

Draft Minutes

French Broad Food Coop

Annual Owners' Meeting

October 28, 2021

The meeting was held via Zoom due to the ongoing COVID 19 pandemic. The meeting began at 6:04 pm and ended at 6:55 pm. Quorum was not present initially but was achieved later; 63 owners attended.

Meeting Summary:

- Board introductions
- Welcome, Paul Schulman
- Report from General Manager, Bobby Sullivan
- Expansion update, Sage Turner
- Owner comments
- Elections, delayed
- Costume contest
- Honoring staff
- Farewell to out-going Board members
- Owners encouraged to attend Board meetings

Board members briefly introduced themselves.

Welcome remarks and overview of agenda by Board President Paul Schulman.

General Manager, Bobby Sullivan, gave a store review and update. The complete report is included at the end of these minutes.

Finance and Project Manager, Sage Turner, gave an update on our expansion project.

- Sage shared several photos of the expansion work as it has progressed.
- Our buildings, at 115 years old, have had myriad issues to overcome.
- Phase One is complete. It was budgeted at \$215,000. The total spent was \$222,000 out of reserve funds that we had been aggregating for this purpose.
- We used all local teams for Phase One, architects, builders, etc.
- We have begun Phase Two which involves an overhaul of the warehouse, prepping it for Phase Three.
- The warehouse has many issues to overcome including structural problems, air quality, minimal plumbing and electrical infrastructure, pulverized bricks, severe drainage complications, a failing roof, missing windows, and more.
- We have begun addressing the structural failures.
- We have updated and changed the exterior colors.
- HBC has moved to its new location and will soon get new lighting. Grocery items will fill the area vacated by HBC.
- What else to expect in Phase Two:
 - Removal of the walk-in cooler, yielding space for two new grocery aisles
 - Lowering the floor of the Bulk Room
 - Existing kitchen demolished & Bulk Room expanded
 - Larger kitchen built in the warehouse
 - Eight more feet of grab-and-go deli coolers
 - New roof & skylights on the warehouse; new insulation
 - New heating & cooling systems for warehouse
 - New walk-in coolers & a new, larger freezer – better environmental impacts and safer refrigerant

systems

- New staircase to connect floors of the warehouse
- Cost of Phase Two - \$1,100,000. We will use planned cash reserves to purchase major equipment. The balance of the spending will be a loan from Home Trust Bank for \$825,000
- Timeline – all work to be complete by October 2022.
- Phase Three is a much larger phase. Planning for that will take place in 2022 and includes building a new structure behind the co-op and warehouse that combines the two historic structures and creates one very large store of approximately 12,500 sf.

Owner Comments – read by Andrea:

- Clare Schwartz – Yay Dyllan (on his new position)
- Geri Soloman– We’re missing a lot of sales and community connection by not having a good space for people to eat or hang out, to make us more of a go-to and spend-time space. Any plans on this?
- Myra Fuller – I’ve been a member of the French Broad (Trading Company) Food Co-op since 1975 and I am so proud that the co-op is thriving, managed by a stellar group of community-minded individuals and that people of all ages are members and shoppers.
- Clare – Yay Amy!
- Anne Craig – Grateful to all of you who make the co-op a wonderful community space:
- Anne Craig – Thanks, Sage! Great presentation and very exciting!
- Myra – Thank you Sage for your presentation and all the work you have done towards the expansion.
- Sage responded to Geri’s question about dining & hanging out – We are planning that. We’ve been restricting it now because of the pandemic. In the long-term, we plan to have a lot of places to sit.
- Ileana Grams-Moog – (referring to the 2020 minutes) I haven’t seen them to read. How can I vote?
- Paul – The plan is to send the minutes out to owners for approval after the meeting since we do not have quorum at this point.
- Anne Craig – How many members/owners are there currently?
- Bobby – Response – around 3000 (though I haven’t looked lately)
- Ileana Grams-Moog - I can remember when all the members could meet in one room and have a potluck supper.

Elections – Paul - Applicant submissions were delayed this fall and turnout was less than we hoped. So, elections will be postponed until the end of this year or the beginning of next year*. We will communicate about next steps for the election via email. It’s not too late to apply for the Board! We will communicate with owners about voting on Board applicants whether we call a special meeting or set up a digital voting mechanism.

*Note regarding elections – There was only one Board applicant, Kitty Brown (Love), so no election was held. In March 2022, Kitty was appointed to the Board. She began service in May 2022 and will be on the ballot for the next election.

Costume Contest – Christa - The winner among owners is “The Queen of Knitting” Ileana Grams! The winner among Board members is Christa Hamilton!

Honoring Staff – Paul - We want to acknowledge our incredible staff. It goes without saying that the co-op wouldn’t function without them, but there’s so much more to it, especially in the midst of a pandemic. As if showing up to work every day in person (with COVID 19 being a factor) weren’t enough, the staff greet long-time owners and tourists alike with smiles, warmth, and a helpful hand. We can rest assured that they’ll always be there when we need them. The staff members have spent over a year in the very unenviable position of having to enforce the county’s mask mandate and have been the front line for any pushback from shoppers around that mask mandate. The fact that it has gone smoothly an overwhelming amount of the time is a real testament to the fortitude, the kindness, and the commitment to safety of the staff.

Thank you, also, to Bobby, who we are principally responsible for managing. For my time on the Board and as president for almost a year, it has been a pleasure to work with you and to watch you steward the co-op through this incredibly difficult time. Thank you so much for all you do.

The Board then presented a brief slide show (prepared by Amy) to honor staff, with numerous photos of staff in action.

Honoring out-going Board members - Pauline Heyne, Jennifer Heeder, and RaMa (Danielle) Goldstein. All three have been long-serving Board members and all have served in leadership positions. Many thanks for your time and efforts and all you've brought to the Board.

Invitation to Owners – Owners are always welcome to attend Board meetings and offer any comments to the Board. We are hoping to have an event in the spring to talk to owners about what it means to be on this Board. If you have any questions, please feel free to contact any Board member. Contact information is online and in the store on the bulletin board.

Jean Karpen
FBFC Board Assistant

2021 GM Annual Owner Meeting Address

1st, I want to say it's an absolute honor to do the work I do every day. So, thank you for making that possible! It's been both exhilarating and exhausting operating a store during the pandemic, but it's made us better and given us a deep appreciation for our business model - and for the people we get to serve every day. Keeping you connected to your food supply has kept us connected with some very important people in our lives, at a time when that was desperately needed.

Tonight is called a party because we are here to celebrate the people who have made this cooperative dream a reality. Looking back at the year is both glorious and mournful. I reached my 10-year anniversary at the co-op in February but soon after, we lost beloved employee Nathaniel Crosby to gun violence – a solid reminder that Black Lives Matter and that they are too easily villainized in this country and too easily lost without anything close to justice.

For the store, 2021 has largely been marked by improving on all the systems we threw together in 2020. Last year we were able to make changes to the store and add business units like curbside pick and the webstore faster than most other stores, and that was due to the amazing staff members we have – both their creativity and their drive to make things work. Special orders also became a much bigger business, and that really helped us compensate for the loss of sales to area restaurants when they had to shut down. Now those restaurant sales are back, and special orders are still riding high.

2020 was such a dramatic year, it's hard to believe were already this far into 2021. When we compare year over year it's tricky because 2020 started with panic buying and Earth Fare's closure. Then sales were thwarted by the pandemic, the need to limit the number of customers in the store, and Earth Fare's reopening. All that said we ended the year with a bit over \$5 million in sales and 1.4% sales growth. That's with 30% growth in the 1st quarter and -10% in the 4th. So, this year is showing the

opposite trend low sales growth to begin with and then more as the year is progressing. These days the store is absolutely thriving. You can feel it when you're in there. Sales are very consistent right and hitting over \$100,000 in sales week after week for the first time ever.

We are very excited about the changes in the layout of the store and there are many more changes coming. We opened the new checkout area on May 1st and saw an immediate bump in sales with our ability to checkout customers without being in such a cramped space. It also gave the main part of the store more breathing room.

Our Health & Body Care department got a new home where the checkout stands were, and Melissa's team has done an amazing job paring down their product mix. We are no longer giving shelf space to things that haven't been selling and the arrangement is much easier for the customers to navigate. Their desk is also on the sales floor now, so they'll be more accessible to customers who need assistance. And believe me, better lighting is coming!

Right now, the grocery department is moving into aisle 2 where Health & Body Care was, so you will now have a cohesive grocery shopping experience, with them owning all the aisles in that part of the store. They will also be able to expand on categories which we just haven't been able to give enough space to in the past. This will hopefully make it possible for you to get all your shopping done here, especially with the changes that are yet to come.

Now let's get to some the people who've made all this happen:

One of the hardest things about 2021 was having to say goodbye to **Clare** – our Outreach Coordinator and frankly the heart of the co-op. She's still working with us on special projects and she's here tonight. The co-op will always be part of her life, but regularly you'll be able to find her over at 5th Season on Tunnel Road.

One of our best acquisitions in 2021 was **Jess**, the Deli Manager from the Roanoke Co+op. Thankfully for us she recently moved to Asheville and is making our deli shine like it never has. I'm sure you noticed how we shut down the salad bar & hot bar for the pandemic, but we were also marred by staffing issues which prevented us from compensating with more grab 'n go options. These days they are fully staffed and churning out some great food. Last week in fact, their sales were up over 100% from that week in 2020 and up 15% over 2019.

We also got a new produce manager in 2021 and **Dyllan** is seriously rocking the house. He has a great energy level and a formidable drive for success that is both infectious and effective. He was promoted internally and is now my GM Successor, so he's getting trained to run the whole show, to make sure our co-op is safe in case anything unforeseen happens to me.

TJ, who you probably all know, has focused his efforts on our expanding special-order program and our sales to local restaurants, as well other local product companies. You might not have realized this, but many of the local companies we buy from get their ingredients from us, which really impacts our buying power and makes us more of a food hub – not just a retail store. With TJ's help, we've been generating an income out of our warehouse.

As I said earlier, **Melissa** came up with a masterful plan for her new department and we expect them to reinvigorate their approach to competing with online sales – a dynamic that has affected their department more than any other.

Rob Jones, our Grocery Manager could be dubbed Cool Hand Luke, as his department has been affected the most by supply chain disruption in the form of manufacturer out-of-stocks. Many of our coveted brands have themselves been affected by staffing issues and problems sourcing ingredients. Rob shows up early every day making sure the store is in good shape.

In other news, we just hired **Jim** as Assistant Grocery Manager. He worked at Dill Pickle Co-op in Chicago, and he's also done time at a couple corporate grocery chains. We like getting folks that have worked in both worlds. It really makes them appreciate the level of creativity they have at the co-op. We expect him to help us up our game in the biggest department we have.

Mikey, our Front-End Manager did an amazing job upfitting our new checkout area and is really making it shine with great customer service and a well-trained staff. He makes sure everything is running as smooth as possible up there and has also been doing many of the interviews that have brought us some top-notch people, not only in the front end but also in other departments.

Amy in marketing is another person we got from a different co-op. She works remotely, so she still does marketing for Harvest Moon Co-op in Minnesota. She's responsible for churning out all those amazing co-op graphics and refining our website.

We also hired a Receiving Manager in 2021 to bolster our accounting department. Putting **Christopher** in that position has made a huge difference in how we receive product and process payments.

There are many, many more people to mention but we just don't have time. But I have to say we have one of the best board of directors yet. They've had to face a lot of challenges and they just keep leading with positivity and clarity. Thank you all!

And then there's **Sage** who's about to update you on our expansion. She's responsible for making all that a reality. When I worked here in '97 we had plans for expansion that never materialized, and Sage has finally made it happen.

So, in closing, I'll say see you at the co-op! And don't forget to say thank you to a staff member when you see them.