



## Finance Committee Meeting Minutes

May 7, 2026

Zoom

### Present at meeting

**Finance Committee:** Mike Connors (Treasurer), Diane Sharples (Member at Large), James Kloor (Member at Large)

**Board Members:** Hayley Simera, Layla Richardson

**Staff:** Emily Walter, Sean Nolan, Barney Doyle

**Members:** Kathleen Pelly

### 1. **Welcome. Introductions. Agenda Review.**

The meeting was called to order at 6:02 by Mike.

### 2. **FY26 Q4 Financials** – reported by Barney

Q4 was profitable with cash and cash equivalents of \$3.1 million, up over \$800,000 from the beginning of the year. It was a great year with four positive quarters. We had a gain of \$38,138 for the quarter. Member equity continues to trickle down as expected. For the year we exceeded our margin target, were under budget for payroll, and under for healthcare expenses. Net revenue was down by ~\$500,000 from the prior year. However, gross margins remained favorable at 38.7%, and total operating expenses were under budget by \$100,000.

The bottom line for Q4 will be adjusted for any healthcare costs that we pay in Q1 but that were billed in FY26. We already know of \$91,000 in healthcare claims that will be moved from Q1 to Q4. This is what is recommended by our auditors.

- Diane – Barney and Sean and doing a great job with budgeting and meeting the budget.
- Mike – My only concern is the sales drop in Q4, looking at sales per day. Why is this happening?
  - o Sean – Sales are down starting the beginning of Q4. This is common across most Co-ops right now. We are adding promotions to try and grow sales as well as promoting value products.

**MOTION:** Recommend the Board approve the Fiscal Year 2026 Q4 financials.  
Motion by Mike, 2<sup>nd</sup> by James. All in favor, motion approved (3/0/0).

### 3. **Patronage Refund Discussion** – reported by Sean

FY26 is a profitable year. We won't have our actual numbers until the audit is complete. But we can start discussions using preliminary numbers.

- James – I'm curious about giving owners a combination of cash and b shares. Are there any legal settlements that are forthcoming to be aware of as far as needing cash? If we give out more patronage in shares, would we save on taxes?
  - o Sean – We will work with the auditors to be strategic for tax purposes. We have some capital expenses coming up that include refrigeration in Eureka and a new roof in Arcata.

- Diane – I would love to see checks go out to the community. Nothing says the Co-op is doing better than people getting a check.
  - o Sean – I agree.
- James - Can the patronage refund mailing go out with another mailing that the Co-op needs to send out?

ACTION: Following completion of the audit Sean will put together a patronage refund recommendation from staff that includes tax considerations, upcoming capital expenses, and mailing expenses.

**4. FY26 Audit Update** – reported by Barney

The auditors will be contacting staff the beginning of June to get information. I’ve received a list of items they want now and am working on getting that to them. We’ll likely get the audit report in August.

**5. FY27 Q1 & Q2 C share dividend rate** – reported by Mike

The committee has no recommendations.

**6. Benchmark Trends Updates** – reported by Mike

I want to have a normalized net income, getting rid of all the variable things, like PP Loans and health care expenses. It wouldn’t be an official accounting value, but we’d have a sense for how net income is changing over time. I’d also like more visibility around capital expenditures.

- Hayley – I’m interested in shopper related data like shopper count, basket size, owner vs. non-owner sales data, etc.
- James - I would like to see something that shows our reserve balances. Also, stoploss triggers to see how often we trigger a stoploss. Or dollars saved via stoploss. I’m always curious how much we spend on marketing to see if that correlates with sales.
  - o Diane – One of the hardest things is to correlate the success of marketing with how much is spent on marketing.

ACTION: Barney will look into these suggestions and bring a proposed modification of the benchmarks to the next meeting.

**7. Owner Comments**

- None.

**8. Set Future FC Meeting Date and Agenda Items**

Next Meeting: Thursday, August 27 at 6pm

Agenda Items:

- At-Large-Member Seat
- Review Updated Benchmarks
- Audit Review

**9. Meeting Adjourns**

Consensus reached to adjourn May 7, 2026, meeting at 7:16pm.

*Minutes submitted by Emily Walter.*