**SUGAR BEET FOOD STORE COOPERATIVE**

**BOARD OF DIRECTORS MEETING- MINUTES**

**Tuesday, September 27, 2022, 7pm**

**Grove Apartments- Conference Room**

**442 S. Grove, Oak Park, IL**

**Join by Zoom:**

 <https://us06web.zoom.us/j/89776689507?pwd=S0lzQjF2SkN1QWhIY1FkZ0l3MVRRQT09>

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Board of Directors Present:  Linda Chandler, Bill Gee, Gail Holmberg, Peter Nolan, Diane Norris, Lori Vierow, and Chuck Wolf (zoom)

Absent: Cassie Janis, Johnny Mathias, Beth Dougherty.

Interim General Manager: Jim Doyle

Meeting started at 7:05pm

Special guest Matthew Ruffi from Chicago Market was in attendance as were SB staff members Lissa and Marcus .

**GM report: Jim:**

Sales and Profit

* Gross sales margin is up 3% July YoY which is worth $12K real dollars improvement
* Labor is in line with last year % wise (even though it is without GM salary costs)
* Admin is up 17% YoY which includes interim GM costs (Luke, Jim, Columinate etc).
* Net operating income made $9K which puts us back into the black (note: we will be doing a full store inventory next week which may readjust our income to a close to “flat” basis, but will know for sure next month).
* Weekly Sales Report highlights:
	+ Sales are down a bit as a trend until this last week so hoping that the work being done in the store is turning the tide.
	+ Transaction count is down single digits continuously so there is a need to get the traffic back up and improving. This decline is primarily due to non-owner visits declining while visits from owners are holding steady.
		- Note: Basket size is up in a big way for owners which is why we need to also identify a way to increase membership.
	+ Good news for the last two quarters - the center store grocery/produce is flat to up despite corrections in pricing that have increased prices.
* Diane asked if the Oak Park Farmer’s Market is affecting our produce numbers negatively, but Lissa says that this is an annual phenomenon which has not swung greatly from year to year.
* Peter asked why general merchandise is down in sales so much. Lissa and Jim explained that this area needs a very intensive reset which is happening next month.
	+ Note: the Gen Merch items are coming up to the front end of the store (we were able to see a map that was informed by NCG specialists).

Store Reset in October

* Store reset is meant to allocate space in a thoughtful manner to the items that move well and to take away shelf space from laggards (i.e. bulk will be trimmed down in an area like bulk coffee where we have 24 skus while most co-op’s our size have only 4 skus in this category.
* Marcus says that the reset will help shoppers flow through the store in a more intuitive way. Example would be how Field Day items might all be at the same eye level so shoppers are aware of the cost-effective organic items we know customers want.
* Gail asked that we message this to our owners…Jim, Marcus and Lissa said absolutely taken into consideration.
* Marcus walked the board through the full mapping of the new store set up and many shopper experience questions were asked and answered by Jim, Marcus and Lissa.
* Lissa went over what communications we are going to be telling our members so they are ready for the reset activities Note: the reset will be happening DURING store hours which may be chaotic.
* Gail mentioned that it might be wise to message that we are doing this based on data we have compiled since the community may appreciate the reasoning.
* Fall owner drive will be concentrated a week or so after the reset dust settles so we can generate excitement for the owner drive. Jim offered that deeper discounts may be offered during this time as a way to get a larger basket size.
* Bill asked if Jim would want board volunteers to help during the reset activities to help mitigate extra one time labor costs. Jim and Marcus said that this might be a nice idea for owner appreciation days immediately after the reset is complete.

Other

* Jim touched on some further improvements that he is working with the SLT team on (better lighting, community fridge, repainting some areas, realign Madison street door access etc…).
* Staffing and hiring has continued to be a challenge (as it has throughout the world of labor).
* NCG Fall meeting - Jim attended this and he will share his insights at our next meeting.

**Marketing**

* Lissa and Jim will come back to the board at our next meeting with a more robust report, but Jim did quickly mention the window art project, marketing shopper surveys on dashboard, articles in co-op publication….more to come.

**GM Search**

* Peter said that the GM Search Committee has one candidate that will be interviewed on 9/28.
* Recruiter has four more candidates hovering out there, but says that things are really slow.
* Linda asked Jim how he is liking the job so far and Jim says that things are good and staff is gelling with him…more to come in the Executive Session.

**Committee updates**

*Strategic Plan Committee*

* Gail asked the Finance Committee to come into the picture and give their own financial strategy to help inform her committee.
* Would like to do a deeper dive into the data
* How are we going to get better 360 degree feedback from our community without overwhelming our committee with massive data sets?
* One step will be to create “personas” as a store (i.e. are we focused on organic, local, community impact…?) so our strategy is better informed.
* Next board planning meeting may be a good time for this committee to delve deeper into stakeholder input.
* Also wants to think about how to thwart incoming competition and if NCG or the co-op community as a whole has a well-worn strategy
* Matthew form Chicago Market offered up their GM Dan Arnet as a good resource

*Finance Committee*

* Cash availability and debt repayment is top of mind for this committee at their last meeting.
* $850K in cash. Debt on books $475K
* Jim has looked into paying off the CCLF conventional loan which we pay 7% on and would result in a savings of ongoing interest of over $10K.
	+ Peter motioned to pay off the conventional loan and Bill seconded the motion. The board voted unanimously to do this next week.
* Jim has investigated placing the remaining cash in municipal bonds that would be low risk and ladder out for liquidity.
* Other uses of available cash might be repaying owner loans early, building up health care for staff, repatriation coupons for owners etc..
	+ Jim shared the rough outline of what owner patronage could look like.
	+ Many comments about how this is a one-time concept until the store becomes profitable in the future, questions of equitability, questions of structure, how members are compensated with store coupons, timing with Pete’s opening etc…
* Question -How do we tell this good news story about our successful loan repayments?

Adjourn for Executive Session at 8:55pm

**Upcoming Board Meetings**

October 25 - Public

December 6- Planning