

Board of Directors' Meeting Notes for December 19, 2016

Board of Directors Present: Ofelia Alvarado, Andi Briceno, Stephanie Mood, Jamie Decker, Steve Myrick and Panha Ouch. Staff: Nancy Casady, Jim Kase, Jessie Lamb, and Gloria Isselhard. Guests: Paul Maschel, Bryan Pease, Derek Casady, Dan Pearl, and Phillip Gianopulos.

Board Study

In recognition of Nancy Casady's retirement, following 20 years of service as General Manager, board members reviewed her many accomplishments.

Outreach and Education Committee

Andi made a motion that People's continue to support Wild Willow Farm and Education Center for the first quarter of 2017 at \$1,000 per month. Panha seconded. Vote: passed unanimously.

Ofelia reported that the Board does a self-assessment every year. She asked that any board member who is interested in taking part in the assessment contact her by the end of the year.

Andi reported that students from Point Loma and Hi Tech High Schools were awarded scholarships from People's last year. She suggested making the application available to other high schools and asked for recommendations. Additionally, she suggested adding Mission Bay High School. Nancy suggested adding Mt. Everest Academy in Clairemont.

Nancy reported that she attended the last meeting of the year of the California State Board of Food and Agriculture. It was a short meeting, after which they had lunch with Governor Brown and talked about healthy soil. She was happy to report that she has been appointed to the state board for a four year term ending in 2020.

Planning Committee

Ofelia reported that Jim Kase has been appointed Interim General Manager. The General Manager Search Committee will place a General Manager job posting in the January / February issue of the "Cooperative Grocer" magazine.

Nancy reported on weekly expansion meetings for our new café. Construction is on track and decisions for lighting and kitchen infrastructure have been made.

Finance Committee

Steve reviewed the November financial report. Total revenue was down 4.9% for the month as compared to November 2015 and down 3% year-to-date. Total cost of sales was down 3% for the month and down 3% year-to-date. Gross Profit was down 9% for the month and down 3% year-to-date.

Sales per paid labor hour was \$88.20, an increase from last year, which was \$86.79. Labor to sales ratio for the month was 25.80% and for the year was 24.42%.

Total cost of utilities for the month went down 20% compared to November 2015 and are down 14.3% year-to-date. Although the number of KW hours increased, the cost went down more than \$1,000. Gas cost went up and water went down.

The Voltaire St. East property incurred the usual expenses and no income. The duplex property's expenses and rental income remained steady.

Steve made a motion that the board accept the 2017 operating budget with the addition of \$4,000 in expenses for point of sale equipment replacement and / or maintenance. Jamie seconded. Vote: passed unanimously.

Steve made a motion that the Co-op spend up to \$1,500 for the replacement of older security cameras. Stephanie seconded. Vote: passed unanimously.

Nominating Committee

Panha reported that four applications were submitted for the 2017 Board of Directors' election, and that the

committee has conducted interviews of the applicants. Ofelia reported that present matters under consideration would be discussed in Executive Session after the board meeting.

General Manager's Operations Report

The month of December was ushered in by the 37th Annual Ocean Beach Holiday Parade. People's entry was led by the Supersonic Samba Band and a fantastic freestyle Frisbee performance by the Co-op's own Dave Schiller and his wife Amy. Parade watchers young and old enjoyed the organic tangerines handed out by some of our friendly staff.

December was also an Owner Appreciation Month, when Co-op owners were eligible for a one-time 10% discount on a day of their choosing. This format seems to work well for owners and staff, offering more flexibility and less pressure on stockers and our parking lot. Look for more of these in 2017.

The east side of the Co-op (facing the parking lot) got a face lift in December, with the natural wood surfaces cleaned, sanded and resealed, in between receiving some much needed rain. The trellis on the north side of the building (facing Voltaire St.) should be completed in the first quarter of 2017.

Human Resources Manager Jessie Lamb conducted a harassment prevention training. All Co-op staff who supervise other employees are required to update their harassment prevention training every two years. Jessie also began digitizing employee files for security, and conducted an annual labor law posting audit, updating in-house postings to ensure compliance with State and Federal regulations. December was also the open enrollment period for health insurance benefits, and employees were counseled on their options.

The Co-op closed early this month for Christmas Eve, New Year's Eve and our annual staff Holiday Party, providing time to relax with family and friends, and a chance to recharge for the year ahead. Despite the shortened hours, sales stayed steady, and we ended the year 3% down compared to last year. Thanks to our experienced purchasing team, margins were strong and our year-end inventory showed little fluctuation from the beginning of 2016.

The end of the year also brought exciting progress a few doors down from the Co-op, as the walls of People's new organic café have started to go up and the concrete footers have been poured. The footers contain the well wishes, intentions and special trinkets collected at the November groundbreaking event. Scheduled to open in mid 2017, our café will bring the opportunity for more local jobs, a larger cooperative economic footprint, and increased access to healthy organic vegetarian food for our community.