

Board of Directors' Meeting Notes for December 17, 2018

Board of Directors Present: Stephanie Mood, Steve Myrick, Derek Casady, Lynn Wade, Merrin Muxlow, Sarela Bonilla, Andi Briceno, and Jamie Decker. Staff: Tim Sullivan and Ron Maggard. Guests: Tristan Joyal, Sarah Tipple, Nancy Casady, and Paul Maschel.

New Business

Stephanie introduced Tim Sullivan, who is acting as Interim General Manager.

Board Study - Policy Governance: Stephanie continued the discussion on Policy Governance. Andi suggested that the goals discussed at the next board retreat be developed into End Policies, treatment of customers and treatment of staff, one each month. Tim suggested that the board do more research on other co-ops and also review our Mission and Vision statements first.

Stephanie distributed the Board Calendar for 2019.

Old Business

The board voted to approve the Cooperative Development Services (CDS) consulting contract with Tim Sullivan as Interim General Manager.

Outreach and Education Committee

Mel Lions gave an update on events at Wild Willow Farm and Education Center.

Andi circulated the donation report for the year. The 2018 budget was \$23,000. A total of \$14,291.86 has been allocated to date. Andi made a motion that the committee recommend to the Finance Committee that the board approve a donation to the Wild Willow of \$1,500 for first quarter of 2019 with the stipulation that it will be the last donation to the farm until further notice. Stephanie seconded. Vote: passed unanimously.

Andi read a request from Christina Abuelo of Sherman Heights Elementary School. She will be notified that we are not granting a donation at this time.

Andi reported that she contacted a representative from the Ocean Beach Branch Library letting her know that we are not granting a donation at this time.

Planning Committee

Stephanie reported that the Board Study topic for December will be a continuance of the discussion on Policy Governance. She asked that everyone review Briarpatch Food Co-op's policies, which she distributed to board members last month.

Stephanie asked that committee members fill in a self-assessment form and return it to her by the next board meeting.

Finance Committee

Steve reviewed the financials for November 2018. Total revenue was -1.21% for the month and -5.31% year-to-date compared to last year. Total cost of sales was -1.63% for the month and -3.94% year-to-date compared to 2017. Gross profit was -0.41% and -7.72% respectively. Net income was -1.33% for the month and -2.63% year-to-date. Sales per paid labor hour was \$81.87 compared to \$86.54 last year. Labor to sales ratio for November 2018 was 24.96% compared to 2017 when it was 29.23%. Year-to-date it was 26.82% in 2018 and 24.97% in 2017. Electric usage and cost are down, and gas and water costs are also down, resulting in a drop of 8.23% for the month of November. Year-to-date utilities were up 11%. The Co-op's duplex property had the usual income and expenses.

Steve made a motion that the board approve spending up to \$16,000 in 2019 for annual maintenance on our point of sale (POS) system (cash registers), to be paid in monthly increments. Derek seconded. Vote: passed unanimously.

Steve made a motion that the board approve spending up to \$950 to replace a POS receipt printer. Derek seconded. Vote: passed unanimously.

Steve made a motion that the board approve a donation of \$500 per month for a total of \$1,500 for the first quarter of 2019 to Wild Willow Farm and Education Center. Derek seconded. Vote: passed unanimously.

Nominating Committee

Andi reported that they interviewed one candidate for the 2019 BOD election. They also reviewed the interview questions. Jamie made a motion that Sally Tinker be approved as a non-board member-owner of the Nominating Committee. Steve seconded. Vote: passed unanimously.

Interim General Manager's Operation Report

I would like to share with you our approach to improving People's fiscal results. There are three areas of focus. The 1st is creating a great shopping experience for our owners. This is by far the most important in my opinion. Our owners are the backbone of People's. We want your feedback here. Watch for an owner survey coming out soon. I hope you will take the time to share your shopping experiences with us.

The 2nd is inviting new people into the store. People's must attract new owners to survive over the long haul. We are planning a membership drive in the near future and our owners will play a critical role in our efforts to grow our membership. I hope you will consider supporting that drive by volunteering or reaching out to your friends, neighbors, and family.

The 3rd leg is what I call operational excellence. What can we do as your team to improve our operations? This is about looking at how we do things, determining if they still make sense, or is there a better way? An example is printing receipts for customers. Many of our owners prefer to have their receipts emailed to them or don't want us wasting the paper. It is one small thing that is better for our planet and will save the Co-op a few pennies to improve our bottom line. Of course we will still print them for customers if they want them.

There are a few key operational numbers that should give our owners a good picture of how People's is fiscally progressing. • Sales. An old grocery saying is sales solve everything. A sales increase is certainly a good indicator. • New owners. Owners are People's lifeblood, and new owners are critical to our long term fiscal sustainability. • Customer count. If we increase the number of shoppers each week over the past year it would be a great indicator that things are going well. • Average basket size. This is why we are asking you to shop at People's 1st. If you shop here 1st you will be less likely to buy things elsewhere that you might normally buy at Peoples. A small increase in customer average basket size goes a long way to improving our fiscal results.

The following chart shows our results in these areas since 2015

People's fiscal trends

	2015	2106	2017	2018
Sales Change	-3.59%	-3.20%	-2.92%	-4.33%
Customer Count	-1.55%	-4.00%	-1.40%	-3.90%
# of Owners who shopped the last 6 months of the year:				
	11,889	11,591	11,339	10,788
Avg. Basket Size	\$25.63	\$25.84	\$25.43	\$25.17