



**New Pioneer Board of Directors  
Open Session Meeting Minutes  
Wednesday, September 16, 2020  
New Pioneer Food Co-op Virtual Meeting**

Present: Caitlin, Christine, Jon, Julie, Kelli, Ramji, Wannette

Late: None

Absent: None

Staff Present: Matt, Linda

Meeting Called to Order at 6:35PM.

**Approval of Minutes**

Ramji made a motion to approve the July 15<sup>th</sup>, 2020 Executive Board Meeting Minutes; Christine seconded; Jon abstained; Approved 6-0-1.

**Finance Committee Report (Matt and Ramji)**

July Summary: Margin and operating profit were better than budgeted. Accounting profit was a little over budget. Cash is holding at about \$1.7 million. The last couple of months, Co-op Cart has been around 15% of sales. Ramji reminded that we are coming from negative sales prior to COVID and the PPP Loan injection and that accounting profit may be a sign that we are turning the corner. Caitlin feels that our ability to do well during the pandemic is also a sign that we're a fundamentally sound organization.

August Preview: Achieved sales growth even with the Derecho Storm and modest negative net income. Caitlin asked if we would recoup lost profits with our insurance claim and Ramji was curious if we will accrue for insurance settlements?

Derecho Insurance Claim: Includes inventory loss, business interruption income (We will receive about 8 days' worth which doesn't kick in until hour 25 – which is approximately \$50,000 we will not recoup). We will receive a \$35-45,000 credit which is not accrued. The biggest number is the property damage which includes CR building damage, loss of tree damage and the urgent need to replace the roof in CV. Property damage is approximately \$150,000. Kelli urged to make sure that we are on a contractor wait list.

Jon made a motion to approve the amount necessary up to \$90,000 to repair the roof damage from the Derecho Storm at the Coralville store; Ramji seconds; Approved 7-0-0.

**B1 Financial Report (Matt)**

Fourth Quarter of last fiscal year, all policies are in compliance but B1.2 Net Income. Net Income is below pre-COVID budget at negative 4% net income. We intentionally ran personnel costs higher than the prior budget during Q4 to maximize the benefits of the PPP Loan. The month of July recorded the highest sales growth in 5 years at 13% and the sales growth 3 quarters in a row is positive. Caitlin asked how we performed compared to last year? Matt said that while we were up against a suppressed operating model due to the store remodels last year, CR had a very good July last year. The comp and the overall number are good.

[] makes a motion to approve B1 Financial Report; [] seconds; Approved X-0-0.

### **PPP Loan Update (Matt)**

No large update on the PPP Loan. There is a possibility that there will be more stimulus. Matt mentioned that 2<sup>nd</sup> half of next year is when we need to apply for forgiveness. Hills Bank suggests doing it now. We are holding off on it because it's no benefit to us. Ramji agrees with Hills Bank. Caitlin suggests seeing if there is an advantage to waiting to apply or forgiveness. FTE's estimates adjustment of about 15% payback spread over 2 years. Caitlin inquired about the auditor's reason for waiting. Matt stated that the auditor's reasons for waiting included obtaining subsequent guidance to help with benefits and that there were no benefits to cash flow. Ramji and Matt will discuss and provide more information for next month's meeting.

### **COVID-19 Update (Matt)**

We've gone 4 weeks without positive cases which is really good. There was a rough patch in IC but everyone that was out has returned. Management is watching it closely every single day. We've had 6 months no positive cases in the CR and CV stores.

### **Sustainability During COVID (Linda)**

Linda's presentation provided a preview of what are we doing to balance sustainability and safety during COVID. We are returning bulk gravity bins in the next month but won't be returning scoop-ins until its safe. We are offering paper bags and compostable produce bags for bulk, but customers are still not allowed to bring their containers in. We are mapping out a program for reusable containers. Prepared foods will be adapted to the reusable glass jar program for products where it makes sense. We are currently looking for brands and programs committed to packaging solutions. Example: Whoa Nelli glass and tins which we already carry, Crystal Ball Farms Milk, compostable packaging, concentrated products such as cleaners from Seventh generation and Loop partnership (Terracycle) for collection bins and reusables. Jon reiterated the importance of making sure that containers don't have PFAS in it which is a dangerous chemical that can be found in compostable containers. Wannette inquired about the plan to promote these initiatives. Linda is planning a preview in the Annual Report and has plans to discuss with Amy, the Brand Manager. Kelli noted that Marketing Team Member, Megan was contacted about teaching a virtual low waste class which is in the works. Matt also discussed packaging options for prepped foods and made to order including 3<sup>rd</sup> party delivery options. Ramji cautioned to be diligent regarding the labor practices of 3<sup>rd</sup> party services.

### **Derecho 2020 Update (Matt)**

Lessons learned: There was already a low point for capacity when the storm hit. We didn't have a lot of human resource capacity on top of staff dealing with storm damage. With regards to loss perishables we didn't have the capacity to get out in the community. Wannette asked if we have a plan to avoid or limit things like the loss of perishables in the future. Matt said that communication was the difficult part, but we do have risk management processes (i.e. food safety, IT backup, payables controls). Backup generators (natural gas) we talked about years ago. Jon suggested backup generators to at minimum power refrigerators and some lights. It might also be worth looking into a solar generator with battery bank as opposed to natural gas because the cost of solar has reduced.

### **MOR Report/Election Update (Christine)**

There is no election update from a committee perspective. The ballot is going out this week. Members are aware that the Annual Report is going out digitally and we are in the process of finishing that up right now. We discussed the Annual Meeting format. We need to prepare for a virtual meeting. Caitlin suggests holding our October Meeting with an Annual meeting component. The idea is to change the format of meeting so that we open up the first 20-30 minutes with an open link for members to join the Annual Meeting open session (RSVP system to obtain link). Then close it after for the Board Meeting portion. Matt and the IT team to look into Teams or other options for meeting logistics as well as designating a technical meeting moderator to manage the public portion.

**Review Board Calendar**

There is no retreat planned due to COVID-19, but we need to catch up on reports for 2020. Caitlin doesn't feel that 5 reports in a month is a good idea. The Board Calendar has a tentative schedule for the Customer Service, Staff and Ends Reports. Staff is moved to Oct, Ends to Dec and Customer Service to January.

Julie made a motion to adjourn; Meeting adjourned at 8:00pm.