

Daily Groceries Co-op - Board Meeting
Tuesday, June 13, 7:00-8:00PM
Athens Clarke Heritage Foundation

Present: Rashaun, Tom, Alex, Matthew, Lisa, Delene, Will (phone), Diona, Scott Lowry

- I. Welcome
 - A. Approve Minutes- April
 - i. Tom moves we accept the minutes, Rashaun seconds, motion passes all in favor
- II. Big Apple Update
 - A. Take aways from Bill & Don site visit May 10-12
- III. Campaign Committee Update
 - A. Next meeting June 30, 1pm
 - i. Jane Russell, Jack Frierson, Tom Reynolds, Kelsey Young, Matthew Epperson are currently serving on the committee as of the last meeting. Jessica Green (who owns the Grit) expressed interest in this campaign.
- IV. Member Forum
 - A. Matthew is glad to be here.
- V. General Manager Updates
 - A. Policy Reports- B1: Condition
 - i. Lisa reports compliance with all parts of this policy.
 1. The GM will not:
 - a. Allow sales to decline or be stagnant.
 - i. 3% is the benchmark, we had 12.25% in the first quarter.
 - ii. Lots of local produce growth
 - iii. Meat is low margin but it brings foot traffic,
 - iv. Coffee and Bulk are showing decreasing sales growth and are now priorities for the year,
 1. 2013 was our peak in bulk sales and we've declined since,
 2. promotions will follow,
 3. co-ops were innovators here,
 4. Millennial draw,
 - v. HABA loss been strategic with increased food sales,
 - vi. The Grit is our main source of wholesale sales
 - b. Allow operations to generate an inadequate net income.
 - i. .5% of sales is the benchmark, 4.15% was achieved,
 - ii. This is the best we've had in five years,
 - iii. after project expense of \$9,000,
 - iv. almost \$24,000 for the quarter
 - v. above 36% margin is the plan which gives us solid income,
 - vi. We're trending down labor as a % of sale,

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1. lowest mark since 2012 including taxes and benefits,
2. we're in the top quartile compared to comparably sized NCG food co-ops,
- vii. we can add more labor going forward including more outreach and front end organizational labor.
- c. Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
 - i. Current ratio is 1.8 exceeding 1.25 requirement for compliance.
- d. Allow solvency, or the relationship of debt to member/owners' equity, to be insufficient.
 - i. Below 3 is required, we're at 1.59 now.
- e. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
 - i. No new indebtedness to report
- f. Acquire, encumber or dispose of real estate.
 - i. No real estate purchases or disposals
- g. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
 - i. No tax payments, overdue or inaccurately filed
- h. Allow late payment of contracts, payroll, loans or other financial obligations
 - i. All contractual obligations met.
- i. Use restricted funds for any purpose other than that required by the restriction
 - i. No restricted funds have been in use.
- j. Allow financial record keeping systems to be inadequate or out of conformity with GAAP.
 - i. Wegner CPA's did a review earlier this year and we are implementing a few audit readiness recommendations,
 - ii. a few items still outstanding
 - ii. Rashaun motions to accept, Tom seconds, all are in favor, motion passes

B. GM Updates

- i. Sales growth trending up for 2Q so far,
- ii. May had 10% growth,
- iii. June 16% so far; we've been affected by the broken freezer challenge
- iv. local produce trending well still,
- v. Property & liability insurance has recouped the cost of the freezer
- vi. We have a new Front End Manager, Tina Patterson, who was hired last Fall and had previous supervisory experience, she will help Lisa with scheduling and other administrative tasks

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- vii. Lisa is back from an interest group retreat with NCG Eastern Corridor
 - 1. We were able to attend free of charge,
 - 2. Dealing with increasing competition in natural foods market,
 - 3. we can go to 2 such interest group meetings (of 3),
 - 4. This one was themed “good to great operations improvement”,
 - 5. 15 folks in attendance,
 - 6. There is now a woman GM support group with monthly calls that Lisa is a part of
- viii. Matthew and Lisa attended CCMA in Minneapolis,
 - 1. lots of board members were in attendance, though it is expensive,
 - 2. we can get financial assistance for board members to go in future years,
 - 3. Lisa got to do a practice speed networking with lenders for the relocation project,
 - 4. National Cooperative Bank wants to visit us soon
 - 5. Matthew presented on “Food Cooperators Building Bridges to Food Justice” focusing on the Behind the Braids tour which visited Athens and Daily provided a place for the marchers to gather, and food for the film screening at Cine.
- VI. Board Policy & Governance Updates
 - A. Policy Reports- C4: Meetings, C5: Code of Conduct
 - i. Alex motions to accept that the Board is in compliance for C4 & C5, Diona seconds, all in favor and motion passes,
- VII. Future meetings A. Board Meetings- 7/11, 8/8, 9/12, 10/10, 11/14, 12/12
- VIII. Executive Session