

Chico Natural Foods
Board of Directors Meeting
Wednesday, September 30th, 2009
Nature Conservancy, 500 Main Street

September Action Box

Duty	Who	Deadline	Mark yes or pending	Mark yes if new policy
Send final ombudsman description to Mike	Carolyn	A.S.A.P.	yes	
Find out how many years CNF has used our attorney	Liza	A.S.A.P.		
Ask Carolyn to be head of Policy Committee	Any	A.S.A.P.	yes	
Relate report to roofing items and get additional estimates to facilities manager	Liza	A.S.A.P.	yes	
Print old application to candidates	Liza	A.S.A.P.	yes	
Evaluate and get rough estimates on repairs	Facilities Manager	A.S.A.P.	yes	
Contact SMS Printing	Nina	10/7	yes	
Contact Library	Piro	10/7	yes	
Contact Newman Center	Peter	10/7	yes	
Contact 1200 Park Ave	Luisa	10/7	Yes	
Notify Carolyn of new meeting place	Any	10/7	yes	
Report on legal counsel	Finance Comm	10/28	yes	

BOD logged hours: The GM will submit a sign in sheet for the BOD to the Member coordinator and each committee chairperson (A BOD member) will submit a sign in sheet for each meeting as well. All other hours will be logged and submitted individually.	ALL			yes
Discount updated report	Liza	Nov 18		

Attendees: Luisa Garza, Peter Ratner, Nina Gregory, Scott Richman, Liza Tedesco, Piro Ishizaka, Mike Skram
Absent – Carolyn Mullin, Dale Rudesill

Opening Procedures

All agreed to skip the “check in” with everyone tonight.
September agenda approved with amendment to add holding future meetings elsewhere than the Nature Conservancy, under new business.
Approval of the July and August Minutes
Estella needs to change several errors found in the July minutes. Scott made a motion to approve the August minutes, Piro seconded, and all were in favor.
There were no emails or written correspondence.

Facilitator: Piro Process Guardian: Peter

Comments

There were no attendees present
Comment from employee ombudsperson, Mike Skram: Mike inquired about obtaining a copy of the final job description for his position. Carolyn will be contacted and asked to e-mail it to everyone.

Reports:

GM Report

Liza noted that it was for the accounting system’s best interest to do the quarterly inventory on the last day of the month, which is today. Liza is pleased with the income that the store generated this August which is generally a challenging month financially. She commented on how great and the new door to the back room is. Income was a negative \$6,626 for August 2008 and we are seeing a positive income of \$7,200 for August of 2009, while sales were actually slightly down (-.36%) in August 2009.

NCGA Audit

Details of the NCGA's audit report will be included in Liza's GM Report for the October BOD Meeting. Liza is currently asking other Co-op GMs for recommendations on how to best reveal the details within the report to staff.

General Feedback

Luisa liked the report. Scott provided insight into our accounting of legal costs, cautioned the Board to be wary of expenses (such as legal fees) and recommended that we occasionally review our legal counsel options. Peter said that there aren't many attorneys who handle co-op and personnel issues. It was decided that the finance committee would research more on the subject.

Committee Updates

Finance: There was no written report for September 2009; however, Scott gave a verbal report of the Finance Committee meeting held on 9/28 with Piro, Scott, and Liza in attendance. Rick met Piro at the start of the meeting and discussed the topic of member discounts. More details will be provided by November, the time set for accruing information needed to make a sound decision on continuing with our discounts.

Furthermore, the NCGA audit team suggested that the Board look at student and senior discounts as well. Discounts are costing over 2% in profit. They recommend eliminating the student discount and evaluating the resulting numbers and profit margins.

Discussion of budget assumptions for 2010: We will likely project a 0 to 1% growth in sales, which is the same growth percentage range we have been averaging year to date during most of 2009. (Relevant to our lack of sales growth this year, our year to date average transaction amount (also known as ring) is down .1% and our customer count is up .5%.) We are projecting 25% labor cost for the last 4 months of 2009 and anticipate a 38.4% gross profit margin storewide. To be prudent, we'll likely budget gross profit no greater than 38% for 2010. If labor costs are projected at 25% for 2010, the budget projection will likely show a loss on the bottom line since this would leave only 13% of sales (38 minus 25) for all other expenses, to hit the break even point. Liza is going to report on labor cost projections for 2010 at the next finance committee meeting.

Policy Committee: Postponed until Carolyn's presence.

Luisa and Carolyn are interested in serving on the policy committee. Luisa will ask Carolyn to chair the committee.

Strategy: Luisa met with Richard Holmes, a new CNF member who inquired about member involvement, and provided an overview of the co-op and the board of directors. She proposed that he run for the Board in December.

Old Business:

Audit quotes/Audit info: Liza emailed development directors from the NCGA and was informed that smaller stores don't do annual financial audits unless there's an unusual situation. If an audit is wanted the GM usually provides several quotes from different firms and the Board selects the firm. Luisa said Rick is preparing information on our "financial picture" called a Proforma to help with our future location ~~lease~~ decisions. He's building budgets based on various options and this may be more useful than an audit. Peter wants a more comprehensive evaluation than an audit. Piro commented that unless there's a need, \$2,000 is a huge expense for the Co-op to spend on an audit. It was agreed that an audit every 3-5 years could suffice for keeping an eye on the financials.

Create How to Field Common Questions Document: Because Carolyn was absent, this topic was not discussed. It was added to the action box for Carolyn to present as soon as she can.

Roof Estimate: See attachment: There are three items that need attention: the flat roof on the out-building, resealing three skylights, and remove and replace roofing around drain at front corner of store while reopening the drain. Liza will secure bids to fix these prioritized items and work with both a professional roofer and the facilities manager to see that they are done. Luisa mentioned there were items in the Green's inspection related to roofing and that should be included in the scope of work.

Piro made a motion for the board to authorize Liza to fix these roof items and Luisa reminded the group to include any roofing ventilation issues listed on the Green's inspection report so long as it does not exceed an estimated \$4000 in expenditures. Peter seconded the motion. All were in favor.

Rough estimates on repairs: Facilities Manager is working on some significant issues, but not exclusive to the Green's inspection.

New Business:

Flat number of hours worked as a director: Scott suggests that Directors on the Board be given the option of earning one month of Board Member discount per month of Board service if they choose to not log hours for additional time worked.

Luisa made a motion to continue to document actual hours worked and to have a sign-in sheet for each meeting. The GM would turn it in after a board meeting and committee chairs would do the same, after a committee meeting, and submit it to Janae Lloyd, who is serving as our working member coordinator. All other time worked for the Co-op by a Director

would be individually recorded and submitted to the working member coordinator. Nina seconded the motion. All were in favor.

Meeting Place: The board is searching for a public location that has some privacy to hold future meetings. Nina will contact SMS printing, Piro will contact the library, Luisa will contact 1200 Park Ave Sr. Apt. complex and Peter will contact the Newman Center for a meeting room. All should report findings by e-mail.

Peter motioned to adjourn the meeting, Scott seconded. Meeting adjourned at 8:00pm.

Meeting Minutes by: Estella Lai

First edits completed on 10/4/2009.

Second edited completed on 10/5/09 by Carolyn Mullin.