

Coastal Organics Cooperative, Inc. dba Arena Market and Café
Board Meeting Minutes, April 27, 2021

The meeting was called to order at 5:02 pm. Present: Molly Morgan, president; Rick Beach, treasurer; Rhonda Rumrey, secretary; Dan Lewis; Lee Farmer, GM; and James Gallager. Guest: Natalie Meyer. The agenda was unanimously approved.

Approval of Previous Meeting Minutes (3/17/21): Dan moved to approve the minutes as distributed; James seconded; approved unanimously.

REPORTS

- General Manager: Lee

Personnel: Chris resigned and the board discussed a parting gift for him. For the first time in more than a year, there was an in-person staff meeting; these will be ongoing but less frequently than monthly. There are two new employees, and Martin may come back. Natalie said Oz apprentices would be interested in weekend work at the co-op, which was welcome news for Lee.

PP&E: Lee purchased a new three-door freezer, which will be delivered June 11; cost was just over \$13K. All new equipment is working great. About to order a second panini press to help with the sandwich ordering volume. The phone line is still down but Lee hopes it's fixed this week.

Operations: The inventory was completed April 11 and is making ordering easier. Lee is enthusiastic about the upcoming co-op conference May 11-15; there is lots of content specifically for food co-ops; some Oz folks may participate as well. Oz has resumed providing produce, which is good because Wavelength stopped. Renovations should be done in the next three weeks; they have reached out to Eric Wilder for a permanent art piece on the south wall of the café. Considering ending the in-person store limit starting May 1. Possible café re-opening June 1. We received an anonymous donation of eight new shopping baskets! Further Reach work on the building is completed. No update from the Odd Fellows about completion of the exterior work. Lee finally got a week off!

Finance: Sales are picking up with a big bump around spring break and are strongly exceeding our highest projections. We're on track to outperform 2020: total sales by this time last year were \$313K and this year we're already at \$371K, a 16% increase. Entering café and deli item costs into Catapult is about 60% completed (this is a very time-consuming task); since this is about 10% of our revenue, we should be able to manage costs much more effectively going forward. EBT purchases have increased 300% and Lee is checking into Market Match (Oz's CSA qualifies so maybe the co-op can also). Dan suggested a practice some stores use, which is to keep "essentials" (to be defined) at a base price and raise margin on other items to cover, so that low-income people can more easily afford to shop in the store.

- Treasurer: Rick showed the wiggly line chart with a complete recovery from the February closure. He reviewed the budget-to-actual for the first three months; both income and expense items are doing better than forecast, but gross margin decreased steadily to 34% in March, which needs immediately attention. The first physical inventory in at least five years was completed April 11; results suggest that it's worth about \$63K, about 14% higher than what we have been reporting, so some accounting adjustments are being made. Rick received notification from the SBA that initiation of the EIDL loan payments has been deferred 24 months, so payback will start in July of 2022 with an increase in the monthly amount from \$731 to \$780. Rick has applied for an additional \$50K of EIDL money which, if accepted, the board will discuss whether to receive and how to allocate. We have now moved to round 6 on the California Relief Grant application. The café remodel and new equipment cost about \$22K, which exceeded the budget by \$5K. The \$13K for the replacement freezer is being taken out of the winter doldrums allocation. The current balance in other funds is \$50,255, allocated as \$15K for UNIF overdue invoices, \$13K for the LISC grant projects, and \$22K remaining in winter doldrums. Rick anticipates needing all the reserve money before Memorial Day.

OLD BUSINESS

- LISC grant: Rick reported no update on the website work, steady progress with Natalie on the Catapult cleanup, and still needing info from Lee on the marcom staffing.
- Newsletter (copy due May 2): The GM letter will include thanks for the new shopping baskets.
- Standby generator: Dan reported no progress on the bollards; still waiting for Lee to check in with Paul Anderson.
- Café renovation and budget: Lee reported that there are still some more labor costs to come. Also Pro has recommended that the windows be replaced with tempered glass; while everyone agrees this would be a good thing the cost would be significant and we don't have a proposal.
- Redesigning internal network: Rick reported that there is one final piece yet to be completed, which is replacing the loaner box.
- Membership cleanup: Rick reported no progress.
- Employee handbook: Molly reported no progress.
- Strategic planning update: Lee reported no progress.
- Website makeover: Rick reported no progress.

NEW BUSINESS

- Webcart status: Rick will report on this next month.

NEXT MEETING:

- May 19, 5-7 pm via Zoom

The meeting was adjourned at 5:55 pm.