



Finance Committee Meeting Minutes

February 27, 2020

Eureka Chamber of Commerce Headquarters

Present at meeting

Finance Committee: James Kloor (President & Treasurer), Cheri Strong (Employee Director), Colin Fiske (Vice President), Kirsten Lindquist (Employee Director), Diane Sharples (Member at Large), David Dahler (Member at Large), Chris Copple (Member at Large), Laura Wright (Secretary), Roger

Missing Committee Members: Leah Stamper

Staff: Emily Walter, Barney Doyle, Sean Nolan, Nick Tyner, Lauren Fawcett, Kristen Hayen

Members: Kathleen Pelley, Laura Jones, Lori Brannigan

1. Welcome

Meeting started at 6:02pm by James Kloor.

2. Review Action Items from last Finance Committee Meeting

- Barney reported that the Co-op does not qualify for FEMA benefits due to power outages.
- Emily and Sean continue working on Annual Reports and the topic will be on the agenda at the March Policies & Procedures Committee meeting.

3. FY20 Third Quarter Financials – reported by Barney Doyle

- Net negative income for the third quarter.
 - o Power outages are a big contributor of the negative income contributing to an estimated \$150-\$200k in lost sales.
 - o Another contributor is large health care claims
- Cash on hand was improving at the end of the quarter
- Sales continue to be down to budget

Motion: Accept FY20 third quarter financials.

Motion by Diane, 2nd from Kirsten, motion passed (8/0/1) Roger abstained.

4. Approve FY21 First Quarter C Share Dividend

James reviewed rates at other institutions to compare to the Co-ops. The Co-op beats the rates of most CDs at other institutions. The committee discussed if they want to raise or lower the current interest rate of 2.65%.

- David – would like to see the Co-op get rid of C shares.
 - o There was discussion of how C shares are needed at the moment but stopping the sales of C shares or eliminating C shares in the future as part of the Co-ops share structure is something to consider.

Motion: Accept maintaining the FY21 first quarter C share dividend rate of 2.65%.

Motion by Cheri, 2nd from Chris, motion passed (7/0/2) Laura and Roger abstained.

5. Hot Bar Financial Report – reported by Barney Doyle

The deli is losing ~\$12,000 over five years while paying back the loan. This number does not take into account increased sales throughout the store due to increased traffic to the hot bar. Barney will look further into accurate numbers of Eureka deli sale impacts to additional sales.

The committee discussed the kitchen equipment that was purchased for the remodel that was never used. It was suggested to look into ways to sell the unused equipment. The biggest items being two customized range hoods.

(Roger left the meeting)

6. FY21 Draft Budget Review

The FY21 draft budget is not yet ready for review. The management team is still busy working on it.

- Sean – the main objective is to project realistic sales and measuring our costs as percentages of those sales. Different from the past is setting projected sales and target margins. We are changing the way we track prepared foods. The bakery will be tracked separately from the rest of prepared foods. We will be looking at historical sales and current trends department by department to project increases and declines.
- Barney – we are updating the format of the budget to make it more usable and easier to duplicate in the future.

7. Member Comment on Reports

None

8. Set Future FC Meeting Date and Agenda Items

Next Finance Committee Mtg. - Thursday, May 28, 6pm at the Eureka Chamber of Commerce HQ

Agenda items:

- Approve FY21 third quarter C share dividend
- Review FY20 fourth quarter financials
- Discuss future of C shares

9. Meeting Adjourns

Consensus reached to adjourn the February 27, 2020 meeting at 7:32pm.

Minutes submitted by Emily Walter