

Valley Natural Foods Co-op
Annual Member-Owner Meeting
September 17th, 2024, 5:30 pm CST
Trove Brewing, Burnsville

Meeting Minutes

Meeting called to order: 6:46 pm

Approval of 2023 Meeting Minutes

Motion: 7502

Second: 17683

Poll "Motion to approve last year's meeting minutes" approved by member-owners in attendance

- Sarah Johansson, Board President
 - Thanks for coming, the store is doing phenomenal, over 13,000 members, 1.5% growth, 6% topline growth, 4.7% growth to the bottom line.
 - Staff tenure averages 3 years, leadership tenure averages 7 years
 - Minnesota Best: Gold in Grocery Store category, Gold in Co-op category, and Silver in Deli category
 - Improvements to the store continue
 - Seasons of change: CEO moved to TCCP, actively looking for a new CEO, Steve Sapoznik is the Interim CEO which represents the successful succession planning that has been done at the store.
 - Thank you to the new Board Members for stepping up this last year. The Board is always looking ahead to get better.
 - Valley's Own Bakehouse: how do we transform and take it to the next level.
 - CEO Search:
 - Hiring Committee formed to engage in the hiring process
 - Carlise Group was hired to lead the nation-wide search for the new CEO
 - We're looking for someone to understand the VNF culture, who will understand us and the leadership team.
 - The leadership team will take part in Round 2 of the interviewing process with five candidates.
 - Round three of the interview process will include the complete Board
 - The goal is to have an offer out by 10/31/24.
 - Board transformation:
 - Risk Management
 - Competitive headwinds
 - Succession Planning
 - Sustainability
- Nick Seeberger, former CEO
 - Full circle moment - was introduced seven years ago at the annual meeting and is now saying goodbye at the annual meeting.
 - We are in a competitive environment, pressure that natural food co-ops have placed on conventional stores. Conventional stores now carry many organic and local products. VNF focuses on hyper local and organic. Filling the need for specific products to meet specific needs.
 - We offer community outreach with our events and meaningful partnerships.

- VNF made significant improvements to staff benefits including increasing hourly PTO by two days, adding Juneteenth as a time and a half holiday, absorbing the entire increase in health insurance premiums for 2024.
- Steve Sapoznik - Interim CEO
 - Recognized staff that was present at the annual meeting.
 - Been with VNF for over 11 years, has been mentored by Nick and Susan.
 - Our stakeholders are the Board of Directors, member owners, employee member owners, staff, shoppers, vendors, truck drivers, etc.
 - Local is where we're at – good food doesn't have to travel far. 36% of our sales in FY 2024 were local.
 - Our financials are healthy, he will be transparent and up front with our strategic plan
 - Re-market Valley's Own Bakehouse – how can we be the best and expand to regional availability. Try Kakookies if you haven't!
 - Regenerative organic – you will start seeing ROC in shelf tags to identify those products that practice regenerative organic practices.
 - Competitive shops take place twice a year to ensure our price competitiveness.
- Chris Coyle - Treasurer Report
 - Review 2023 goals:
 - Valley's Own Bakehouse – ongoing process
 - New Competition with Lunds/Byerly's, lost competition with Kowalski's and Cub closing
 - Price
 - Cost Management
 - Review 2024
 - Fantastic sales - +6% versus last year
 - Gross margin – 39%, in line with last year
 - Net income – 1.48% over last year
 - Phenomenal job of staff and leadership to grow the business.
 - Cash on hand 25% growth
 - 2025 goals
 - Continue to capture market share
 - Maintain activity to grow membership
 - Continue to grow – increase current assets
 - Valley's Own Bakehouse – see market potential, reinvigorate the business.

Board Election Results:

- Matthew Tuggle
- Carlos Dabu

Eight bylaw changes passed

Meeting adjourned at 7:35 pm

Motion: 3346

Second 3633

Poll "Motion to adjourn" approved by member-owners in attendance