

Nebraska Food Cooperative

Voting Board Conference Call Minutes June 26, 2014

Attendees: Randy, Stephanie, Lanette, Roy, Jeremiah, Beth, Caryl
(*Jim Knopik was updated via phone the following day; his additions are noted below.*)

Wolbach Building Update (Caryl)

- Since the storm completely took off the metal roof, the building was in pretty desperate shape. The metal folded over the telephone pole at the back of the building and was laying partly in the alley behind the store and partly hanging off the pole. A local Wolbach person (referred by Jim Knopik) removed the metal and scrapped the metal in exchange. The electric company was called by a local, and the power was turned off.
- According to the insurance adjustor, the old roof was not properly repaired. It sagged in the middle, had 2x4s placed on top of the old roof, and then a new metal roof was placed on top of the 2x4s. When the 'new' metal roof came off in the storm, it left a sagging ceiling in the main part of the store and opened the ceiling up in the back storeroom area to some day light.
- Every time it rains, more water pours in (in the center of each of the two storefront rooms and toward the back of the large storeroom).
- Caryl called the insurance company to inquire about NFC's options and obligations. Actually, the adjustor recommended that the building be demolished due to its condition.
- Caryl currently has one offer on the table for the ceiling tin: they would take all of the ceiling tin down and would be 'paid' with half of the tin at no additional cost. A second party is currently interested, so Caryl is waiting to hear back from them.
- The shelves have taken some water damage, but Caryl continues to seek homes for them. (*Jim Knopik referred an interested party to Caryl.*)
- Caryl and Roy spoke with Steve Grossart, who owns the attached community building. Steve stated that the store *does not* share a common wall on either side of the store. He said that it looks like the store only has front/back walls and the roof. Steve has contacts for the demolition, ceiling tin, and shelves, and will get that information to Caryl.

Tax Implications (Randy)

- Randy updated the board that NFC would have taxable income after the cost of demolition and other operating expenses. NFC is looking at approximately \$50k or so net income after demolition and staffing hires. So that means that with 15% federal and 6% state tax responsibilities, NFC will need to set aside 21% for taxes.

Hail Damage to Small Trailer (Caryl)

- The small trailer received baseball size hail damage while parked on Ben Gotschall's property. Ben received an estimate from his property insurance adjustor.
- Randy had previously recommended that we get an estimate from NFC's vehicle insurance carrier, Inspro. NFC's adjustor has looked at the trailer and is currently preparing the documents, of which he'll send to Caryl. NFC's adjustor mentioned that the skins are badly damaged and it looks like they'll need replacing. Jeremiah thought that applied only to the roof. Once we receive NFC's estimate, the board will determine which insurance (NFC's or Ben's) estimate is the preferred route.
- Since the trailer resides at Ben's, Caryl will look into setting up a written rental agreement with Ben. Caryl will inquire with Ben as to how the trailer is used (plugged in, freezer usage, storage, miles driven, etc) and how often it is taken off property for farmers markets, etc.
- The adjustor said that even though the trailer is damaged, NFC may continue to use it prior to its repair.
- As part of publicity efforts, the small trailer is currently on loan to the coast-to-coast marchers for the Great March for Climate Action. Anna Wishart, the legislative aide to state Senator Kowalski, took NFC products (purchased by the marchers) to the Colorado border to meet the contingent. NFC has already received Facebook publicity, which expands the coop's awareness.

Tomato Tomato (Beth, Roy, Jeremiah, Caryl)

- Michael Kult and Jody Fritz are interested in a partnership (producer pickup and Omaha delivery) with NFC.
- Roy, Jeremiah, Beth, and Caryl met with Michael and Jody to discuss possibilities on June 21.
- A trial run for 60-90 days with a formal written agreement was proposed by the voting board. Caryl will write a draft proposal defining the value provided with Tomato Tomato's input and will secure the voting board's approval before implementing the proposal.
- Beth will connect with Erstwhile, Clear Creek, North Star Neighbors, and Abie Vegetable as trial run producers.

Used Vehicle (Caryl)

- Caryl noticed a For Sale sign on a refer truck sitting in the ThriftyWay parking lot in Norfolk over the last couple of months. The ThermoKing unit is not working, but otherwise, the truck is in good shape. According to Mike Brtek, Thriftyway's manager, the cost to replace the refrigeration unit is \$2200. With the BlueBook value for the truck at \$15,000, Mike felt that asking only \$10k was quite a deal (although one of their For Sale sign states \$7500...and Caryl has a picture of this sign). The reason they are selling the truck is that it is too small for their operation, and they have purchased a larger truck. Caryl secured the truck's maintenance log and sent it, along with pictures, to the voting board.
- Jeremiah suggested that we offer \$5k for the vehicle.
- Randy raised the following questions: Does another vehicle meet NFC's need? If so, what is that need? How do we protect ourselves from excessive repairs over the years?
- Caryl will find a couple of board members who can look at the truck and give the board a candid assessment of its state. Caryl will also get an estimate for a ThermoKing unit.
- Beth will talk to Kevin for his opinion on the need for another vehicle.
- *Jim suggested that if we purchase the truck that we would want to customize it (flexible freezer/refrigeration spaces; side door; a walk-in back door). He gave Caryl a contact in Columbus (Jerry Isenbinger with Flat River, the same company who customized the Mobile Meat Processing Unit).*
- *Jim volunteered with Roy to make a trip to Norfolk to investigate the truck.*

Paid Staff (everyone on call)

- With the infusion of the Wolbach building insurance monies, Randy suggested that NFC now has the capital to bring paid staff on board.
- It was suggested that Caryl be brought on as a full-time general manager and Beth as a part-time logistics coordinator (5-10 hours/week) at an interim salaries until the full membership can vote (at September's Annual Meeting) to make these paying positions permanent.
- The meeting then went into Executive Session, so Caryl, Roy, and Beth then stepped off the call.

Next Meeting:

Conference Call

Thursday, July 10 7:00 – 8:00 pm