

Minutes, New Leaf Market Annual Ownership Meeting
Saturday, June 21 2008 1:30-4:00 pm
Tallahassee Garden Club, 507 North Calhoun St.

Call to Order: @ 1:45 by Chuck Hungerford DOB President

Present: Chuck Hungerford, President; Candice Parker, Vice Pres.; Dave Watson, Corporate Secretary/Treasurer; Jim Terrell, Director; Larrane Hartridge, General Manager; Joshua Youngblood, Director; Madelon Horwich, Director; Jeannette Reed, Director; June Wiaz, Director; Jennifer Hall, Director; Martha Weinstein, BOD Facilitator; Ashley Arrington, Recording Secretary; Cristin Burns, Marketing Manager and Expansion Project Manager

Absent: None

Introductions: All Board Members introduced themselves. Larrane Hartridge introduced the store managers and staff.

Reports:

- President's Report – Chuck Hungerford – See attachment
 - The expansion took up a lot of the board's time early on. We were in charge of identifying some criteria to use when looking at where and how to expand. We had an opportunity to rent the Crystal Connection space next door. The expansion project has been a learning experience for the board. We may be looking at further expansion in the future and we will know more about the process in the future. There are a lot of people that we are currently not serving simply because we only have one location. This will be something to look into in the future.
 - Owner equity – when the equity increased for new owners several years ago there was concern that the new owners had paid more than people who joined earlier. We wanted a way for the owner contributions to be equal. We therefore increased the equity for all owners. We were met with mostly positive responses. For many people it was a non-issue. The board would like to offer our apologies to owners for not providing news letter articles and owner forums prior to increasing the equity in order to inform the owners of what was happening and why. We appreciate your forgiveness on this issue.
 - The Department of Labor is changing regulations that may affect the way that we handle owner workers. We cannot have people working in the store who are not paid employees. We will be discussing ways in which we may continue having owner workers that will satisfy the Department of Labor
 - The board is currently looking at our ends policies. We are looking to make great contributions to our community and want a way to measure how the NLM affects the community.
- Financial Report – Dave Watson – See attachment

- We have spent \$1,500,000.00 out of our own pocket this year on expansion. Our savings are not as much as they were, but we have a brand new shiny store being built, which is even better. We had a 1% increase in gross sales this year over last year. Cost of goods was also an approximately 1% increase. Our gross margin is 37% which is excellent. Anything over 34% is cause for celebration. Our expenses have gone up this year to \$3,316,596.
- Total income this year was \$157,562 from owners and non-owners. This is a great number considering we are in a time of expansion. Last year our total income was \$309,713. We are extremely excited to see numbers like this!
- GM Report – Larrane Hartridge
 - Larrane would like to thank the owners who have been so supportive of all the phases of expansion. It is very exciting and rewarding to see the looks on people's faces as they see the progress that is taking place.
 - We spent \$60,000 on community outreach this year.
 - We raised \$98,000 in equity increase. We were able to purchase new bulk bins which were originally not in the budget for expansion.
 - We sent out \$20,000 in profit sharing to the staff.
 - The first year of interest income has been sent out to the owner loaners.
 - We hired a new assistant for Cristin and have a new website which won a local award!
 - Melissa Franklin has re-designed our newsletter. There will be an article next month about the history of the co-op written by Martha.
 - We have created a manager-on-duty program so that you know who to talk to with comments or concerns.
 - The employees have all had pay increases and are all making a livable wage and have great benefits. We are very proud to be able to provide for our staff.
 - We have had 466 new owners this fiscal year. Over 100 of those have been since May 1st.
- Expansion Update – Cristin Burns
 - We have hired MadDog Construction. We hired architects Louis & Whitlock. We hired some grocery professionals to handle the layout and design. Louis and Whitlock are handling the structural design.
 - Nothing is actually finished, but a few things are where they will remain. The bulk bins and coolers are in permanent locations.
 - We are opening our first fresh meat and seafood department.
 - We are expecting Phase II to be over on July 17. During Phase III the section in the front of the store that is now H&B will be closed and the portion to the back to the store will be open.
 - Produce and bulk should not be affected during phase III.
 - The temporary deli will be moved to another temporary location, but we will not have any room for indoor seating. We will have some tables outside under fans. The new deli seating area will be fantastic!

- We are hoping to be finished with the expansion project sometime in October or November.
- Some of the new services that we are excited about include: Panini grill, sushi, cheese bar, cold beer, more wine, and a chicken rotisserie oven

Scholarship Awards – Denise Tansey

- **10th Annual Matthew Tansey Scholarship for Healing and Nutrition - \$1000**
 - This award is given to a student enrolled in a program related to health, healing and nutrition. We had some excellent candidates this year.
 - This year's recipient is working on her master's degree in Nutrition and Dietetics at FSU. She is considering on starting her own practice as a nutrition counselor in our community. She is putting herself through school and works at NLM part time. The NLM BOD would like to congratulate **Sarah Ardanuy**.
- **3rd annual Bryce Buchanan Memorial Scholarship for Art - \$1000**
 - This scholarship is awarded to a student enrolled in a program for the arts.
 - This year's winner has accomplished some amazing things. She is a triple major at FSU – art history, studio art, and chemical science. She also spent four months in Florence Italy applying conservation techniques on fresco, wood panels and oil paintings. The NLM BOD would like to congratulate **Alexa Volpe**.

Special Appreciations –Chuck Hungerford

- **Dave Watson** – Dave's character, competence, and leadership has contributed greatly to the success of this board. He is the first board member to serve out all of his allowable terms. We will miss him greatly.
- **Larrane Hartridge** – for all her amazing work every day. She has kept sanity among the staff and the board during a very challenging time. We can't begin to tell you how comforting it is to know we have Larrane taking care of things on site.

Introduction of Candidates – Dave Watson

- **We have 4 board seats and 4 board candidates.**
- Maria Cobian who was born in Cuba and grew up in Puerto Rico has an amazing sense of community. She is a teacher at SAIL high school.
- **Maria Cobian**
 - I appreciate the staff at NLM so much for all that they do. I have been a member since 1986. NLM has been part of our family. My youngest daughter has moved out and I thought it was a good time to give back to the community that I have been part of for so long.
- The next two candidates that you will meet have been filling emptied seats since the beginning of the summer.
- **Madelon Horwich**
 - I was appointed to the board a couple of months ago. I have been shopping at the NLM for many years and I took for granted what went on behind the

scenes. I would love the opportunity to continue to learn and serve NLM on the board.

- **Jeannette Reed**
 - I have always been fascinated by the ideas of the 70s and was floored to see a store like NL that I had never seen before. I have been a sponge and would like to continue to be a part of this amazing board.
- The next candidate needs no introduction. He has been serving on the board and is running for re-election.
- **Jim Terrell**
 - I have really enjoyed being on this board with these marvelous people. I know how things run now and I am looking forward serving another term and use all that I have learned for the past three years.

By-Law Amendments – Dave Watson

- Section 1-5. We would like to change the fiscal year to end on the last day of the 52nd week, instead of the last day of April.
- Section 4.4. We would like to delete the sentence that says ‘directors may serve no more than 2 successive terms’.
- When we have a newly appointed board member to fill a vacant seat according to the current bylaw they must run for election at the next annual meeting. We would like for them to be able to serve out the term of the director that they replaced instead, this would allow the terms of serving board members to be staggered such that we would always have new and experienced members serving at any one time.
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Owner Forum – Facilitated by Martha Weinstein

- **Louis Ortiz** – How many member workers do we have at NLM?
 - **Larrane Hartridge** - Around 25.
- **Norma Skaggs** – can you still be a member worker?
 - **Larrane Hartridge**- We don’t have any open positions at the time. We won’t be adding anymore positions until we know more about the department of labor’s regulations.
- **Madelon Horwich** – I look forward to sushi, but can we use paper or cardboard instead of that awful thick plastic
 - **Carla Stubs** – in all likelihood it will be packaged in hard plastic, but now that I know your concern I can speak to them about alternative packaging
- **Madelon Horwich** – if you are staying in the store to eat to you have to go all the way through the registers and then go back to sit down.
 - **Cristin Burns**– If you are eating in the store you go from the deli through the register to the deli seating. It will be on your way to sit down.
- **Madelon Horwich** – How did you decrease labor costs and pay employees more?
 - **Phil Valentine** - we get to learn from other co-ops. We have become more efficient. The front-end labor was high so we fixed the schedule in order to save money on labor.

- **Jim Schmid** – are you looking at ways to decrease people coming to work as the state is with the 4 day work week?
 - **Larrane Hartridge**– we are not yet looking into that with everything else going on, but we will in the future.
- **Mr. Mckibbin** – How is NLM handling the increase food costs due to fuel prices? The cost of organics may not change as much because they don't use expensive fertilizers, but groceries in general are going up also.
 - **Phil Valentine** - We have low local availability when it comes to local produce. The prices are increasing all the time and we have to operate accordingly. We are unfortunately foregoing organics in favor of local produce. Many local farmers cannot afford the certification or don't want to go through the process of becoming certified
 - **Chris Terrell** – bulk unfortunately will go up the most because of its weight
- **Carol Evans** – How do you ensure the quality of the supplements that are in the store? What determines which supplements we purchase?
 - **Chris Terrell**– the companies we use have quality control measures in place and the information is published. I make sure that the supplements we have are of the highest quality.
- **Cynthia Connolley** - There is a program in place that will reimburse growers up to 75% to be certified organic
- **Sandra Schmid** – can we have a ped crossing from Indian head to NLM? Is Jean going to continue to do seminars out of the deli?
 - There is a slower portion of magnolia that is easier to cross just south of Lafayette.
 - Some of Jean's seminars will be in the deli and some will be held elsewhere in the community.
- **Shelly Hatton** – What kind of animal foods will be in the meat/seafood department
 - We will carry what are the best ecological options.

Adjournment

- Meeting adjourned at 3:25pm