

2019 Annual Meeting Minutes

September 21, 2019

Mike Jensen Introduction

Thank you and Welcome

Meeting followed by keynote speaker, Erin Hertog regarding waste.

Then community meal and vendor showcase.

Stay after meeting.

Voting is closed.

Results being tabulated.

11:10 Call to Order

Copies of meeting minutes available. Questions? None.

Motion to approve. Member-Owner 13520 approved motion. Carrie Hale.

Member-Owner 10452 Maureen McLaughlin seconded the motion.

We have done member survey in the past. Now, store is using CX survey. If you get it, please participate. Some good, some needs improvement. Give us the feedback.

Mike Jensen has counted and we do have quorum.

Mike Jensen, Sarah Johansson, Treasurer, DeAnne Shea, secretary, Gary Sankary and Kate Ward were introduced. Please visit their table. They are available and would love to hear your feedback.

Recap of Last year.

Exciting. New things, a lot of change.

- Expansion of store.
- Construction of garden patio with seating was just finished. Great community space.
- Started community meals. 400 people at 1st one. 200 on a snowy day community meal. You are at one now.
- Store expansion. Hard time finding stuff? Yes. But, things are now in place. Lots of space. Kitchen greatly expanded. New equipment. New features. lighting improved in store. No cow on the wall. Then we need a goat. Expansion is done. Great success. On time, under budget. Expanded room, expanded seating, sometimes frustrating, but allows us to give more to community. Comments include "looks wonderful"; one guy "hates it" He hates that you cannot meet new people. Staring at wall and outlet. Other feedback. Not as crowded. If you want to learn more, stop at board table.

Sarah – Overview of Financials:

- For fiscal year, complex. Took out loans. Sold Valley Natural Meats. Did some maneuvering. 14.1 gross sales on 15.2 million. 8.5% down. Thinking about selling during expansions; actually did well.
- Added 328 new member-owners; 12,000+ members. Very warm and inviting. Feels good.
- Expenses: in line with sales. Nick, good job. Experienced losses. 2.1 mill lose. .8 mill part of VNM. 4 % dividend. Top line growth is focus for year. Get word out, competition. Who did we sell VNM to? Nick answers: To 'The Fish Guys' just the facility. They are doing some butchering and fish processing.
- Financials: 4 start years of sales decline. Is that right? How do board members feel? Nick answers: 1st 3 years of decline due to competition. Since 2015, 7 new stores have come: HyVee, Fresh Thyme, Fresh and Fast, Aldi, Lunds and Byerly's coming. Last year- combination of factors- expansion, tried to get it as fast as possible. Took a lot of effort and patience. We are now seeing sales growth. VNM did provide some sales volume. Sarah, 4 yrs of decline- not sustainable. How do we expand? We wanted VNM, looked at other locations. Given risk. This expansion was the best choice. Consumer experience has to be better- that was expansion. What differentiates us? Produce. Others. Laser focused on getting back to growth.

- Mike: What do we do? Expansion. How do we get back up? Signs that positive change is happening. We are growing member-owners. Despite this, experience still positive and improving. Plan. Expansion will further growth. Other: How do we compare to other co-ops in area? Financial performance? TC co-ops seeing different trajectories. Almost all are seeing decreases except Lakewinds. Co-ops across country slowing growth. Message is: Natural channel is available almost anywhere. Esp. packaged grocery. Focus, relationship with farmers, great job in deli, produce and deli farms. Our experience is similar to others. Other co-op. Being bludgeoned by big companies and corporations with numbers. Can we reduce pricing? Co-op of co-ops? We need to beat them at their own game.
- We do have a co-op of co-op, National Cooperative Grocers (NCG), 130 co-ops. We do use collective power to our advantage with selling. We cannot leverage same as Amazon, Cub, or Target so still will be beat. Field Day line – you will only find at our stores. Participation in that makes us more accessible. We also, are going out to check prices with competition. In interest, questions later. Equity decreased 2 mill dollars, 880k loss from VNM. Liability, due to .91 debt equity ratio. recommended 2%. We are looked at positively. We are financially strong. This year about sales growth.
- Mike: Update on Election: Thanks to all of the candidates. 7 individuals for 2 spots. Sarah Johansson. Re elected. Delphanie Daniels elected also. Please come to the BOD table afterward.
 - Stuff to give away. Number between 1-50. 37 Mike and Theresa Binder. Wins grill stuff prize.
 - One question: How many people RSVP? 57 RSVPs. 12541 is total member-owner count. Compared to last year? 160 attended last year. Around 150 typical number for meeting attendance.
 - Nick will come up to introduce speaker: Erin Hertog.
- DeAnne: Thanks Mike for leadership. 6 years. Led through expansion. Steady hand, keeps us all focused. Gift given.
- Nick: Our expansion has decreased our monthly energy usage. We eliminated plastic bags – will be eliminating. Erin Hertog from Waste-Wise provides training and grant funding. Has worked at the Wedge earlier.
- Erin: Thanks. MN Waste Wise. Talking about our improvements and composting at large- also tips on recycling. Non-profit. Decrease waste; increase recycling. 6 on staff. Grant programs up to 10k in funding for bins training. We set goal as state of 75% recycling by 2020. Currently at 50%. What we did here:
 - Recycling is convenient: Pair bins, color coding, packaging audit, staff training
 - Understanding process: describes process. Product goes to 'merf' where stuff is sorted. Wrong stuff avoid. Ends as big bails of crushed product. 60 days from aluminum can from use to recycled.
 - Organics: Different than backyard recycling. Hauler picks up. Mixed up with right ratios, breaks down then used as soil.
 - Recycling Tips: Avoid wish cycling, when it doubt, throw it out, plastic bags out, bring to drop off, keep caps on bottles, spoon-clean containers, 1,2 and 5 are rigid plastic and can be recycled.
 - Composting: Food Scraps, egg cartons, paper towels, napkins, tea bags, certified compostable items.

Meeting adjourned.

Closing Member-owner 3517 Godfrey approved motion.

Member-owner 2785 Steven Castle seconded motion.