

Board of Directors' Meeting Notes

for April 17, 2017

Board of Directors Present: Ofelia Alvarado, Andi Briceno, Stephanie Mood, Steve Myrick, and Jamie Decker. Staff: Jim Kase, Nancy Casady, Jessie Lamb, Tasha Dewey. Guests: Camille Osborn, Jerzy Piotrowski, Derek Casady, Phillip Gianopulos, Paul Maschel, and Robert Kaplan.

New Business

Steve reported that 397 owner ballots and 39 employee ballots were cast in the Co-op's 2017 Board of Directors' election. There were 20 invalid ballots. Derek Casady received 364 owner votes and 31 employee votes; Stephanie Mood received 345 owner votes and 36 employee votes. Steve made a motion that the Board of Directors (BOD) accept the results of the owner election. Andi seconded. Vote: in favor - 4; abstained - 1. Steve made a motion that the BOD certify the results of the employee election and noted that Tasha Dewey and Andi Briceno were elected. Jamie seconded. Vote: in favor - 5; opposed - 0; abstained - 1.

Jamie made a motion that Ofelia Alvarado be elected President of the board. Derek seconded. Vote: passed unanimously. Derek made a motion that Andi Briceno be elected Vice President of the board. Stephanie seconded. Vote: passed unanimously.

Derek made a motion that Jamie Decker be elected Secretary of the board. Andi seconded. Vote: passed unanimously. Derek made a motion that Steve Myrick be elected Treasurer of the board. Jamie seconded. Vote: passed unanimously.

Outreach & Education Committee

Colleen Dietzel of the O.B. Green Center gave an overview of the activities at the center. Andi made a motion to recommend to the Finance Committee that the board approve a donation of \$600 for the second quarter of 2017 to the O.B. Green Center. Stephanie seconded. Vote: passed unanimously.

Andi read a donation request from Ocean Beach Elementary School for the school's garden project. It was determined that more information was needed regarding the project.

Jim read thank you notes from three organizations who received donations from the donation boxes set up at the cash registers in the Co-op. The Imperial Beach Healthy Grocery Initiative, a startup food co-op, sent a thank you letter for a \$600 donation that they received.

Ofelia reported that People's received four applications for the Co-op's scholarship program.

Andi made a motion to recommend to the Finance Committee that the board approve \$1,000 to each of the two winners of the scholarship contest. Stephanie seconded. Vote: in favor - 5; abstained 1.

Planning Committee

Stephanie reported that Ofelia will make a presentation on Mondragon, a corporation and federation of worker cooperatives based in Spain, for Board Study at the next board meeting.

Ofelia reported that the General Manager Search Committee will be conducting phone interviews with four applicants in April.

Nancy reported that People's new café has been approved for a beer and wine license. Stephanie introduced Andre Anderson, who has applied for committee membership on the Planning Committee. Stephanie made a motion that the committee accept Andre as an at large member of the committee and recommend his membership to the full board. Nate seconded. Vote: passed unanimously.

Stephanie reported that the People's Annual Meeting was a success. Attendance was between 50 and 60 Co-op owners.

Finance Committee

Steve reviewed the financial reports for March. Total revenue was down .3% for the month compared to March 2016 and down 3% year-to-date. Total cost of sales was down .15% for the month and down 4.6% year-

to-date. Gross profit was down .6% and 1.4% respectively. Sales per paid labor hour were \$87.80 year-to-date compared to \$89.28 in 2016. Labor to sales was 24.36% for the month and 24.73% year-to-date. Total utilities were down 4.05% for the month and 7.49% year-to-date. There was a maintenance cost of \$450 for the duplex property in addition to the usual expenses.

Steve made a motion that the BOD approve a donation of \$200 per month for the next three months to the O.B. Green Center. Derek seconded. Vote: passed unanimously.

Steve made a motion that the BOD approve spending \$1,000 each, to be awarded to the two scholarship winners. Stephanie seconded. Vote: passed unanimously.

Interim General Manager's Report

Preliminary sales numbers from April show positive sales growth of less than 1%, but it is the first positive growth, compared to the same month of the prior year, since October of 2016. The managers and buyers have paid close attention to sales and ordered product appropriately. The result was an increase in gross margin of almost 12% compared to April 2016. The year-to-date gap in sales has shrunk slightly, to just under 2.5%.

The first staff member of People's new cafe, the Café Manager, was hired at the beginning of April, and since then the Kitchen Manager and Office Manager have been hired, both with a start date of May 1st. The leadership team of the café is working to develop menu recipes and operational systems in anticipation of a grand opening this summer. It's been a long wait, but things are happening at a faster pace and excitement is building among staff, owners and the community.

The Co-op's Annual Meeting was a big success, with an entertaining presentation by Mel Lions of Wild Willow Farm and Education Center. The Co-op's Deli provided delicious food and presentations were given by Board President Ofelia Alvarado and the Interim General Manager.

Purchasing for the Wellness Department has become more efficient thanks to the purchase of new web-based scanners. The other sales departments will be taking advantage of this soon. Advances in ordering technology will allow dept. managers and buyers to spend more time refining People's product mix.

In late April I attended the National Co-op Grocers Spring Meeting in Durham, North Carolina. The theme of the conference was measuring your impact by focusing on local products, presence in the community, great food and a healthy planet.