

Sitka Food Co-op – Meeting Minutes - Annual Membership Meeting

February 22, 2014, 10:00am, Centennial Hall

Attendees

Board of Directors: Keith Nyitray (Chair), Dr. Ron Dick (Vice Chair), Ann Betty (Treasurer), Jen Mac Donald (Secretary)

Members/Observers Present: Robert Baines, Hilloah Courtney, Jon Emmons, Pat Hanson, Judy Johnstone, Owen Kindig, Deb LeVeck, Ember Livingston, Scott Mac Donald, Lou Primacio, Lisa Sadleir-Hart

Total Members Present: 11

I. 10:08am – Call to Order.

II. Adoption of Agenda (approved 11-0)

III. Reports of Directors

a. Chair

i. Annual Report Overview:

1. **Actions and accomplishments:** The following 2013 accomplishments were highlighted: website development; added suppliers, equipment, and local producers; worked with and/or supported Sitka Local Foods Network, Sitka Food Hub, Sitka Food Assessment and Summit, Food Film Festival, and Sitka Farmer’s Markets; attended “Fresh Starts” Conference; held strategic planning session; and met with Stuart Reid from Food Cooperative Initiative – Sitka may be highlighted as a possible case study for food co-op development due to our unique remote community. (Complete annual report is posted on our website: sitkafoodcoop.org)

ii. **Presentation of GM:** Ember Livingston has been hired as our new part-time General Manager and will be officially starting in March.

b. Treasurer (2013 Calendar Year *as per Bylaws, section 9.2*)

- i. **Budget:** Has been prepared and approved by the Board and can be viewed on our website (sitkafoodcoop.org). Some adjustment may be needed for ‘Rent Expense’ once we determine our new delivery location. 2014 Budget includes \$3,300 for a feasibility study.
- ii. **Income Statement:** Net income for 2013 is \$3,985. More details can be found in the annual report posted on sitkafoodcoop.org.
- iii. **Statement of Retained Earnings:** See figure on right.
- iv. **Balance Sheet:** See figure on right.
- v. **Statement of Changes in Financial Position:** 77% net income increase from 2012 (\$903) to 2013 (\$3,985).
- vi. Special Recognition of Ann Betty and all of her contributions to the Sitka Food Co-op. She started it all and we wouldn’t be where we are today without her. Thank you, Ann!!

c. Secretary

- i. **Membership levels:** 116 total members in 2013. Our goal is to double membership in 2014. Currently, we are at 69 paid members compared to 40 paid in February 2013.

Balance Sheet	
As of December 31, 2013	
	<u>Dec 31, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
Co-op Checking	7,908.40
Co-op Savings	1,203.86
Total Checking/Savings	<u>9,112.26</u>
Total Current Assets	<u>9,112.26</u>
TOTAL ASSETS	<u>9,112.26</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Sitka Food Co-op AK Air Visa	1,246.36
Total Credit Cards	1,246.36
Other Current Liabilities	
Sales Tax Payable	1,161.38
Total Other Current Liabilities	<u>1,161.38</u>
Total Current Liabilities	<u>2,407.74</u>
Total Liabilities	2,407.74
Equity	
Retained Earnings	2,719.87
Net Income	3,984.65
Total Equity	<u>6,704.52</u>
TOTAL LIABILITIES & EQUITY	<u>9,112.26</u>

- ii. **Why we are building up capital:** We have monthly expenses (itemized in 2013 Annual Report) and our long-term goal is a permanent location with some type of retail outlet. There are grants available for assisting with Co-op development, but in order to be eligible we need to have a feasibility study. This is our next step, which requires a certain amount of matching funds from the Co-op. Also, in the shorter term, we will be moving to a new delivery location (monthly rent) and we have just hired a General Manager (monthly salary).
- iii. **Recognition of 2013 Volunteers:** We had 23 members donate their time in 2013, and four of them were recognized for extra effort and hours donated: Deb LeVeck (45.5 hours), Robert Baines (43.5 hours), Kate Johnson (32 hours), Hilloah Courtney (26 hours). Coffee mugs emblazoned with the Co-op's logo (*donated by Keith Nyitray*) were presented to them in appreciation for their contributions to the Co-op. – Thank you!!
- iv. **Survey Results:** We conducted an end of year survey from 12/28/13 to 2/2/14. Here is a summary of results:
 - 1. 28 respondents
 - 2. Half of the respondents indicated interest in local breads/baked goods and responded to questions about Hanson Baked Goods.
 - a. Most respondents rated Hanson Baked Goods high for meeting their needs for product variety, freshness/quality, prices, and website ordering. A few indicated lower prices would be better and one rated website ordering system as poor.
 - b. Specific comments asked for Gluten-Free products.
 - c. In response, we made the Gluten Free products more visible on the foodclub website by giving it its own category, and Pat offered several breads at lower prices.
 - 3. Local Products – several suggestions were provided as possible local vendors to pursue for adding to the Co-op.
 - 4. Co-op Ratings:
 - a. 90% of respondents said the Co-op is meeting their needs for product selection/variety.
 - b. 83% said we are meeting needs for quality & freshness.
 - c. 60% said we are meeting needs for prices, 30% said “somewhat well”.
 - d. Almost half (43%) had issues with the location – parking was a primary concern.
 - e. 67% said we are meeting needs for hours of pickup – a few have conflicts with picking up kids from school activities.
 - f. More than half (54%) have issues with website usability for ordering.
 - g. 83% said we are meeting needs for availability of brands their household like.
 - h. Bottom line: We need to work on a better location, improved website usability, and if there is anything to do for prices it would be nice.
 - i. General comments received:
 - i. Many thanked us for doing a great job, smiling, being organized, being easy to work with, and being friendly!
 - ii. Ordering monthly works well.
 - iii. Some indicated Co-op prices are the same or higher than local stores, others are appreciative that the Co-op prices save them money.
 - iv. Some said they don't want the grocery stores to stop providing organic/healthy products, and are concerned about competing with local stores.
 - v. Hoping the Co-op can bring healthy food to lower income folks.
 - vi. Like the option to split cases.

- vii. Asked about what the 10% markup goes towards.
- viii. Need more local products and Pacific NW products.
- ix. Love Blue Valley Meats!
- x. Really like our response to member concerns, volunteer opportunities, and community spirit of sharing on pick-up days.
- j. In response:
 - i. **Location:** We are currently narrowing down our choices for our new location and expect to have this determined for the April order. We are paying particular attention to parking.
 - ii. **Website usability:** We have web tutorials in the works and recognize there is a need for better instructions for web ordering. Suggestions from the group included providing a staffed computer “coaching” station at order pick-ups and holding in-person tutorials (at Library?).
 - iii. **Prices:** We are constantly seeking ways to keep our costs down so that we can continue to offer a low markup and meet our operating costs.
 - iv. **Local competition concerns:** The Sitka Food Co-op IS a new local business operating under the cooperative business model. We are generating local tax dollars that stay in the community and have just created a new job in the community (General Manager). Some members noted that advertisements for, and sales on, organic and natural products have increased at the local stores since the Co-op started operating. We can’t say if this is due to the Co-op’s existence, but more local competition in the marketplace is a good thing for Sitkans. This community has had the highest food price increases in recent years compared to other Southeast communities (from Sitka Food Assessment statistics, Sadleir-Hart).
 - v. **Lower income access:** We have established a committee to diversify our membership, including lower income households. In 2014, we will be working on getting set up to accept Quest cards.
 - vi. **Where does the 10% markup go?** See our annual report (sitkafoodcoop.org) for an itemized list of expenses for 2013.

IV. Reports of Committees

- a. Conclusions from Strategic Planning Session – 9 members met in November to develop a Strategic Plan. Thank you Lisa Sadleir-Hart for facilitating! We identified the Co-op’s values, vision, mission, and needs. See our website for a full report.

V. Unfinished Business

- a. Amend Bylaws
 - i. (4.3) Membership Responsibilities. Motion to delete “of \$20” approved (11-0). Sentence now reads: “Each member shall pay a non-refundable yearly membership fee or satisfy other conditions as set by the Board of Directors.”
 - ii. (5.2) Annual Membership Meetings. Motion to add “Within the first quarter of each calendar year” approved (11-0). Sentence now reads: “The Cooperative shall hold an annual meeting *within the first quarter of each calendar year* to report to the membership on the state of the Cooperative at such time and place as the Board shall designate.”
 - iii. (8.2b) Designated Board Seats. Motion to change “at the end of one year” to “second annual membership meeting” approved (11-0). Sentence now reads: “*At the second annual membership meeting*, seats D and E will then be elected for two year terms.”
 - iv. (8.5) Action Without a Meeting. Motion to change “signed” to “agreed upon”, “all” to “a majority”, “unanimous” to “majority” approved (11-0). Section now reads: “Action that may be taken at a meeting of the members or Directors may be taken without a meeting if

a consent in writing setting forth the action taken is *agreed upon by a majority* of the members or Directors. This consent has the force and effect of a *majority* vote at a meeting.”

VI. New Business

- a. Election of Directors – seats D and E (2 years), seat A (remainder of Ann’s term)
 - i. Three names were nominated for Board seats: Kallie Adams, Robert Baines, Lou Primacio. Members voted and approved the follow new Board members (11-0):
 1. Seat A, remainder of term ends 3rd Annual Meeting = Lou Primacio
 2. Seat D, two year term ends 4th Annual Meeting = Kallie Adams
 3. Seat E, two year term ends 4th Annual Meeting = Robert Baines
 - ii. Keith Nyitray and Jen Mac Donald will continue through the end of their terms (3rd Annual Meeting).
- b. Establish Committees to Develop Action Plans
The Strategic Plan identifies five key areas for committee work. Background and details of each the five focus areas can be found in the strategic plan (posted on website: sitkafoodcoop.org). Members signed up for their committee of interest and are indicated below. The next step will be developing actions plans for each committee.
 - i. Operations – options for home delivery service (Judy Johnstone, Robert Baines)
 - ii. Supply – developing local and regional suppliers (Pat Hanson, Keith Nyitray)
 - iii. Membership – diversify and double membership (Ember Livingston, Hilloah Courtney, Lou Primacio, Robert Baines)
 - iv. Education – community collaboration (Judy Johnstone, Ember Livingston, Hilloah Courtney)
 - v. Facility – develop a retail outlet (Judy Johnstone, Pat Hanson, Jen Mac Donald)

VII. Membership Input

- a. Website needs? Suggest focusing on social media due to changing times. More people use facebook and other social outlets than websites.
- b. Location – prefer ANB hall, work with BEHA to get a Memorandum of Agreement for using their parking area after 4pm (Farmer’s Market did this). ANB is a welcoming location to all community members, is on the bus route, is within walking distance to some lower income populations, ties in with the Farmer’s Market venue, supports the ANB and ANS organizations. Contact for ANS is Betty-jo Moore. Centennial presents challenges in the busy summer season with cruise-ship traffic and events. Also check into community center at Sawmill Creek Apts (old Spruce Grove).
- c. Lisa Sadleir-Hart offered to work with Co-op to get set up for accepting Quest (food stamp) cards. Need to be strategic about ordering times, suggest switching to beginning of the month.
- d. Suggest waiving membership fees for anyone on foodstamps.
- e. Think about joining with other food organizations in Sitka to plan a combined Food Summit (March 2015?).
- f. Some people do not support the Co-op moving to a retail outlet because of the associated price increase due to overhead costs. Co-op response: Our plan is to always offer a bulk ordering service for members in conjunction with a retail location. Keep in mind there are many variations of “retail store” and we are exploring any and all options ranging from small “Homeport Eatery” type space to modified Farmer’s Market to small storefront, etc. We want to find an option that will work for Sitka and our membership. The next step to getting us there is a feasibility study.

VIII. Announcements

- a. The March meeting of the Board of Directors will be determined by the new Board and will be announced to all members and the public once set.

Thank you to all who attended and a special THANK YOU to Unity Botanicals, one of our business members, for providing the wonderful tea for our meeting!

Meeting Adjourned: 11:40am