

Item 2.1 | Approved January 11th Minutes



Board of Directors Meeting Approved Minutes

Date: January 11th

Item 1.0 Call to order:

The regular meeting was called to order at 6:00 PM via webinar at <https://us02web.zoom.us/j/84530615672?pwd=M2MzSmRpSHRabDZOL0ITbXlCM3JzZz09> by Sharon Tobar

Directors Present: Patrick Beckett, Kim Coontz, Theresa Robinson, Faye Dixon, Treva Valentine, Samantha Conselman, Sharon Tobar

Director(s) Absent: Madison Suoja, Lorin Kaliski

Staff Present: Laura Sanchez, Rachel Warner, Andrew Steward, Vincent Marchese, Brad Salmon, Michele Henley, and Meghan Kelly

Guests Present: None

Facilitator: Sharon Tobar

Time Keeper: Samantha Conselman

Notetaker: Rachel Warner

The President determined that notice of the meeting was duly provided as required by Article V of the Bylaws and that a quorum of Directors was present.

Preliminaries:

Welcome and Introductions took place.

Owner Comments:

There were no owner comments.

Board Announcements:

There were no board announcements.

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Agenda Review:

Item 4.2 - DEI Task Force Report has been removed from the agenda and will be moved to the February Board Meeting.

Samantha motioned to approve the agenda, Patrick seconded the motion. All were in favor, and the motion passed unanimously.

The December 14th minutes have been removed from the Consent calendar. Samantah moved to approve the consent calendar, Patrick seconded the motion. All were in favor, and the motion passed unanimously.

Item 2.0 - Consent Calendar

Samantha proposed an addition to Consent Calendar (Item 2.3) to add the Governance Committee Notes. Samantha made a motion to approve the Consent Calendar with the addition. Patrick seconded the motion. All were in favor, and the motion passed unanimously.

3.0A - Approve minutes

Samantha motioned to approve the December 14th Minutes, Faye seconded the motion. Six in favor, with one abstention, and the motion passed.

Item 3.0 - President's Update

The President talked about staff appreciation and owner engagement opportunities. She also discussed the new General Manager and how to communicate to the staff/owners about the new GM.

Item 3.2 - GM Operations Update and Report

Biggest wins - second interviews have been done for the prepared food

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manager (last week with Brad). After looking at the budget, we were under the labor budget for Q1 and were able to reinstate hero pay the week of Christmas and the last 2 weeks of December.

We gave over 300 meals out for the Holiday Meal, with lots of help from Kathy and Vince. Enterprise Reader's Choice recognized DFC for best health food, best vegetarian food, and #3 for the best grocery store.

Laura's biggest worry is staffing - we are seeing a lot of fluctuations with staff due to COVID protocols. We have been understaffed in some departments, especially since many staff had to be out of work due to the recent COVID case.

There have been a lot of facility maintenance issues - broken sink in Deli, broken heater in Admin, and issues with the company van.

Laura's biggest focus include DEI training in store next month and In-person customer service training, starting with the cashiers in the Front End in small groups (4 +1 for trainer).

She is working on the reserve study, starting to evaluate our equipment and their lifespan to project future investments and costs for our 10 year plan, and she is starting to set a meeting time to get that going.

She also wants to share her goal and plan with Admin Team to align their year objectives

Sharon asked about which departments are having staff issues and where the management structure can help with that. Laura mentioned web-cart as having few staff trained/assigned, as well as departments that are specialized (Produce) and the need to cross train.

Staff Turnover - 1 Produce staff member departed, but has moved on to another store as a manager, and another left from the Deli, but neither

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have been replaced. Samantha asked about the turnover in Produce, and Laura let us know if it is mostly about part-timers, but this case was someone getting a new job offer that was better for them (as a manager)

Department Updates

Facilities:

Passed our Food Safety inspection from Steritech.

Biggest Worry: Facility issues as stated above. Reserve study should help prepare for these kinds of issues.

Operations:

● Biggest Win:

○ Q1 inventory is complete. We will be submitting data to get actual margin

reported at the next board meeting.

○ Webcart Sales were a success during the holiday season. We made \$103,446

online sales out of total \$1,607,955 in store sales for the month of December.

This is 6.19% of store sales.

● Biggest Worry:

○ Staffing

Marketing:

Wins:

○ While different than years past, and with some bumps in the road, we still had a

successful Holiday Meal and were able to distribute close to 400 meals.

○ With Holiday Meal finished, we have been able to start more thoroughly planning

out the Marketing campaigns we would like to run over the next two months

○ Marketing is becoming more involved with Merchandising and

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Customer Service

in the store and is helping to implement some new guidelines and standards

moving forward

○ Loyalty test (Will be called Owner Rewards) with employees went well and we are close to officially confirming a launch date

Worries:

○ We have Teaching Kitchen classes scheduled through March but virtual attendance is still hit or miss. There is a concern for the potential to have to

cancel classes if registrations don't hit their marks

○ It can be difficult to measure the impact of the Marketing team's efforts, especially as it relates to online blogs/recipes and in store signage. This can

make it tough to gauge if we are using time and effort efficiently.

○ Scope of branding upgrades we want to make in store are proving to be more costly than anticipated. Allotted budget may not cover what we had hoped to change for the year

Patrick asked about how we can track engagement on our website (analytics). Vince talked about tracking engagement through social media. For our website we utilize WordPress, but work with SevenRoots, which controls the back end of the website and it can be difficult to get information from them.

Laura went over the financials this last month. We were under labor and facilities. The key ratios were strong, with higher than forecasted sales, increase in sales, overall better in days cash and our working capital increased. We did not do a lot of extra sales this holiday season due to the busyness of COVID and staffing shortages.

Laura also pointed out that the three departments that had a decline

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compared to last year were Wellness, Bulk, and Deli. Looking to add Bulk to the webcart to hopefully help with sales.

Patrick asked about the Wellness department, he did some research on how wellness has done in other places, but asked in the current climate with COVID if we could leverage that. Laura mentioned that we are facing challenges with customers buying products online because it is cheaper/can be shipped

Item 3.3 - Presentation-Produce

Meghan discussed her goals - that the department is educational on local food and the local farms that we get our produce from. She has worked on rebuilding relationships with local farmers and has seen benefits from it. She discussed how important it is for her staff to be educated and that this is one of her primary goals.

She talked about COVID and panic buying- for example we ran out of the entire garlic group earlier on in the pandemic. We are seeing more in basket sizes/sales, so it seems like people are buying more - often biweekly.

We cut some loose items - like salad and dates - for sanitation reasons. Some customers are asking for it back. Challenges have been mainly labor due to a lot of staff outages. Meghan built the department so people know their roles during their shifts, so having outages can disrupt the work flow for everyone to cover, and things can often fall short on those days. She mentioned that some of the equipment is old and has seen better days. Even with maintenance and cleaning, they are still old. New items, like dummies that sit behind produce, could be replaced to improve the appeal.

She wants to work on customer service, and is looking forward to the customer service training coming up. She is disappointed that we can't

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give out samples, especially for seasonal produce.

Patrick asked about if Produce and Deli have ever worked together to bring farm products to Deli. Meghan has tried to bring products into the Deli, but it takes a fair amount of planning ahead for seasonal produce from the Deli. He also asked about what we do about food waste. Everyone sorts out compost and donatable items. The team weighs both and can track how much we've donated/composted. We have 2-3 organizations that come to pick up waste. Compost is picked up by Recology.

Samantha asked Meghan to compare/contrast our produce from Trader Joes, Nugget, etc. Meghan talked about the quality of products through the care and sourcing of products. She also talked about produce selection being better/more seasonally inclined. We do a lot of produce prep, which many others do not. We prep things to give more life to products for the consumer. We have looser specifications for some products (cosmetic) which allows us to have some smaller, local farmers and real produce.

Kim asked Meghan to bring any suggestions from her team meetings about the strategic plan.

Theresa talked about doing the tours to local farms last year and looks forward to being able to reinstate them after COVID.

Meghan mentioned that Briar Patch has a map that shows all the local farmers they have, and would like to include more info for engagement on the website.

BREAK: The directors adjourned for break from 7:40 - 7:45 PM

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4.0 - Decisions - New Business

4.1 - Escheatment PR Plan

Vince created a FAQ list, which includes info about what escheatment is, and there will be another page with details on what escheated owners can do. We will send that out on the 27th, and on the 30th we will post the names in the newspaper and begin mailing info to the owners.

Sam moved to approve the Escheatment Plan (Item 4.1), Kim seconded the motion. Sharon declined, all others in favor, and the motioned passed.

4.2 - DEI Task Force

Removed

4.3 - Solar/Microgrid Task Force

Sharon talked about how we got quotes from roofing and solar companies, but we would like to establish a task force to review them and determine the next steps and to send any requests to the Finance Committee. Patrick and Vincent (Marketing) are joining the task force.

5.0 - Wrap up

Faye checked-in with everyone to see if anyone had questions or comments. Samantha brought up that another store in the Bay Area is allowing Bulk now, and asked for information on their decision and also asked Yolo County.

Kim moved to adjourn the meeting at 8:00 PM. Patrick seconded the motion. All were in favor, and the motion passed unanimously.

/s/ Samantha Conselman, Secretary

Secretary, Davis Food Cooperative, Inc.

Date Approved