



PEOPLE'S FOOD CO-OP

NATURAL FOODS MARKET & DELI

2023 Annual Meeting Minutes

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Introduction

Pat Zabawa started the meeting at 6pm. Pat thanked everyone in person and online for joining the annual meeting.

The Board members introduced themselves:

Pat Zabawa, President

Conner Levy, Vice-President

Susan Randall, Treasurer

Amanda McCreless, Secretary

Colleen Crawley

Guest Speaker - Melvin Parsons

Melvin is the owner and founder of We the People Opportunity Farm (formerly We the Peoples Growers) in Ypsilanti, whose mission is to break the cycle of incarceration in Washtenaw County, via the vehicle of farming. Along with Melvin, three paid interns of the program are in attendance. Two-thirds of the internship is on the farm and delivering to local programs. The other third of the internship is about financial literacy in partnership with Michigan Works. Melvin spoke of his personal history and its connection to the program. He wasn't always a farmer, but was inspired when he inherited a raised bed. As he started visiting farming circles, it was obvious that the composition of the highlighted farming community were not racially or socially diverse, and Melvin wanted to change that. He spoke of the crops currently on his farm; rice is scheduled for this year.

Question & Answer

What age group do you take for volunteers?

All ages are welcome but there's not enough work for large groups of volunteers. Staff and interns do the work.

How long do the internships last, and what kinds of things do the interns do?

The internships last about 8.5 months, but are weather dependent. They learn about gear, soil assessments, and everything else about farming. On most Fridays, they are off-site learning about financial literacy, non-violent communication, etc.

How do the interns find you? Are you marketing?

This is the 4th year of the internship program. They work their marketing through the County Sheriff's office. The program has an excellent success rate.

Is there a hoop house on the farm and are you looking for one?

No and no. The property isn't zoned appropriately for use of a hoop house and it isn't critical to the mission of the farm.

Can PFC do anything extra to support the farm?

Putting out merchandise in the PFC store and putting up a poster would be great.

Have you ever thought about writing a memoir?

No, but Melvin is writing a children's series.

Election Results

256 is the quorum for a valid election, which PFC did reach. 354 ballots were received, 345 online and 9 certified paper ballots. Not counted in this is 1 additional paper ballot that was disqualified because the member had also voted online.

Dan Cannon - 285

Lauren Wolf - 320

Eva Giatas - 325

Abstentions - 8

GM Report

Angie Voiles is the General Manager of PFC. She was first hired in 2002 and has held a number of roles. She became the GM in 2018. PFC has famously not been profitable since 2012, and the sole focus has been to turn that around and advance the values of PFC. Some excellent progress was made in 2018 and 2019. One of the best financial quarters of the last many years was the last quarter of 2019, just before COVID hit. COVID changed grocery shopping at a national level, and PFC further limited the number of customers in the store during that time. Notably, PFC had to shutter its Prepared Foods Department (now reopen!), which comprised at least 20% of sales. Sales still haven't rebounded despite operations being back to normal. The factors under PFC's control are cutting expenses and improving profit margins with its goods. In 2021, a lot of those profit margins came back up with all that work while still offering affordable products. 2022 had a substantial loss, and there aren't many ways to sugar coat that.

However, sales growth and profit margins still increased, and a prepared foods manager was hired and has reopened that previously \$1M sector of PFC. To survive and thrive, PFC needs the support and commitment of its customers and community members. 100% of one's choices doesn't have to be PFC, but one extra trip per month makes a difference, or just telling a friend about PFC.

President's Report

Pat Zabawa, President of the PFC Board of Directors, joined just before COVID. The Board has rotated quite a bit since 2020, and it's also been tough to encounter member-owners at the store and encouraging communication with the Board. The Board is continuously talking about what member-owners and shoppers want and how they can advance that from a policy perspective by increasing communication with shoppers. The Board released a couple surveys and administered two focus groups. With three new Board candidates to fill the vacancies, the Board thinks it's doing okay.

Treasurer's Report

Susan Randall attended a 4-part financial training through Columinate to prepare for her Treasurer role. Susan revived the Financial Committee and recruited two very committed and knowledgeable members from outside the Board—Carol Collins and Matthew Graff. The Committee meets at least quarterly and has reviewed the deep audit from 2021 and regularly reviews the finance reports produced for the Board.

Susan reviewed some financial metrics. The debt-to-equity ratio of PFC is low. There was a net gain in 2022 of 88 members. The sales per labor hour is on par with other co-ops. There was a 3.7% increase in sales for the 4th quarter of 2022 from a year ago. Those are all positive measures, but there was a net loss of -\$198,289 that came out of retained earnings from previous years putting PFC in financial jeopardy. PFC stayed afloat during COVID because of staff quick to access the small business loans and other help. The Board is monitoring the reopening of the Café to increase profit. In general, it is important to note that all grocery stores operate on very small (1%) margins.

Vice President's Report

Conner Levy highlighted the Community Engagement Committee, formerly the Linkage Committee. The Committee last year hosted a Fall Meet and Greet between the Board and anyone who wanted to talk, and Conner hopes to do more of those. Plans for this year include a park beautification outside PFC, including flowers and an herb garden. That planting is happening May 16th at 4pm, if anyone is interested.

Question & Answer

Has PFC flyered downtown? Some folks haven't realized the hot bar is open again.

PFC is planning an extensive marketing campaign, especially about the hot bar.

Comment: the latest newsletter article was wonderful and inspiring, and is what brought this commented here today.

Comment: Thank you for your service. Shopping at PFC is in alignment with my values. But I'm concerned about the PFC having to close. I've made recommendations to the Board to make PFC viable, but most recommendations have been rejected for various reasons. A new proposal: pay a monthly membership fee to PFC.

Angie Voiles responded: PFC was lucky to benefit from the federal government's small business grants from COVID, which has significantly improved PFC's current cash situation.

Pat Zabawa responded: Those are warranted concerns. The Board is not at the point of discussing shutting down. The Board has discussed the idea of a monthly membership fee, but it's not the most equitable solution.

Comment: The hot bar is delicious and great deal.

When will Café Verde open?

Not getting enough interest in the job posting, but have been getting all equipment and SOPs ready for when someone is hired.

Would it be possible for the PFC to a pop-up food cart [maybe also with prepared foods] on or near the University of Michigan student union, as a way to bring in more students?

Angie Voiles: Certainly possible, but not one of the directions PFC has explored. It's a great idea and worth considering in a preliminary manner.

How is membership?

There were successful membership drives in 2022, about both new memberships and catching the members who still need to reinvestment with the 2019 increase. PFC wants to promote the values of being a member. The most frequent microphone for recruiting members is at the check-out counter, which requires some reading-the-audience in the moment. The Board has been trying to figure out how to reach community members who are not already member-owners of PFC.

There's so much new housing going in downtown. Has PFC targeted any of those new buildings as they've open?

Angie: Yes absolutely PFC has. Strategic mailers are also done every year in a radius around the co-op around August-September when folks are moving in.

How has COVID impacted staffing challenges?

Angie: While not definitive, a theory on this is that customer-facing positions were not attractive during COVID. But there's not just one thing. The HR Director has tried a plethora of recruitment methods. For Angie, it's about making sure current staff feel supported and that PFC is a great place to work, to ensure recruitment.

Susan (HR Director): Retention during COVID was very good. The problem was much more about recruitment and applicant flow.

Closing

Conner thanked Pat for his service on the PFC Board and as President. The Board thanked attendees for joining the meeting.