



## October Board Report

— by James Kloor, Board President

On Wednesday, October 7 the Board of Directors met to review Financials, receive some recommendations from the Policies and Procedures Committee (PPC); and hear from the General Manager regarding our stores.

Period 4 Financials - The Co-op continues to see strong sales, and healthy financials. Period 4 saw a Net Income of just over \$56,000. Year to date income shows us profitable – at \$9,346. Compared to budget shows a large variance – but when we were planning the budget, we knew we were really taking a shot in the dark. Our fiscal year starts in March – right at the beginning of our COVID-19 shelter in place; and while some departments are performing better than budget, others are off. What is most important for members to see is how well staff is controlling expenses, inventory, and days of cash on hand. At the end of Period 4 North Coast Co-op had over 24 days of cash on hand – whereas a year ago we had only 3 days of cash on hand. Thank you to all the members and staff who continue to support our Co-op!

PPC Recommendations - I almost named this section “Exciting Recommendations from the PPC” – but thought that might roll too many eyes. Truth be told – the PPC does have some very exciting recommendations that came before the Board at the October meeting. Firstly – the PPC recommended to the Board to add to the purchasing policy a “Cooperative” section which speaks directly to support Co-op:

- When the Co-op faces a choice among products that meet the goals of this policy to a substantially equivalent degree, the Co-op will prioritize purchasing of products that are produced and/or processed by other cooperatives.”

Support among Co-ops is one of the 7 Cooperative principles – and it’s refreshing to see it called out in our purchasing policy. This new section is in addition to the existing sections: Environmentally Sound, Socially Responsible, Local, and Meeting the Needs of Our Community.

PPC also recommended to the Board to have staff investigate adding language to our bylaws to set aside non-member patronage earnings in a fund to support other Co-ops. In a year where the Co-op is profitable, the profits are divided as member patronage, and non-member patronage. The member patronage sales are eligible for patronage refunds; and can reduce the tax liability of the Co-op (in addition to a myriad of other things – these are just a few of the options). Non-member patronage doesn’t really have any Bylaws imposed restrictions on it; the Co-op can simply retain the earnings, use them for capital improvements, and pay taxes on it. The intent of this proposed bylaws amendment is to codify what a portion of our non-member patronage will be used for. Staff will do some research and provide the Board with their findings.

PPC also recommended to the Board to set the number of designated household shoppers to one and direct staff to investigate alternative membership database options that would support



multiple designated household shoppers, is more customizable and has options for variable interest rates on C share dividends. Staff notified the PPC that our current database couldn't correctly record more than 1 household shopper – so while the household policy as written allows the Board to set the number from time to time – it had never formally been set. We hope to increase the number of household shoppers in the future – but until our database can correctly record who those household shoppers are – we must limit ourselves.

Highlights from the General Managers Report - The General Manager reports to the Board across a myriad of topic areas. In October – what stuck out to me the most was our Roundup Donations for the year tallied up to more than \$35,000 – and we're not even all the way through. Think we can donate more than \$50,000 to local non-profits this year? I hope we can!

We also have some exciting news that will launch the Co-op into the 21<sup>st</sup> century – we're getting Tesla Power Walls installed for free at the Eureka Co-op. We all remember last year's PSP events – and while these Power Walls won't entirely solve that problem – they will certainly help. We will allow us to store and sell power back to the grid at peak times – saving the Co-op a considerable amount on electric bills. Hopefully, the Co-op can take these savings and invest in RCEA REPower+ - their 100% renewable option. Imagine in 2021 – the Co-op will be powered entirely by renewable energy.

Annual Membership Meeting - AMM this year was held virtually – and while it was a small gathering – about 35 members in attendance – we opened a door to a new way to engage with our members. This year was really focused on member education – another one of those cooperative principles. The Food for Thought Media Project presented their documentary – Albacore Tuna: The Tale of a Fish. The video is up on their Vimeo – I recommend all members if they have a chance to check it out - [Albacore Tuna: The Tale of a Fish Video Link](#). It was truly a pleasure to get to watch this film and discuss with the film makers; and I got to learn some local history I was totally unaware of.

We also heard from members that the newsletter is sorely missed. The Board and staff recognize that feeling connected and engaged with the Co-op, especially during shelter in place / this COVID-19 world we're living in is a priority. I'm not sure what the solution looks like yet – but I do know we're working on it.

Next Board Meeting: The next Board of Directors meeting will be Thursday November 5 – check the Co-op Calendar (<https://northcoast.coop/calendar/>) for updates, Zoom links, Board packets, agendas as well as other meetings for members to attend – we've got lots of committees that would love to hear your voice.

As always – thank you for continuing to support our Co-op. We are stronger together – and in these past 9 or so months the Co-op has been a wellspring of hope, optimism, and strength in my life. I hope you all are finding ways to remain healthy and hopeful.