

**Minutes for the
Potsdam Food Cooperative, Inc. Annual Meeting
Tuesday, February 9, 2021 6:00PM**

I. Call to Order

- The Annual Meeting of the Board of Directors of the Potsdam Food Cooperative, Inc. was held on February 9, 2021, on Zoom, the President being in the chair and the Secretary being present. The meeting was called to order at approximately 6:00 PM.

II. Acceptance of minutes

- Having reached a quorum, a motion to accept the minutes from the last annual meeting was made by Megan Lane and seconded by Aviva Gold. The motion passed without dissent.

III. The Annual Report was presented by members of the board and the GM.

- A motion to accept the Annual Report as presented was made by Katie McLaughlin and seconded by Holly Chambers. The motion passed without dissent.

IV. Election of Board Members

- Nominating Committee proposed the following people for the following terms:
 - i. For 3-year terms: Megan Lane, Kellie Hitchman, Andy Rawdon, Marshall Issen
 - ii. For a 2-year term: Kim Jukic
 - iii. And for a 1-year term: Deborah Massell
- No nominations were made from the floor for a position on the Board of Directors.
- The number of votes for Megan Lane was 122
- The number of votes for Kellie Hitchman was 121
- The number of votes for Andy Rawdon was 119
- The number of votes for Marshall Issen was 120
- The number of votes for Kim Jukic was 120
- The number of votes for Deborah Massell was 122

- An official Teller's Report is attached hereto and incorporated hereby into these Minutes.
- The Chair announced the following members were elected to a 3 year term: Megan Lane, Kellie Hitchman, Andy Rawdon, Marshall Issen
- The Chair announced the following members were elected to a 2 year term: Kim Jukic
- The Chair announced the following members were elected to a 1 year term: Deborah Massell

V. Comments

None

VI. Additional business

- Jessie LaRose was elected, with 12 votes, for a second 1-year term as a Staff Representative (a Class E seat on the Board of Directors).

VII. Committee Reports:

- Governance Committee: Presented by Katie McLaughlin. This past year, the Gov Committee worked on the following; a) updating the bylaws and board policy manual, b) appointing an alternate proxy for elections, c) creating and executing a plan for collecting votes in the absence of an in-person annual mtg. d) adding board member, Jim Fryer, to the committee. Governance also oversees the identification and nomination of prospective board members. Katie made a 'shout-out' to Vanessa Bittner, who has put in an extraordinary amount of time working on the elections and bylaws.
- Outreach Committee: Presented by Christi Sommerfeldt. The Committee's accomplishments this year include; a) a Roadshow remake for outreach programs, b) a new website for the Coop, c) Holiday Baking Fest that raised \$300 for the Neighborhood Ctr, and d) New Business Partner Program now open for participation.

- Treasurer's Report - presented by Marshall Issen. Total sales are trending down over the past year. Coop is operating at a net loss for the year - unless the PPP loan is figured in, then the Coop is at a Gain for the year. Details to follow in the GM report by Andy. One very big positive is that the Coop owes less money at the end of this year than it did at the end of last year.
- General Manager: - Total sales for 2020 were \$1,637,057 (down 7% from 2019). Overall the average number of daily customers was down but the average sale per customer was up. Per department, the Buying Club saw the largest increase in sales over the previous year. Other departments that saw increased sales, over 2019, were Deli, Bulk & Frozen. All other departments saw sales trending down compared to 2019. The overall Cost of Goods sold for the year was \$927,237 (10% lower than last year). There was a net loss for 2020 over around \$105,000 but we are waiting for news that the PPP (Paycheck Protection Program) loan will be 'forgiven'. It will eventually be converted into a grant so the net loss will essentially be erased. The PPP loan amount was \$112,459 and was used for utilities and to help pay employees, so none would have to be let go during the covid-enforced closures. The Co-op building was closed to the public from 3/30/20 - 6/22/20 with curbside grocery service only. The PPP Loan was valuable as it allowed the Co-op to continue to operate, catch up on accounts payable and pay off the first year interest on the 2019 project loan. The Co-op kept the staff employed and allowed us to add \$1/hour extra per employee for "hazard pay". During the closure, the customer count dropped dramatically and continues to be low, compared to previous years. Personnel changes this year included Corey Foster taking over at Carriage House Manager; Karlie LaShomb taking on the Lead Baker position and Kristen Austin becoming the Lead Cashier. This year, the Coop eliminated its annual dues of \$15/year and also the 2% discount to "basic" members. The added benefit from the dues was essentially balanced out by the 2% discounts and it didn't make sense to keep either one going. New benefits for member-owners will include: a) monthly promotional sales b) an expanded Buying Club c) loyalty programs/rewards/e-coupons d) revitalized Business Partner Program. The Coop has been approved for a second PPP Loan. The funds will be used primarily for hardware and software upgrades.

An overarching goal for 2021 is to focus on Outreach & Marketing. This will include: a) increasing the Coop "audience" (who we serve) and increasing the customer count. b) increasing membership c) establishing the Loyalty Program & d) establishing an online store through "Loyalty Bot".

Andy Peet wanted to thank the Board of Directors, Committee members and the Staff for all their work, dedication and flexibility during this past year. He especially wanted to thank all those who have been putting in extra time on the relocation efforts which has allowed him to stay focused on operations and staff needs.

- Relocation/Expansion Update - given by Erica LaFountain, Aviva Gold. The Coop needs to expand and/or move. A Market Study was conducted a few years ago that pointed us in this direction. The Downtown Revitalization Initiative (DRI) has allowed the Coop to start making plans that would lead up to a move closer to downtown Potsdam. Through the process of applying for the DRI funds, the Coop has selected a potential site, submitted a proposal, held stakeholder meetings with the community, and our proposal has been advanced to NYS as a priority project. We have completed a Business Plan with projections and have outlined a purchase offer with certain contingencies. We have plans for CDI to conduct a Consumer Survey which will help with defining our audience and how to increase our customer base. Aviva read the Co-op's Ends Policy for all to hear.
- Fundraising Committee - presented by Karen Bage. "Round Up for Relocation" efforts at the registers have brought in about \$8,000 to date. \$20,000 is the goal, which will cover initial expenses like building inspections. The Relocation Project is projected to cost nearly \$3 million. The Downtown Revitalization Initiative (DRI) funding will cover just over half of that. We need to raise around \$1.3 million. We are exploring all funding options including; grants, commercial loans,

member-owner loans, and donations. We are exploring a Fiscal Sponsorship relationship with CDI (Cooperative Development Institute) for better funding opportunities. Because the Potsdam Food Coop is a For-profit business, it is not eligible for many grants/loans that are available to non-profit organizations. A partnership with CDI could be very helpful in accessing more funding.

VIII. Announcements

- Out-going board members are; Erica LaFountain (who held the President position for the past 6 years) and Becky Allen.

IX. A Conclusion was given by the President

X. Adjournment

- Anne Johnson moved that the meeting be adjourned, seconded by Barnard, and this was agreed upon at 7:20 PM.

Respectfully Submitted,
Megan Lane
Secretary, Potsdam Food Co-op