

Board of Directors' Meeting Notes for December 16, 2019

Board of Directors Present: Stephanie Mood, Lynn Wade, Sarela Bonilla, Steve Myrick, and Merrin Muxlow. Staff: Jim Kase, Kylie Oliver, and Gloria Isselhard. Guests: Peter Doft, and Phillip Gianopulos.

Old Business

Stephanie reviewed the board calendar for 2020. She recommended that the board have an ad hoc committee to cover Board of Directors' (BOD) education. Jim said that he could ask a representative from the Cooperative Board Leadership Development to compile a yearly report, at the cost of an annual fee. Stephanie asked him to look into it.

Discussion of the Co-op's annual budget for the next year included the possibility of sending the Co-op's Store Manager and one BOD member to the Consumer Cooperative Management Association's annual meeting.

Board Committee Principles outlined the duties of committees; it was suggested that the word "purpose" be changed to "duties" in the text.

New Business

Steve made a motion that the board ratify the results of the employee election and recognize Kylie Oliver as an employee board member. Lynn seconded. Vote: passed unanimously.

Outreach and Education Committee

Stephanie distributed copies of the *Engagement Strategy* from Hanover Co-op Food Stores and opened a discussion on how to encourage our owners to participate in Co-op activities. So far, board tabling events have been successful.

Stephanie said that she would like to form a governance committee to work on minor revisions to the Co-op's bylaws. She feels that owners should participate and review the changes before they are voted on by the full ownership. She also recommended that People's Mission and Vision statements should be reviewed by the committee and the BOD for clarification.

Jim reported that we donated grocery bags to be used by the Ocean Beach Town Council for their 2019 Food and Toy Drive. The council reported receiving many favorable comments regarding People's.

Stephanie said that the next Board Study will be a yearly review of Board Education and Policy Governance Chapters 6, 7 and 8.

Finance Committee

Steve reviewed the November Financial Reports for the market and cafe. Steve reported that although the O.B. Garden Café has closed for business and is not generating revenue, there are still expenses. This means it will be operating at a loss until it is sold.

Total revenue for the market was up 2.78% for the month compared to November 2018 and up 1.32% year-to-date. Net income from operations was up 239.15% for the month and up 154.10% year-to-date.

Total revenue for the café was down 100% compared to November 2018 and down 36.98% year-to-date.

Total revenue for the market and café was down 2.38% for the month compared to November 2018 and down 0.81% year-to-date. Net Income from operations was up 128.64% for the month and up 79.33% year-to-date.

Sales per paid labor hour were \$84.01 compared to \$68.12 last year at this time.

Steve made a motion that the board approve spending up to \$15,000 to replace the range in the

Deli. Stephanie seconded. Vote: passed unanimously.

Nominating Committee

Sarela reported that the committee has reviewed all ten candidate applications for the 2020 Board of Directors' election and that the committee is scheduling candidate interviews.

Policy Governance Committee

Stephanie said that the committee is working on minor revisions to the Co-op's bylaws. She suggested that the committee meet in January to go over the changes recommended by the Co-op's attorney. She asked for board members to volunteer to serve on the committee.

General Manager's Operations Report

Gross sales were down 2.2% at the market compared to December of last year. Owner Appreciation Days were held in December of 2018, but not in 2019, which contributed to the decline in gross sales. Our organization posted a net profit of \$89,074, however, compared to a loss of \$1,556 last December. For the year 2019, our net income before depreciation is \$113,162 compared to a net loss of \$652,595 for last year.

Market

	2019	2018	% Change
Sales	\$1,068,934	\$1,093,226	-2.2
Basket Size	\$28.10	\$27.04	3.9%
Customer Count	38,973	41,569	-5.8%

Year Total

	2019	2018	% Change
Sales	\$12,929,313	\$12,799,523	1.0%
Basket Size	\$26.94	\$25.10	6.8%
Customer Count	485,996	515,493	-5.7%

December personnel costs came in at 26.8% of gross sales, just over two percentage points higher than our target. December 25th was an all staff paid holiday with no revenue generated against the payroll expense. The California minimum wage increase to \$13 an hour was implemented on October 1st, 2019, and was in effect for the entire fourth quarter.

At the December Board of Directors' meeting, the purchase of a new range for the Deli was approved. Delivery and installation are expected in late January or early February, depending on when it arrives from the manufacturer. The current range is original to the building and has had major issues over the past few years. The Deli staff is looking forward to returning to full production capacity.

Ocean Beach People's Organic Food Market returned to the OB Holiday Parade after missing the event in 2018. The Co-op's entry included our traditional peace sign atop a truck decorated with holiday lights, and a group of People's staff members accompanied the truck with a banner. We were very well received and welcomed by parade attendees. Unfortunately, parade rules prevented us from handing out organic tangerines as has been our tradition in previous years.

Gift cards for the market can now be purchased via our website at www.obpeoplesfood.coop. We have already had a positive response. We are working to add the ability to renew your Co-op membership via the website as well. People's email program, which informs member-owners of sales and Co-op related events and announcements, is gaining traction. Owners are encouraged to make sure their email address is up to date in our system so that they can receive the latest information.

The café site has been listed for sale and is garnering considerable interest. The property will be shown to interested parties after the first of the year.