

NEW DEAL CAFÉ ANNUAL MEETING



May 21, 2017

Proposed Meeting Agenda

1. Prioritization and Approval of Agenda
2. Welcome by the Board President
3. Approval of Minutes of the 2016 Annual Meeting
4. Reports
 - a. Audit Committee Report
 - b. Board of Directors Report
 - c. Treasurer's Financial Report
 - d. State of the Café
5. Election of Officers (Board of Directors and Audit Committee) – Starts no later than **3:30pm**
6. Other Reports
 - a. Operations Report
 - b. Music Coordinator Report
 - c. FONDCA Report
7. New Business
8. Results of Elections of Board of Directors and Audit Committee
9. Adjournment and Farewell

New Deal Café Management Team

Board of Directors

Michael Hartman, President

Nancy Melandry, Secretary

Frank Gervasi, Member/Facilities

Tom LeaMond, Member/Operations

Terri Goodnow, Member/Logistics

Treasurer & Chair of Membership Committee

Bill Jones

Kitchen Coordinators

Jeremy Ehrenreich

Lisa Voith

Dennis Judd

Bar Manager/Music Coordinator

Amethyst Dwyer

Front of House Manager

Heather Brooks

Arts Coordinator

Chrissy Wilkin

Lead Sound Engineer

Frank Kayser

Web Master

Karen Wallace

Audit Committee

Tom Jones, Chair

Mike Stark, Member

Dorian Winterfeld, Member

Friends of New Deal Café Arts (FONDCA)

Peter May, President

Chris Logan, Treasurer

Michael Smallwood

Meg Haney

BOARD OF DIRECTORS PRESIDENT'S WELCOME

Michael Hartman
Board President

2016 Annual Meeting Minutes

D R A F T

NEW DEAL CAFÉ

2016 ANNUAL MEETING MINUTES

May 1 , 2016

Called to order 1:10pm

1. Welcome – Michael Hartman

Motion: Approve reversing sequence of agenda items #1 (Prioritization and Approval of Agenda) and #2 (Welcome by Board President). Tom LeaMond/Dorian Winterfeld 2nd/Unanimous

2. Prioritization and Approval of Agenda

3. Approval of Minutes of the 2015 Annual Meeting: Approved unanimously.

4. Reports presented for Board of Directors (Michael Hartman), Treasurer's Financial Report (Frank Gervasi), Audit Committee Report (Tom Jones).

5. Election of Board of Directors and Audit Committee.

Board of Director Nominees (2-year term):

Michael Hartman

Tom LeaMond

Frank Gervasi

Motion: Close nominations - Bill Jones/unanimous

Motion: Elect Michael Hartman, Tom LeaMond, Frank Gervasi by acclamation – Bill Jones/unanimous

Audit Committee Nominees (1-year term):

Tom Jones

Dorian Winterfeld

Mike Stark

Motion: Close nominations - Shobha Duncan/unanimous

Motion: Elect Tom Jones, Dorian Winterfeld, Mike Stark by acclamation – Bill Jones/unanimous.

6. Reports presented by Art Coordinator (Meg Haney), Amethyst Dwyer (Music Coordinator), FONDCA (Barbara Simon), Survey Results (Tom LeaMond) 2 DWT 29643568v1 0085000-007708

7. New Business items/suggestions:

- a) Announce more often that we are a cooperative
- b) Add sustainability practices on website
- c) Consider solar on the roof
- d) Investigate paying all NDC employees \$10.00/hr. and what would need to change in the budget to make it happen
- e) Investigate a by-laws change to affect a one time \$50 membership fee, with no yearly membership renewal fee. (“member-for-life”, “voter-for-life”)
- f) Consider having a special membership meeting on “e” above

Adjourned 3:25pm

Submitted by: Nancy Melandry, Secretary

Motion to accept the minutes of the
2016 New Deal Café Annual Meeting

Reports to the Members

- a. Audit Committee Report
- b. Board of Directors Report
- c. Treasurer's Financial Report
- d. State of the Café

AUDIT COMMITTEE REPORT

Tom Jones

Chair

NEW DEAL CAFÉ BOARD OF DIRECTORS 2016 REPORT TO MEMBERS

Michael Hartman
President

Board Actions and Activities

- Kitchen Operations
 - Preparing for Change
 - Implementing Change
 - Moving Forward
- Additional Areas of Operation
- Music and Special Events
- Members, Volunteers, Staff, and Board of Directors
- Roosevelt Center Merchants, Other Cooperatives and Partnerships
- Facilities

2017 TREASURER'S FINANCIAL REPORT

Bill Jones

New Deal Café Treasurer

TREASURER'S REPORT: THE PAST

This chart shows the recent profit-loss experience of the New Deal Cafe.

The 3/31/2016 column is the result for the first three months of last year.

At that time, we had only a bar operation; the contractor handled all food and front-of-house operations.

The 3/31/2017 column is the result for the first three months of this year.

We had high expenses for capital expenditures and for one-time improvements due to the transition.

Fixed costs average \$10,000 per month except for these one-time items.

Cost of alcohol and food to be sold was 38% of sales.

Cost of payroll, after subtracting reported tip income, was 52% of sales.

PROFIT-LOSS FIRST QUARTER	3/31/2016	3/31/2017	per month
Food & Bar Sales incl. Sales Tax	46,487	120,277	40,092
KMK Income	1,500	0	0
Other Income	3	2,524	841
TOTAL INCOME	48,305	123,541	41,180
Cost of Alcohol	13,982	13,264	4,421
Cost of Food	0	32,348	10,783
Sales Tax	2,261	6,477	2,159
GROSS PROFIT	34,324	77,930	25,977
Payroll (incl. FICA & reported tips)	14,727	73,179	24,393
"Fixed Costs" and Capital Exp.	9,789	56,198	18,733
TOTAL EXPENSES	24,516	129,377	43,126
PROFIT or (LOSS)	9,808	-51,447	-17,149

TREASURER'S REPORT: THE FUTURE

Break-even is easily accomplished if food and bar sales are \$50,000 per month. That is \$11,600 per week. The State of the Café report shows that we are now close to this \$11,600 per week.

If we have sales of \$50,000 per month, it will be easy to reduce cost of alcohol and food from 38% to under 34% of sales, due to economies of scale. We pay almost 6% of sales to the state for sales taxes. So these two categories can be kept under 40% of sales, which is \$20,000.

If we have sales of \$50,000 per month, it will be manageable to reduce payroll to at most 40% of sales, due in part to economies of scale, and in part to careful control of staff usage. 40% of sales for payroll would be another \$20,000.

BREAK-EVEN: With sales of \$50,000 per month, and payroll at \$20,000 plus reported tips, and cost of goods to be sold plus sales tax under \$20,000, we can cover the \$10,000 in fixed costs that is the average over the year.

NOTE: Payrolls for the past three biweekly periods have been as follows:

\$12,743 on April 20

\$12,313 on May 4

\$9,945 on May 20.

That \$9,945 biweekly number corresponds to \$21,540 per month.

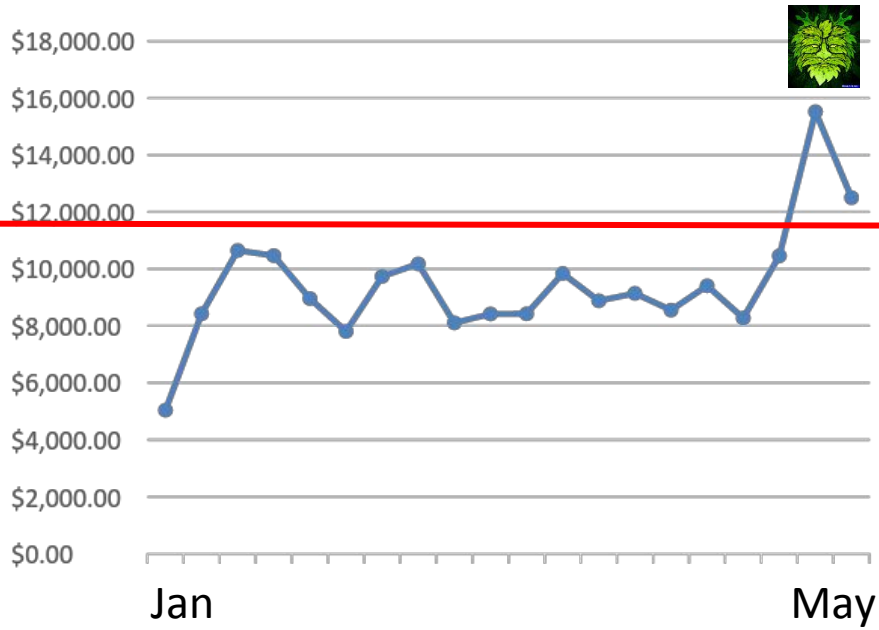
That is very close to the \$20,000 target number.

These payroll numbers are after subtracting reported tip income.

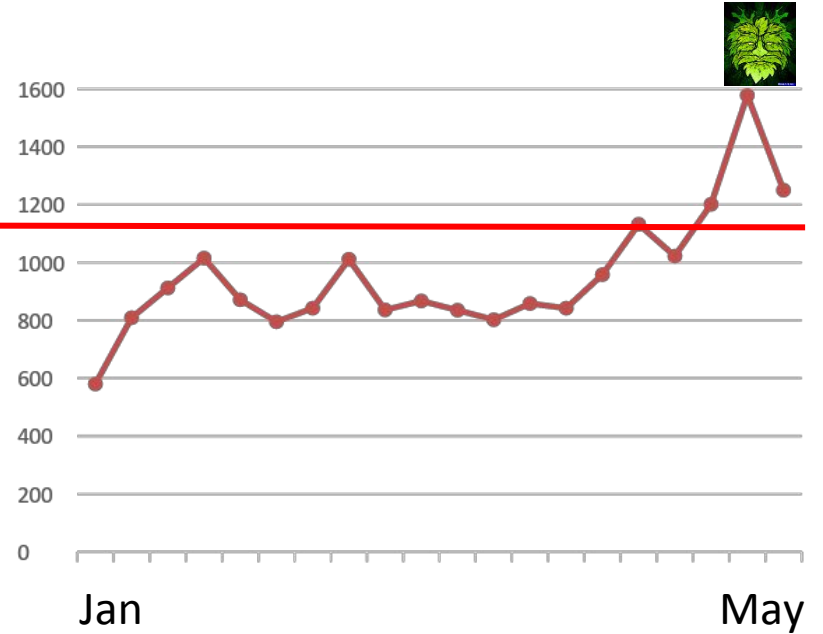
STATE OF THE CAFÉ

Tom LeaMond
Board Member

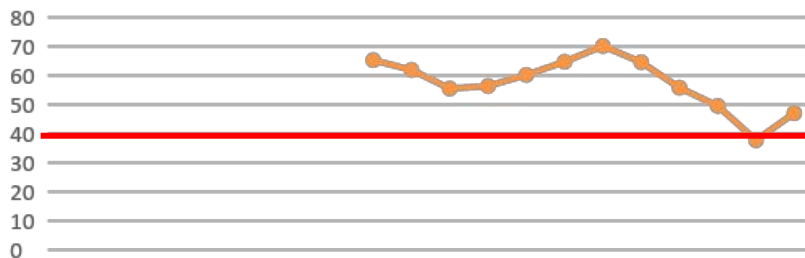
Weekly gross sales have reached a sustainable benchmark



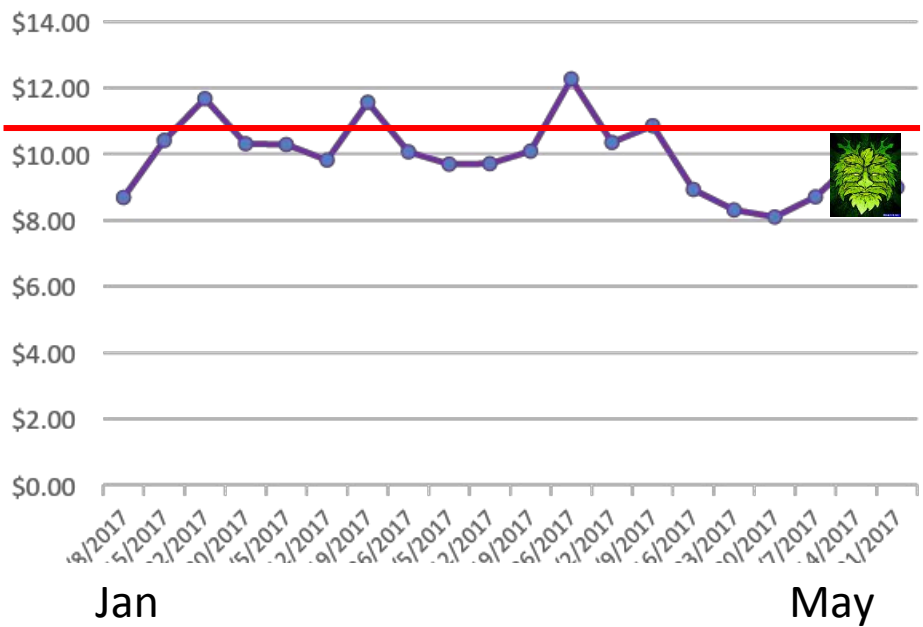
Weekly individual orders are increasing



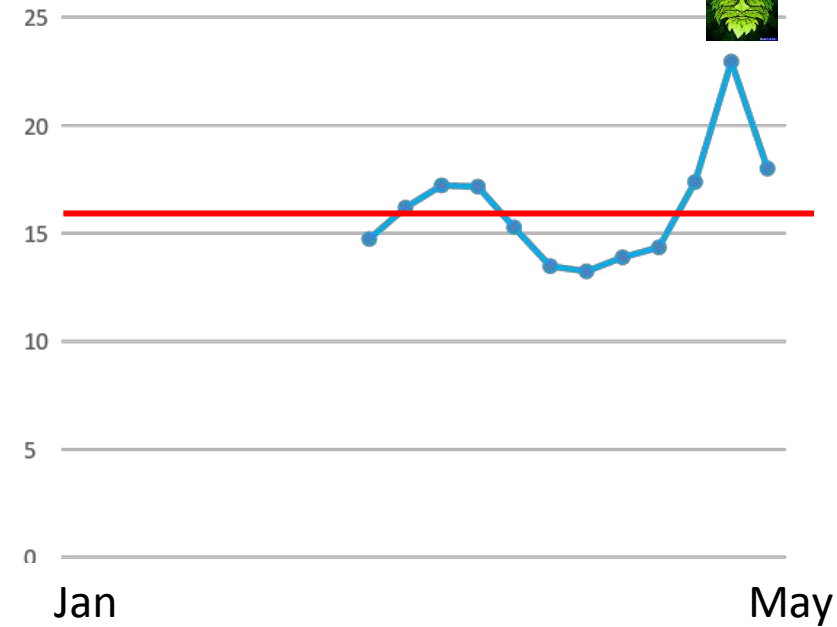
Labor Costs (% Pay/Sales) are going down



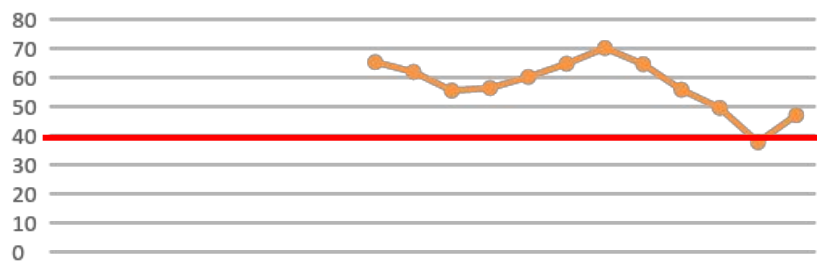
The average check amount should increase



We want to sell more for every hour that someone works



Labor Costs (% Pay/Sales) are going down



Election of Board of Directors



Nominees:

Nancy Melandry

Terri Goodnow

Election of Audit Committee Members



Nominees:

Tom Jones

Dorian Winterfeld

Mike Stark

Other Reports

- Operations Report

Heather Brooks

- Music Coordinator Report

Amethyst Dwyer

- FONDCA Report

Peter May

New Business

Results of Elections

- Board of Directors

- Audit Committee

Adjournment and Farewell

Thank you for participating in the New Deal Café 2017 Annual Meeting.

We welcome our new members.

Please continue your involvement in the Café by attending our Board meetings and enjoying the food and merriment at the Café.

We welcome feedback, comments, concerns, suggestions, and thoughts about how the Café is operating.

If you have time and talents that you can give to the Café, we welcome your volunteering in various ways.

Remember, as a member and community owned Cooperative, this Café belongs to all of us and we all have an impact on its success.

Please patronize our Café and support its growth.