

Board of Directors' Meeting Notes for April 22nd 2019

Board Directors Present: Stephanie Mood, Andi Briceno, Lynn Wade, Steve Myrick, Sarela Bonilla, and Jamie Decker. Staff: Jim Kase and Gloria Isselhard. Guests: Paul Maschel, and Phillip Gianopulos

Board Study:

Reinventing Our Cooperative Democracy

Stephanie reviewed her experience serving on the board and how the Co-op has developed over the years. She said we are left with uncertainty about the future and we need to reach out to our member-owners. The question is, how can we create active participation by owners, board members and staff?

It was suggested that we develop more relationships with members of the Consumer Cooperative Management Association (CCMA) and find out how other co-ops increase owner involvement. Jim suggested a survey of the member-owners to determine their needs.

Old Business

Stephanie reported that at the last Executive Session a motion was passed to carry on with the current café plans as per the May to October budget, which will be presented at the BOD meeting in May.

New Business

Stephanie made a motion that the board approve the appointment of Merrin Muxlow and Sarah Tipple to the BOD for one year terms. Lynn seconded. Vote: passed unanimously.

Outreach and Education Committee

Jim read thank-you notes from the following recipients of donations that they had received from People's and from the customer donation boxes located at the registers: San Diego Humane Society, and Friends of Ocean Beach Library.

Andi asked committee members if they wanted to have a table at People's Spring Arts and Crafts Fair.

Andi displayed a greeting card that People's Marketing Director, Amber Forest McHale had designed and suggested it be used as a standard thank-you card from the market.

Andi made a motion that the committee recommend to the Finance Committee that the board approve an expenditure of \$3,000 to send Sarela Bonilla to the CCMA conference. Merrin seconded. Vote: in favor - 4; abstained - 1. Motion passed.

Governance Committee

Stephanie distributed copies of the Code of Conduct and Code of Ethics and asked that board members sign them and return them to her. Stephanie announced that there will not be a Governance Committee meeting next month and that she will present a report to the board instead. Board Study for May will be a financial review of the customer centered operation.

Finance Committee

Steve reviewed the March 2019 Financial Reports for the market and for the café.

For the market, total revenue was up 3.10% over the same month in 2018 and up 4.13% year-to-date. Total cost of sales was up 8.35% compared to March in 2018 and up 2.67% year-to-date. Gross profit was down 4.95% for the month and up 6.69% year-to-date.

For the café, total revenue was down 19.07% compared to March in 2018 and down 8.74% year-to-date. Total cost of sales was down 38.54% for the month and down 28.77% year-to-date compared to

2018. Gross profit was down 1.27% for March and up 7.17% year-to-date.

Combined market and café total revenue was up 1.82% for the month of March compared to 2018 and up 3.49% year-to-date. Total cost of sales was up 6.19% for March of 2019 and 1.56% year-to-date compared to 2018. Gross profit was down 4.67% for the month and up 6.73% year-to-date.

Sales per paid labor hour was \$87.25 year-to-date in 2019 compared to \$84.54 in 2018.

Utilities for the market in March 2019 were down 5.41% and down 0.79% year-to-date. Utilities for the café were up 2.06% for the month and up 1.25% year-to-date compared to 2018. The Co-op's duplex property had the usual income and expenses.

Stephanie made a motion that the Co-op spend up to \$3,000 in expenses for Sarela Bonilla to attend the CCMA conference. Andi seconded. Vote: in favor – 4; opposed – 0; abstained – 2. Motion passed.

Steve made a motion that the Co-op spend up to \$4,000 to replace three windows at the market considered to be in urgent need of repair. Stephanie seconded. Vote: passed unanimously.

Stephanie made a motion that the Co-op spend \$1,600 to send People's Membership Coordinator and POS Systems Administrator, Kylie Oliver, to the ECRS (People's point of sale system provider) Ignite Conference. Sarela seconded. Vote: passed unanimously. **General Manager's Operations Report**

Sales were up 1.51% at the market compared to April of last year, and café sales down 25.91% for the month of April. The momentum of the grand opening of the café continued into April of last year, which contributed to the sales differential. The combined revenue for April was \$1,142,757, a decrease of 0.15% over last year. Before depreciation, our organization posted a net income of \$17,447 compared to a loss of \$6,725 last April.

Market

	2019	2018	% Change
Sales	\$1,091,371	\$1,075,093	1.51%
Basket Size	\$26.53	\$24.90	6.5%
Customer Count	41,664	43,788	-4.8%

Café

	2019	2018	% Change
Sales	\$51,386	\$69,359	-25.91%
Avg. Order Size	\$20.58	\$11.37	81%
Customer Count	2,501	6,091	-52%

Personnel costs at the market came in at 23.91% of gross sales, while personnel costs at the café were down 45.7% compared to the same period last year, and were 67.67% of gross sales.

The year-to-date combined revenue at the end of April was \$4,626,744, an increase of 2.57% over last year. Combined net income before depreciation was \$72,607 for the same period, compared to a net loss of \$262,735 last year.

The reset of the Produce Department is proceeding, and the grab and go cooler for the front of the market was installed in April. New dry display tables are being sourced, and they are the last major piece of the department's reset. The café began making vegan donuts in April, and sales are steadily building. Weekly specials at the café have been increased, and our aggressive coupon program is continuing. The café has also applied to become a regular vendor at the Ocean Beach Farmers Market.