



January 24, 2013 Astoria Co-op Board Meeting 7p.m.

Present: Merianne Myers, Matthew Stanley, Allie Evans, Mindy Stokes, Beth La Fleur, Zetty McKay

Absent: Kelly Huckstein, Mark Albrecht, Tom Duncan

Motion to approve November Board meeting minutes was postponed until the next meeting as some members missed them in their inbox.

Matthew mentioned he had invited a member of the public to attend the meeting as a potential board meeting, but no public was present for the duration of the meeting.

Public Comment: No public were present to comment.

Mindy informed the Board that she will be leaving her Board position at the annual meeting (April/May 2013), due to time and work obligations and time crunch of life.

Merianne thanked her for her years of service and willingness to stay until the annual meeting.

Matthew reiterated the need to actively recruit new board members. We will have 3 openings come May. That said, we need to think about where to hold the annual meeting.

Cannery Pier last year was good, though maximum occupancy could be an issue, but approximately 50 of last year was just about perfect regarding space.

Zetty McKay introduced herself. She is the Co-op's new outreach coordinator and will be doing a newsletter right away and is looking for ideas, if anyone has any.

Welcome Zetty!

Mindy asked about if there is any outreach to schools.

Matthew explained the food program through FoodWeb. Fresh fruit is given to Astoria High School. It's very popular and it started by giving kids who found themselves in the principal's office fresh fruit. Most didn't have access to fresh fruit. Then kids were given a basket of fruit as reward. FoodWeb supplies the fruit at cost and it's a very successful program.

Matthew informed the Board of the February 9, 2012 event Women's Art for the Heart event. The Co-op donated \$500 and in exchange was given 4 tickets to the event. Staff has been offered the tickets and now the Board is being offered the tickets, if anyone can go and represent the Co-op. Discussion followed as to the position of Columbia Memorial Hospital (CMH) and the Co-op. There is still the perception of high prices at the Co-op, perpetuated by some doctors at CMH to their patients. But it could be that our target audience is actually CMH employees rather than directly patients. Zetty has relationships to help foster healthy environments for nurses. Through PlaneTree, this could be good for building community through food. Providence has similar momentum on increasing healthy environment and choices for employees. We may still be trying to identify exactly what the goal of our relationship with CMH is, but the sky is the limit to CMH and Providence. Lets continue to explore.

Matthew then reviewed the January 2013 Managers Report. Staff will be doing aggressive end cap marketing. Staff won't be reprinting or repricing the whole store, but will have better sales prices. Co-op won't necessarily match a Wal-Mart, but we won't look ridiculous.

Regarding the budget, 12% growth was questioned. Matthew responded that he is banking on savvy marketing and Co-op deals and a bit less conservative. In the past he

has budgeted 8–9%, but we've been doing great. But it's year 5 in an established store so, we'd be average if growth was 7% so lets go for 12%. 2012 ended at 19.5%. We have 2100 square retail square footage.

Merianne asked about personnel costs in the budget.

Matthew indicated it is due to increasing health insurance costs and sales growth. In response to Mark's emailed comment about how to account for staff discount (20%), NCGA does staff discounts as labor, however the Co-op hasn't done that before in the budget.

Staff right now pays about \$60/mo for health insurance for 24 hr/month employees. Than will rise to about \$100–\$150/month. It's about \$240/ employee/month cost to the Co-op for health and dental insurance. Currently there are about 22 staff. 10 or 11 are on the insurance plan. Currently have a good staff and low turnover, minimal training with some previously employed staff coming back from hiatus.

Matthew discussed marketing and inventory strategies for the end of

2012 and going into 2013. Co-op had low inventory going into 2013 to show positive cash flow at the end of 2012. He is hoping for 30 new members a month signed up, minimum. Kenlynn was really good as signing up new members and knowing how to "close the sale". Staff learned from her how to be more effective at signing up new members-- how phrase it and be successful.

Look for discount coupons in upcoming newsletters, and start weaning off of "discount days". This will avoid the inevitable slow day following discount days.

Beth asked about where in this budget the potential generator of last month's meeting might be.

Matthew discussed the difference between capital and profit loss budgets. What we have in front of us is the P/L budget and not the capital budget. The generator would have been included in the capital budget, but due to lack of interest and momentum, the generator is no longer being actively pursued. Capital budget has equipment expenses. The P/L budget does need to be approved by the Board.

Allie motioned to approve the 2013 budget. Beth seconded. Unanimously approved.

Matthew handed out two articles from Whole Foods magazine. Brief discussion followed on how "fresh" departments are growth drivers and without traditional labels, this makes it difficult if not impossible for a customer to compare a product store to store.

Matthew and Board discussed aspects of contracting to do a market study for the Co-op. Cost is approximately \$8,000 and one particular firm has received good reviews from other Co-ops around the nation.

Allie mentioned importance of being pre-emptive. We know Wal-Mart is coming, Freddy's expanding.

Merianne questioned how we can be strategic without it.

Allie motioned to approve a market study. Mindy seconded the motion.

Motion was unanimously approved.

Merianne and Matthew led the Board discussion of the NCGA survey for Co-op boards. All board members completed the surveys, including Tom and Mark, and Kelly, as member of the staff Leadership team and Staff

Board position, and we discussed responses and tallied where appropriate so that Matthew can submit one survey, in late February, to NCGA which represents the Astoria Co-op response. Please see the submitted survey for more details on responses.

Merianne mentioned that at the next meeting we will form committees vs independent study on expansion and growth so we can put together a board report.

Meeting adjourned 9:10 pm. Respectfully submitted,
Beth La Fleur