

**SUGAR BEET FOOD STORE COOPERATIVE**

**BOARD OF DIRECTORS MEETING**

**Tuesday, October 25, 2022, 7pm**

**Grove Apartments- Conference Room**

**442 S. Grove, Oak Park, IL**

**Join by Zoom:**

[**https://us06web.zoom.us/j/82346685635?pwd=bTB0bU1NaGtIQXhDQ0FWU1N4ZTJadz09**](https://us06web.zoom.us/j/82346685635?pwd=bTB0bU1NaGtIQXhDQ0FWU1N4ZTJadz09)

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Board of Directors: Linda Chandler, Beth Dougherty, Bill Gee, Gail Holmberg, Cassie Janis, Johnny Mathias, Peter Nolan, Diane Norris, Lori Vierow, and Chuck Wolf

Interim General Manager: Jim Doyle

Attendees: Matthew Ruffi, Chicago Market

**Meeting called to order 7:04pm CT**

1. GM Update
	1. August Financial Update
		1. August - $390K, up 4%
		2. Margin 35%, vs. goal of 37.5%
		3. Labor at 19%. Total labor excluding contractor (Jim Doyle, Interim GM), 23% total with contractor. Off $14K for month.
		4. Expected labor high with trainings etc.
		5. Occupancy up $6K YoY, rent up $1K/month in May plus $250 in office space
		6. Op Expenses up $3K, primarily merchant and service fees – considering why, correlates to credit card swipes
		7. Printer in office driving fees up
		8. Marketing/Adv/Promo -up due to signage through store (basics, deals etc.) – charge being validated
		9. Addition to our revenue - Reimbursements on UNFI $19K and sales tax $3K
	2. September Financials – being finalized then will review the 3rd quarter
		1. Jim to work with Jen to ensure our books are closed in time for monthly financials to be reported at each Board meeting.
	3. Weekly Sales Report
		1. Encouraged by weekly sales
		2. Transaction count stable around 2,700/rolling 4 weeks
		3. Sales challenges- General Merch and cheese are down versus prior year.Meat and Seafood recovered in Q3 but down Q1 & Q2 – need to dig in on 3 categories
			1. Optimize cheese section
			2. NCG/Natural grocery up around 2-3%, mainstream grocers up 7-8% YoY
		4. Labor number was very good this week at 17% - given sales jump with owner drive – 19% covered reset in past weeks.
	4. Store Initiatives
		1. Store Reset
			1. Jim to analyze total costs (NCG- $3K, electrical fees, shelving) – how long to get payback/positive return
			2. Shout out to Marcus and Lissa – Mon-Wed setup to get the reset done (Roz helped out too)
				1. Looks great and a lot of positive feedback from customers during owner drive
			3. New aisle signage
			4. Some feedback on difficulty finding things now and specific feedback on discontinued items but very minimally – Feedback considerably positive feedback
			5. New honey dispenser
			6. Electrical - unexpected expense
			7. Liquidating fixtures
				1. Chicago Market has storage space
				2. Or Austin 40 Acres Market, or re-use depot
		2. Owner Drive
			1. Jim would like to look at a slightly different structure for our next Owner Drive where Owners have a spending threshold they need to hit beofe they can earn the lower end of the savings options (10% off)
				1. Board had questions about whether this is equitable
			2. Results – Sales up 15% to prior year, up 12% over previous 4 weeks
			3. Bill – let’s watch sales in next few weeks with potential stock ups (understand true incrementality)
			4. ROI based on discounts - $3K this year
			5. New Owners signed up – 15-17 owners over the weekend. For the month, month to we signed up 25 owners, on par with last year
			6. Losing non-owners in-store, how to optimize acquisition
			7. Owners create stickiness, how to drive ownership before Pete’s opens
		3. Other Items
			1. Owner loans paid – looking at announcement
				1. Local PR – Story and ad recently ran in the Eats section of the Wednesday Journal
				2. Jim/team to attend Oak Park/River Forest Chamber of Commerce meetings
			2. Jim is fully doing scheduling with hours and hours against budget
			3. Turnover in produce and deli and new hires
			4. Thanksgiving menu done and ready
			5. Hatchery and ICNC – partners to drive local items in specific endcaps
				1. Impact Culinary – culinary training program, candidates and internship options
			6. Building does not want to do a Unity Fridge – Austin Community can we partner to support?
				1. Idea - Potential to incentivize employees to work/volunteer with Beyond Hunger
			7. Store cleaning day early November before Thanksgiving – close store at 3pm everyone comes in and do a staff appreciation even afterward.
2. Chicago Market Update
	1. Potential loan to Chicago Market as part of investment partners Slow Fig – shorter term equipment fund loan
		1. Chicago Market needs $566K with the idea that 30 days after receipt of bank loan dollars, after Q1 2023 would re-pay friendly loans
		2. Minimal risk bank won’t make the loan - % risk and terms being negotiated, working on a letter from the bank for investment group
		3. If bank loan doesn’t come through direct, could also have an SBA backed loan which reduces risk significantly
		4. Timing before thanksgiving for loan (pre-ordering done pre-thanksgiving 11/15) hedging lead times for supply and bank loans to expedite launch
		5. De-risking project timeline is ultimate goal
		6. How much money committed? ~$400K at this time
3. Board Committee Updates
	1. Strategic Plan Committee
		1. Kickoff of strategic planning process 10/24/22, how to get stakeholder input and get feedback etc.
		2. Focus collecting input and re-cast story from founding to future story (3-7 key ideas for focus going forward)
		3. Building on constituencies to learn from (staff, customers, community players, other co-ops)
			1. 2-3 board member sub-groups for each constituency – full board engagement needed
		4. Next board meeting start planning with board members
	2. Finance Committee
		1. Did not meet
	3. Admin Committee
		1. Did not meet
		2. Will meet before next meeting – SEP report back and employee poll up in Nov/Dec (Store 360)
		3. Store Administrative items for board reference (dates when annualized)
4. Other Business

**Meeting Adjourned 8:33pm CT**

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**Upcoming Board Meetings**

December 6- Planning

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**Our Strategic Pillars**

* *Run a financially viable business for our owners*
* *Be a great place to work for our staff*
* *Provide a thriving marketplace for local farmers and producers*
* *Address inequality in our local food system for our broader community*
* *Be a great place to shop for our customers*
* *Be an environmental steward to protect our planet*