



Board Report: April 6, 2017

By Mary Ella Anderson, Treasurer

The Board of Directors had a very productive meeting on April 6. General Manager Melanie Bettenhausen and Finance Controller Brandy Cogburn had good news from the State Department of Business Oversight: our new Securities Permit has been approved. We had been pushing against the limits of our previous permit. The new permit expands our capability to \$450,000 A shares, \$2 million B shares, and \$2.5 million C shares. Now that we have the new permit, we anticipate a membership drive later this year. The Board also approved keeping the C share dividend rate at 2%.

We also approved the new fiscal year budget, compiled by Melanie and Brandy with input from the various departments in both stores. Despite a few months of decline in sales at both stores, the sales trend is improving. The budget is now being presented with a narrative account in addition to the numbers. It is our goal to achieve a 2% net income annually, but this year we are anticipating a 1.1% net income. Last year's net was 1.7%.

We are planning to make some capital expenditures at the Arcata store. The Quonset Hut will get a new roof (\$58,000), the parking lot will be repaved and repaired with an eye to improved drainage (\$70,000) and the roof condenser will be replaced (\$50,000). These are necessary improvements.

The board also approved taking the next step in the proposed Eureka store remodel. As you may be aware, we have a lease on that building that extends to 2026. The Finance Committee approved moving forward with the project contingent on the results of a pro forma analysis of the fiscal impacts, a successful negotiation with the landlord for a new roof, the development of a strategic plan and a net zero waste impact plan. One of the things board members have been concerned about, apart from the financial aspects, is a larger deli not lead to more waste making. The current trend is increasingly toward the purchase of cooked food, but we don't want to add to the waste stream. To avoid that, we are going to be promoting containers that can be reused.

The Policies and Procedures Committee has been busy aligning all our bylaws to complement each other and accurately reflect practice. At this meeting, we approved Board Secretary Colin Fiske's request to discuss the proposed changes with our attorney. If approved the changes will appear on the ballot at the annual meeting.

Finally, the board will be having a retreat on April 30. This is a time for us to get to know one another better and discuss our vision for the future of our co-op.

Members are always welcome at our board meetings. The meetings are held on the first Thursday of every month at the Ten Pin building on the south corner of K and 8th Streets in Arcata. Meetings begin at 6 pm and there is room on the agenda for members to raise issues and make comments on co-op business.