



August 20, 2013 Astoria Co-op Board Meeting 6 p.m, at Co-op

Board Present: Mark Albrecht, Matthew Stanley, Norma Hernandez, Allie Evans, Beth La Fleur, Libby Lawrence, Tom Duncan, Sam Seulean

Absent: Merianne Myers (excused)

Staff present: Zetty Nemlowill

Public Comments: No public comments.

Allie called the meeting to order.

Discussion of approval of July 2013 board minutes. Allie recommended specifics (dollar amounts and terms) of possible lease of 14th Street location be kept confidential for now. Motion to approve July 2013 minutes postponed until September meeting.

Zetty discussed upcoming series in Lovell showroom, titled "Beers to your Health". This will be a new cooperation between the Fort George and the Co-op and be a speaker series, one Thursday evening a month. Currently, Columbia River Maritime Museum, Fort Clatsop, and Columbia Memorial Hospital have speaker series at the Fort George. Our first one will be Sept 12; 7-8 pm, doors open to public at 6:30. Allie will be one of the speakers at the first one. Volunteers would be great to help set up. October's topic will be around GMO's.

Another great event that Zetty has been working on is in cooperation with CMH on Sept 26: Farm to Fork dinner with Marco Davis as celebrity chef. Ingredients will be locally sourced from the Co-op. We will need volunteer help for set up , serving, and take-down.

Matt suggested changing Sept board meeting to September 25, 6pm. Location TBA.

Zetty suggested that we all be thinking about events and ideas for the Co-op's 40th Birthday celebration next year. It's a great opportunity for the Co-op so let's start brainstorming now.

Mark suggested starting with how many original members we had.

Matt suggested doing a 5 minute video.

Allie suggested using this as an opportunity to re-brand/re-logo. We need to make ourselves more identifiable in our community; more “stuff” with our brand out in public: Bigger signage, more apparel.

Zetty agreed it's a good time to re-brand. Our brand isn't easily identifiable or recognizable. We could use “food” in our name.

Matt agreed with needing something iconic; an image which immediately is recognizable, and makes your brain “go there”.

Libby agreed that “food” would stress what it is we do. Tom mentioned that it's problematic adding words like “natural” and “organic” because the meaning changes. Co-operative is what it is.

Allie suggested opening this up to the public or membership, maybe as a contest for a new logo.

Zetty agreed that would be a direction, however there are professionals that could do it well, who would look at our image and what we want to convey. Opening it up to the public could exclude professionals.

Tom reminded the group that the Astoria/Warrenton Chamber of Commerce paid a professional \$30,000 to come up with the image of a buoy. Mark mentioned that Cannon Beach was out \$60,000 to have it suggested that their slogan be “come for the earthquake, stay for the tsunami.”

Matt reminded us that we have resources through the NCGA and could go through the different processes to have a positive outcome. Does our mission need to be on our logo? Not necessarily.

Zetty said our next step is that she will do the homework on how to best proceed.

Next Allie reviewed the hand out “How to Read Financial Statements”. Mark reviewed the hand out entitled “Astoria Co-op Q2 2013 Financial Indicators”. COG (Cost of Goods) was at 3.8%. COG went up but net income was down. Personnel was up 2.4% because of new positions and training. Staff discount is under “discount” but could be put into Personnel Expenses. Matt mentioned we can't realistically stop discounts as a way to increase gross profits. Also the NCGA automatically lumps in staff discounts into personnel. 36.74 is based on gross, not the net. After discounts our goal should be 36% gross margin; how to be profitable but also smart. Deli could be at 65% margin; currently at 60–62%. NCGA/UNFI dictates what we must be selling for. More and more department managers are managing their own margins. After 3 months now, our pricing will keep getting better and better. We have opportunity to buy low, sell at low sale price, then price back up to medium/higher price, assuming we have the back-stock space and are strategic about this. Allie reminded that we have the

NCGA to keep an eye on our expenditures to be sure we're in line with other co-ops and our financials.

Mark continued on the Financial Indicators sheet. Cash is building...Do we want to pull some out into a "Building" savings fund? Matt said we treat the money market fund like it doesn't exist, and we run the checking account very tightly. With better pricing and better margins, the numbers will continue to improve. The marketing budget has been reduced. Zetty believes we can do it without all the print ads. Discounts might be the advertising that gets people into the store. We'll continue to compare the discount numbers especially for the rest of the year. People love the 10% discount coupon, but almost everyone is using it!

Matt mentioned that member equity is building. This is good, but it's not an operational fund flow of cash. That's why it's not in Cash statement.

Tom asked if you had to make a profit, where would you cut expenses?

Matt suggested managing labor better (hours, to cover vacations, there's been some overtime hours, etc). After Cost of Goods sold, Labor is the next big expense. Margins are much smaller on local items. With UNFI products we can get higher margins because of volume. Another inventory count this year will give better picture. Volume discounts plus Co-op Deals haven't increased our bottom line as much as we'd thought but in time it will. Shoppers are being strategic as well.

Norma mentioned she enjoys the Staff Recommendations. She loves to hear what staff like and what they are eating. It's a great way to get people to try products.

Matthew reviewed the Manager Report, titled August 2013. All read it. Matthew suggested that at the next meeting we look at quartile report. Tom reminded us that it's a dynamic system. We're growing; it's not a static equation.

Matthew suggested he put together a Capital Operating list for 2014--office equipment needs, shelves, coolers, etc.

Meeting adjourned 8:24 pm

Respectfully submitted,

Beth La Fleur