can our callers ask people for money and answer questions related to where the overruns were. Tyler said the campaign is more about people contributing to a good solid model and that we are building equity. The budget was \$1.7mm, actual equipment and building was \$2mm.
- x. Tyler will forward AP to board tonight.

b. Marketing –

- i. Hannah clarified on Tribune contract. The most recent email from Duane successfully got ad moved to the food portion on Wednesdays. It cost about \$150 each week for that ad, and the contract was not extended, so it can still end in October.

c. Food Policy

- i. Kayla provided working draft of Product Policy. There are generally 5-10 members at each committee meeting and they are going really well. Derrick asked that management stay involved with meetings to ensure that the wording of policy is clear for employees to ease implementation.

V. Old Business

- A. Cooperative Board Development/Retreat – Tabled for next meeting.

VI. New Business – None.

VII. Other Business – Kyra motioned to go into executive session. Paul seconded. Entered Executive Session.