

Questions from the Annual Meeting for the Davis Food Co-op on May 6, 2021 held virtually on Zoom

Board of Directors in attendance: Sharon Tobar (President), Treva Valentine (Vice President), J. Faye Dixon (Treasurer), Samantha Conselman, E. Kim Coontz, Theresa Robinson, Patrick Beckett, Madison Suoja, Lorin Kalisky

General Manager: Laura Sanchez

Marketing Manager (Moderator): Vince Marchese

Owner's Question	Board of Directors and General Manager Answer(s)
<p>Would you be able to email this presentation, especially the financial statements? They are too fuzzy on my screen to read - probably because of my bad internet, but I'd still like to see them. Thanks.</p>	<p>(Answered by Vince): A couple of the financial documents will actually be available in our Annual Report which will be released tomorrow and available to pick up at the Customer Service Desk. We will also have a digital version uploaded on our website as well so you will be able to see everything that we shared tonight.</p>
<p>Also, why are the sales of local products falling compared to previous years?</p>	<p>(Answered by Laura) I will say that we don't know for certain but a lot of what happened last year is that people were looking for their staples or pantry items and things like that and not too many of those happen to be local items. That's why I think using our platform to let people know what our local items are in store, what they are about and how to use them in recipes is really important for us so that people can make a good buying choice if they want to support our local economy. But that is something that unfortunately did have an impact with the pandemic in how people were buying and spending their money. Like I said, I hope that this year we will see a turnaround in those dollars because we definitely want to continue to have those products in our store and see those businesses and farms thrive. We're hoping that our Ownership will continue to put their dollars there in our local economy.</p>
<p>What did you do to arrest the 2nd quarter decline in sales?</p>	<p>(Answered by Laura) Earlier in the presentation when I talked about 2020, we were seeing that upward incline when we started to see a lot of that panic buying in late February when people were starting to hear about the pandemic. Now this year we were comparing our sales to that panic buying. Now that people aren't buying as much we were able to adjust to what was going on. So the dollars spent in comparison are not as much there. The thing that we were able to do was operate in our means so using key factors like sales per labor hour allowed us to forecast and look at what we were going to make so we could run the business with that in mind. That is something that we have been in the practice of doing in the past year or so. That has really become key so we know how to react and plan to what may or may not happen and that is attributed to the management team who is using those tools to make good business decisions.</p>
<p>What percent of staff don't qualify for 100% employer covered healthcare?</p>	<p>(Answered by Vince) This is something that I think I can field as this will also be encompassed in the Annual Report that comes out tomorrow. According to the numbers that we ran, 72% of our employees were eligible for health, dental, vision and life insurance benefits. So to answer the question, 28% did not qualify for employer covered healthcare. Laura, I don't know if there was anything you wanted to add to that.</p> <p>(Answered by Laura): I would say that all full-time employees are offered healthcare but not all of them participate in that. So while not all participate, we do continue to offer that to all full time employees.</p>
<p>How do staff wages and benefits compare to Safeway and Nugget employees?</p>	<p>(Answered by Laura) In 2020 we didn't necessarily look at that but in 2019 we did have a consultant come in to look at our living wages to see how they compare in Yolo County considering cost of living and all of that. And we were able to build a pay structure based on their recommendations to ensure that we were continuing to offer good pay to our staff in comparison to what was happening around us since our staff lives in and around Yolo County. I also want to mention that in California each year we have seen the cost of living increase and we do our work to look at the budget for the year coming to avoid wage compression. That is really important to us and our staff, especially those that have been here a long time, for us to raise wages along with the cost of living increase and the minimum wage increase based on tenure.</p> <p>(Answered by Vince) One other thing that I will mention is something that is in our Annual Report, is that for our hourly staff, and this is just for our hourly staff, we paid an average of \$15.74 an hour and that does not include any of the benefits.</p>
<p>I'd love to hear more about the HoneyBee Loan Program for employees. Is info available online?</p>	<p>(Answered by Laura) HoneyBee Loan Program is something we enacted where staff can take a loan with no interest and be able to pay it back through their paycheck. So if they are in a tight pinch they can take that loan at any time, no questions asked. They just need to fill out a form with our HR and we are able to get them that loan and they can pay it back with no interest. So that is something that some of our staff used and we decided, because we are in a time where so many things are uncertain, we would bring that back again this year.</p>

<p>Speaking of equity and building renovation, any consideration of implementing a member loan program? Or, other member equity initiatives?</p>	<p>(Answered by Sharon) The Finance Committee will be considering that very soon, I would think beginning in June. If you have some ideas along that line and you would like to share those ideas please let us know, we would love to hear from you.</p>
<p>Any plans to use member investments? (Premium/investment Shares?) We spent considerable Board resources creating that option.</p>	<p>(Answered by Sharon) Absolutely. That is the other option that the Finance Committee will be looking at and considering.</p>
<p>I don't know that it will be part of what you talk about at the Annual Meeting, but when California ditches the Tier system, it would be a good time for the Bulk Department to return to something like normal. I've been accumulating ridiculous amounts of paper-and-plastic coffee bags, and unwanted plastic bags continuing to buy from our bins. If I'm going to be buying packaging anyway, I'm going to re-evaluate my loyalty in this regard. But, if for many bins, we could go back to bring-your-own-bag, I'll continue my patronage.</p>	<p>(Answered by Laura) Our ideal Bulk Department would go back to the way it was pre-pandemic and we would open it up completely but unfortunately our guidance on that does come from Yolo County. We have continued to stay in contact with them and ask when reusable containers could be brought back into our Bulk Department but they have not allowed that, even though we have cited neighboring counties that have allowed it in higher risk tiers. But Yolo County has been firm in their decision not to allow that. I think, like I mentioned, in what is coming to look forward to, we are really looking at how we can return Bulk to its true self and not a prepackaged department. We have some things we would like to do but we would love the county to lift those restrictions. Unfortunately, we have to abide by those guidelines. You'll see some slight changes here and there but we are right there with you and would love to see a return to pre-pandemic bulk.</p>