



April 24, 2019

Open Meeting Minutes

Attendance

Present: Kelli, Patrick, Jon, Caitlin, Ramji, Wannette, Cal

Absent: none

Member Owners Present: Caroline

Staff Present: Linda, Matt, Craig

Meeting Called to Order at 6:31PM

Member Open Forum

Caroline mentioned that the Van Buren store is looking 'perky' and like business is improved.

Approval of Minutes

Ramji made a motion to approve February 27, 2019 meeting minutes; Cal seconded; approved 7-0-0

B3 Asset Protection Report (Matt)

This report is very similar to last time, which is to be expected.

Flood protection system is in place in Iowa City, is used as necessary and is practiced often.

Member and customer data is constantly protected to provide security from a third party and our IT team. This is important as we launch e-commerce ventures in May and July. Ramji recommended a total evaluation at the October board meeting of our e-commerce ventures.

Cal motioned to accept B3 report; Jon seconded; approved 7-0-0

B9 Emergency GM Succession Report (Matt)

Linda is the appointed Emergency General Manager for the organization. This is her second year in this appointment. Craig is also available if Linda's services are unavailable, but he is not formally named in the report.

Jon motioned to accept B9 report; Cal seconded; approved 7-0-0

B1 Financial Conditions Report (Matt)

January-February showed significant impacts to our cash flow for the quarter. Labor costs skyrocketed and sales dipped, both because of the weather and unforeseen circumstances. Numbers leveled in March and are looking very good for April. We are noting non-compliance on B1.2: Negative Sales Growth for these reasons.

Due to the B1.2 portion of the report continually being in non-compliance, Caitlin requested a specific, but practical plan for attaining compliance in the long term. This plan should be paired with the B1 report at future meetings or included in the report itself.

This is an important record of action items to be taken.

Matt will bring the B1 report back next month for Board review and will include a plan for compliance if non-compliance is noted.

Ramji motioned to accept B1 report noting non-compliance on B1.2; Cal seconded; approved 7-0-0

Finance Committee Report (Cal)

- There was a reasonably sharp rebound in sales in March and April due to a variety of factors. We are back to slightly positive EBITDAR. Iowa City sales are still negative, but better than usual. Coralville and Cedar Rapids are performing similarly as they have in the past.
- Labor costs will begin to decline in the stores and rise at the Hub due to a transfer of staffing for centralization. Ramji inquired how this will impact margins at the individual store level and what stabilization will look like. He informed us that this change might make understanding the metrics between individual stores unique.
- There was also discussion of reformatting this report to include greater clarification and reformatting of the data, including the central office and administrative expenses. Patrick requested for the reports to be summarized in the Dashboard tab, and be inputted into OneDrive at least 24 hours in advance of the meetings.
- The Cedar Rapids store sales are low. Stronger use of prep foods are needed as that is a strength of the organization as a whole. Marketing and digital outreach in that store/area also needs improvement. The store has the highest basket size of all 3 stores, but overall traffic is low. There are still many Linn County residents that don't even know about the CR store. The CR team is very strong and it's the best facility; the catalyst for change will be in marketing for this store. Wannette mentioned that in-house content creation and targeted, long term marketing plans are necessary.

MOR Committee Report and Brand Manager Update (Wannette and Linda)

- There will be a draft election schedule coming at the next board meeting. By the July board meeting the MOR committee will have a recommendation for e-voting for the board election. Ryan and Tim have been delegated the technical elements of e-voting.
- Coffee and Conversation on May 18 at 9am at the IC store. A second event will occur in CR in November. There will be a third event at the CV store, with a date TBD.
- The Annual Meeting will be October 27, 2019 at Indian Creek Nature Center. The MOR Committee recommends a PR event on September 21, 2019. The purpose of this event will be to meet the BOD and board candidates, meet with food vendors, and connect with the Co-op.
- Three mailers are going out/went out to Lucky's customers. The first was very successful (3% redemption with industry standard at 1%), the second mailer is trending well, and the third hasn't been sent yet. The launch and communications plans for e-commerce and the store remodels are being developed currently.
- Interviews for the Brand Manager candidates are taking place currently. All of the candidates so far are strong and diverse in skills and backgrounds. The goal is to make an offer by mid-May.

Planning Committee Report (Jon, Patrick, and Matt)

- Plans and documentation for both remodel projects are provided and timelines are thorough. The Iowa City remodel is on schedule, Coralville is ahead of schedule by a few months due to proactive sequencing. Both stores should be 90%+ completed by July. Sales impact should follow soon thereafter. Additional funds approval will be needed from the Board to proceed with the Coralville remodel.

- Launching e-commerce is time consuming, but in progress. A personal shopper has been hired and on-boarded; more candidates will be hired soon. Service windows and other logistics are being formulated currently. The marketing campaign has barely been started.
- Jon made a motion to approve \$390,000 of additional funds for Coralville store improvements; Cal; approved 6-0-1

Owner Benefit Update

Matt has more information for the Board about member owner benefits, which will be shared on a board conference call due to the interests of time at tonight's meeting. In general the changes to member owner benefits are more about how benefits are administered.

August Retreat, Ad Hoc Committee and Calendar Update (Caitlin)

Ad Hoc Board Retreat Planning Committee: Caitlin, Kelli, Jon

Caitlin will look at the planning document to determine a date for the retreat. In May the BOD will discuss goals and objectives.

Meeting Adjourned

Cal made a motion to adjourn; approved 6-0-0