

MINUTES

Cortes Natural Food Co-op Annual General Meeting

June 26 2017
Manson's Hall

7pm Board member Amy Robertson calls the meeting to order.

Introductions: Current board members (Amy Robertson, Fred Savage, Philip Wood, Suzanne Fletcher, Julia Linnay, and Michael Landry) were introduced to the meeting.

Approval of the 2017 Agenda: Proposed Theresa; seconded Fred. Passed unanimously.

Approval of the 2016 Minutes: Proposed Wilfred; seconded Thea. Passed unanimously.

The meeting started with a short clip from 'Food for Change' a documentary on food co-ops.

General Manager's Reports – Eric Hargrave

Eric highlighted statistics that show Food co-ops are better at staying in business than normal businesses. Most only close due to competition. A recent threat is Amazon's takeover of Wholefoods. However locally we have the benefit of community ownership, local economics and human dignity!

OPERATIONS REPORT

Last year's highlights:

Organization

- Supervisor program – each department now has a supervisor, which is working well
- The employee manual has been improved
- The building and grounds have been improved, including the new covered deck

Café

- Introduced Chef-tech for costing, pricing and margin analysis, which has helped the café work well
- The dream cuisine dinner series proved popular
- The café was open for more days, and increased food production

Store

- Improvements were made to the inventory management system
- Staff training was increased

Admin

- Now use Quickbooks which has helped our accounting and allowed us to have monthly budgets for the fiscal year

Store sales were up by 3.5% in 2017. Grocery leads the other depts. Customer counts were down by 2% this year, one cause was the week long snow event in Feb. The improvements to the café are paying off, but work is now needed to make improvements to the store.

Local island based products account for 13% of what the co-op buys. Purchases from other BC producers count for 15%. So nearly a third of food we buy is from BC. Last summer over 25% of the produce sold was local.

Bakery and café sales - sales are up 20% compared to last year. The café now forms 18% of co-op sales, and customer numbers have increased by 15%.

Future Plans:

Organization

- Customer service training planned
- Benefits plan – to increase profit sharing for staff and improved wages to be implemented
- Will be working on building our brand – looking to tell the co-op story and have a consistent brand

Café

- Liquor licence application is in progress – this will benefit the dream dinner series, and from feedback is what customers want
- Looking to increase options and produce and sell more items in the store
- Will be looking to develop the dream dinner series

Store

- Looking to sustain margins
- Will be working to improve winter sales

Administrative

- Will be working on cash flow analysis

FINANCIAL REPORT

Net income for 2016-2017 was \$6,500. Sales are up 4% on last year, with growth in the shoulder seasons up by 10%. The summer and winter seasons remain flat.

Our gross margin went up 2% to 30.5% - our goal! So this is good news and the first time we have got over 30%.

Staff wages – wages formed 21% of sales - \$360,000

Other expenses – Store expenses were just over 11% of sales, including depreciation, which was 2.2% of sales (\$38,500).

Net profit / loss – Removing last year's sales we showed another loss, but this includes depreciation. However our EBITDA continues to meet our mortgage requirements.

Balance Sheet – We showed a net profit of \$6,500 with an income tax bill of \$747. The balance sheet has not changed much from last year.

Motion to approve the financial report. Proposed by Fred; seconded by Amy. Passed unanimously.

BOARD REPORT – Amy Robertson

Board held a strategic planning day, which focused on setting goals, developing committees, visioning for the land, and communications between the board, staff and community.

Work is in progress to enable Elizabeth to do consignment clothing and local crafts in space below the store. Marnie continues to be a steady tenant, and now have Harbour Authority as tenant too. Also rent space to musicians.

Construction work has included the addition of a covered deck and stage area. Terracing of the bank is planned, together with a new ramp access.

ELECTION OF BOARD MEMBERS

The board has nine members, including one staff member. No staff member has come forward this year. Following a discussion, about the importance of staff representation, the following motion was made:

Motion: The staff position on the Co-op board will be picked by the staff through an election. Proposed Eric, seconded Fred. Passed unanimously.

Board terms are two years. Amy Robertson has her second year to run. Fred, Philip and Suzanne are up for re-election. Other nominees are as follows: Thea Block, Anne Dvakovic, Iris Steigemann, Lara Sawyer and De Clarke.

An election was held and the following people were elected to the board. Thea Block, Anne Dvakovic, Iris Steigemann, De Clarke, Fred Savage, Philip Wood and Suzanne Fletcher.

Motion: to adjourn the meeting proposed by Thea, Seconded by Madjurima. Passed unanimously.

Meeting adjourned.