



Finance Committee Meeting Minutes
March 29, 2017
Ten Pin Building Mezzanine

Committee Members: Mary Ella Anderson, Leah Stamper, Colin Fiske, Cheri Strong, Ed Smith, James Kloor,
Staff: Melanie Bettenhausen, Brandy Cogburn, Cassie Blom, Lauren Fawcett, Alanna Cooke, Vince Graves-Blandford, Alisha Hammer, Nick Tyner, Jason Davenport, Jessica Stonebarger and Nicole Chase
Members: Laura Jones, Lisa Blandford
Guests: John Vieira

Meeting started at 6:05 pm by Mary Ella Anderson. Introductions were made.

Agenda Review

Need to add an action item to approve the bank resolution removing Duncan Thomas from all bank and credit card accounts.

MOTION: Move to approve the agenda as amended.
Colin/Cheri, Motion passes 6/0/0

Motion: To Approve the bank resolution removing Duncan Thomas from all credit card and bank accounts
Colin/Cheri, Motion passes 6/0/0

Motion: Move to Approve minutes from 11/29/16

Colin strikes sentence, 3rd line in 2nd paragraph; There's a typo, deli remodel budget change and to any; PR need to fill in the information. Motion to table approval of minutes until board meeting pending completion of minutes.

Member Recruitment

There are 3 member seats on FC. We only have one member-Chris Copple, need procedure for filling other seats. Mary Ella wrote up a proposal (attached to packet); She asks for comments and input;

Colin states that the current charter calls for 1 year terms. Mary Ella would like to see two year terms. We do not have an established process for filling seats on FC. Mary Ella proposes having a member elected from general membership; Ed feels the board should appoint a member, but we should advertise for open seat.

Mary Ella wants to write an article for Co-op News and put something on the website to recruit for FC. Colin says we need to update the charter to include procedure for election/appointment. Recommendation for PPC to update FC charter to send to the board for approval.

FY17 3rd Quarter Financials

3rd Quarter financials were reviewed by all; Brandy reports we are down from what was projected. We are down about 18% from what was budgeted for; Down substantially from last 3 years; Multiple factors; equipment failure, weather, election; 4th quarter is looking better (better than what was budgeted for)
Balance sheet- next time Brandy will ensure we have numbers from past 3 years; Only have this year on the balance sheet distributed.

FY18 1st Quarter C Share Dividend APR Approval (currently 2% APR)

Mary Ella states suggests keeping the dividend rate the same and leaving it at 2%.

Motion: To set the C share dividend rate at 2% for FY18, Quarter 1
Ed/Cheri, Motion passes 6/0/0

FY18 Budget

The budget was sent out late this afternoon. Brandy gave an overview of the budget. However, the board has not had a chance to thoroughly read it so not prepared to decide tonight.

Motion: That the board consider the proposed budget.
Colin/Cheri, Motion passes 6/0/0

Deli Remodel Proposal

Proposal passed out; Business and marketing plan was passed out; Add budget to April board agenda. Melanie will discuss highlights of business and marketing plan at that time.

Opportunities for questions about remodel- John Vieira, project manager, presented the blueprint including phasing of remodel; Phase 1 is cold cases; plan is to keep store open (corden off) deli is phase 2. Phase 3 is right side of the store (wellness, produce, gen. merch., bulk); Parking lot is part of phase 3, also adding 2 check stands and shrinking footprint of Customer Service. John says often customers have a positive reaction to remodel-they get excited about the process and what happens next. We want to stay in business with least disruption as possible. However, this is a major remodel-there will be some chaos. Customer safety is a priority-cordoning off areas, temp. signs and walls/screening.

Parking lot seal & stripe- some interest in looking at parking lot, entrance & exits- more one-way, right now it's confusing; Want to make parking lot more bike and pedestrian friendly; Colin does not want to increase parking-we want to incentivize walking, bussing, biking. Need to talk with city so they can stripe parking spots on the street.

Leah- question about seating- seating is moved over, but there will be approx. the same number of seats. Seating is not expanded with this remodel. There is some interest in adding more seating. Leah asked about outdoor seating-could we get a covered area for outdoor seating? Possibly adding a plexiglass divider as a wind barrier to make outdoor seating more inviting; Melanie is looking at options. Possibly where carts are located outside. Colin brings up the need for more seating if our goal is for more people to dine in using less packaging. We will not meet our goal without more seating.

Pro forma documents- Melanie suggests if board is leaning towards approving the project, they approve moving forward to begin the permitting process.

Entrance & Exit though store- don't want people to only go through doors by customer service-they will be angry if they are there just for lunch but have to walk through the whole store.

Changing from one CFC to another (REFRIDGERANT)- It is a conversation we need to have, but not included in this proposal- but the cost of the refrigerant is considered in this remodel budget proposal (there is a separate line item)-remodel is more energy efficient- refrigerator doors are closed, not open;

NCG pays UNFI- insurance policy; makes sure co-ops do not default on their UNFI payments;

Cheri asks about learning from ENF- wants to learn from their mistakes-should we wait before moving forward; Cassie feels like we have engaged experts in the industry who have experience in projects like this. These experts have knowledge and experience.

Mary Ella says we need to know what our debt-to-equity will be. It's currently really low. That's what the pro forma documents will tell us.

Lease- in the proposal landlord says he 'might' be able to get a new lease. We need to get this in writing before we renew lease and move forward. Melanie says it's in their best interest for us to succeed.

Regarding sushi- moving over near deli. What's our contract with Mermaid sushi? Any talk of moving that in-house? Melanie says it's a good source of revenue for us. We are looking at the sushi packaging-need more durable packaging; also, looking at ingredient standards; They are switching over to organic produce and non-GMO alternatives. Leah is asking about ingredient standards for the entire deli- Lauren is working on that. We try to use as much organic ingredients as possible, and follow our GMO policy.

Packaging- need to look at as much durable/reusable containers as possible; We are working with Juliette Bohn on reusable containers, silverware, etc... A lot of items will be in mason jars for soups, drinks, deli items-will require a deposit.

Net zero impact plan/zero waste plan- looking at 10% waste reduction-still need to get that in these documents;

Next steps- need to get the go ahead to begin permitting process; won't know cost until plans are submitted; there are unforeseens in this process; Need to get drawings from architect;

Melanie wants to know what the board is thinking as far as moving forward; Mary Ella asks each board member to state their opinions on this project proposal.

James- States he is new to the board and process. Overall is leaning towards it but wants to see the pro forma and look at budget.

Ed- The main concern is that the budget proposal is huge, need to have assurances from landlord that we have a long-term lease; need to see pro forma and greenlight on the lease

Colin- Overall in favor, but wants environmental concerns addressed, wants to ensure we have a long-term lease and landlord addresses concerns (roof) and look at financials

Cheri- Concerned about bank loans and NCG owning us if something goes wrong; She is not in favor of moving forward with this project.

Leah- wants to see us keep our co-op values, environmental concerns addressed;

Mary Ella- States that this is a big scary step but she feels we need to be innovative and take risks and thinks we should move forward; We need to see this as an investment. If we don't move forward, the costs could sink us.

Motion: Recommend to the board that we move forward with the permitting process pending pro forma negotiations with the landlord, strategic plan and net zero impact plan
Colin/James, Motion passes 5/1/0

Member Input on Reports: Member #134 (Lisa) is excited for the remodel; she states that parking behind the store can be scary with kids; also parking lot is confusing, needs to be better organized. But, overall is excited!

Next Meeting: Wed. June 28, 2017 6:00-8:00 in the Ten Pin Building Mezzanine.
Meeting adjourned at 8:15 pm

Minutes submitted by Nicole Chase

Recommendation for Board:

1. The committee recommends that the board consider the proposed budget.
2. The committee recommends that the board move forward with permitting process for deli remodel pending pro forma, negotiations with the landlord, strategic plan and net zero impact plan.