

# Board of Directors' Meeting Notes for December 14, 2020

Board of Directors Present: Paul Coogan, Chair; Janice DuVall, Kylie Oliver, Jennifer Jiau, Jamie Decker, Peter Doft, and Steve Myrick.

Staff: Sarela Bonilla and Gloria Isselhard.

Guests: Stephanie Kent, John Hochman, Larry Kiehl, and Tevonn Zink.

## **New Business**

Paul called the meeting to order at 6 p.m. on Zoom. The minutes of the previous meeting were approved unanimously with corrections.

## **Outreach and Education Committee**

Janice reported that she would like Marion Nestle to be the keynote speaker at People's Annual Meeting and asked whether she could offer her \$500 as the fee. Jamie said it should be referred to the Finance Committee for recommendation to the Board of Directors (BOD) for approval.

Janice made a motion that the Co-op pay \$500 to Marion Nestle as keynote speaker at the Annual Meeting in April 2021. Peter seconded. Vote: passed unanimously.

Peter made a motion that we hold the Annual Meeting on Saturday, April 10, 2021 from 12 noon to 2 p.m. Janice seconded. Vote: passed unanimously.

## **Finance Committee**

Steve reviewed the November Financials. The market's Income Statement Summary showed a drop in revenue of 21.65% for November 2020 compared to the same month in 2019. Year-to-date there was a drop of 15.98% compared to the prior year. The store and café income statement showed revenue reduction of 18.95% year-to-date compared to 2019, and sales per paid labor hour as of November 2020 was up from \$84 in 2019 to \$88 this year.

Paid-in-capital was down by 10.09% compared to 2019, renewals dropped by 20.62%, and there was a drop in new owners of 23.20%.

Steve made a motion that the board approve \$1,800 per month to renew the maintenance agreement for the Co-op's point of sale equipment. Kylie seconded. Vote: passed unanimously.

Steve made a motion that the BOD approve \$500 for the cost of a speaker at the Co-op's Annual Meeting. Paul seconded. Vote: passed unanimously.

Steve made a motion that the board approve spending up to \$8,000 to repair the Co-op's refrigeration compressor. Janice seconded. Vote: passed unanimously.

Kylie reported that there has been an increase in customer requests for People's curbside pick-up service. Use of an outside pickup service had originally been considered, but it had been decided to continue to operate the service in-house.

## **Nominating Committee**

Paul said the committee is continuing its search for candidates for the 2021 board election. Committee members are putting together a document that will serve as a guideline for being a board member.

## **Interim General Manager's Operations Report**

Gross sales were down 20.17% at the market compared to December 2019. The market and café was \$2,455,871 behind 2019 in gross sales, or 19.04% compared to 2019. Our organization posted a net income of \$15,516 in December of 2020, compared to a net income of \$101,452 in 2019. Year-to-date, we have a net loss of \$327,701 compared to a net income of \$120,322 at year end in 2019.

## Market

December	2020	2019	% Change
Sales	\$853,204	\$1,068,934	-20.17%
Basket Size	\$43.35	\$28.10	54.27%
Customer Count	19,747	38,347	-48.5%

December personnel costs at the market came in at 27.9% of gross sales, with an increase of .5% from 27.4% last month. Labor adjustments made in November remained in December and minor additional decreases were made in the month of December as well. Beginning January 1, 2021 minimum wage will increase from \$13 per hour to \$14. Projections for labor costs and labor budgets reflect the new minimum wage, as well as a decrease in sales to bring us more in line with our target labor percentage of 26%.

In December we began to beta test our new online shopping platform with some of our staff and tenured curbside pickup customers to gain feedback and insights into any adjustments that need to be made prior to launching the service on February 1st. With our curbside pickup program gaining more attention, December has been the month to prepare for what we hope to be a truly profitable endeavor as well as a way to continue to engage with our owners who are unable to come into the market.

We had a major repair of our refrigeration system at the end of December. One of the four compressors that run our coolers, produce wet-racks, and freezers was failing, which created excess strain on the other three compressors. Throughout December we had multiple refrigeration units that also needed some repair, including the first-floor grab and go case, which had a manufacturer's defect. Unfortunately, while the unit was out of service and we waited for the parts needed for the repair, it had a negative impact on Deli and Perishable Departments sales.

Traditionally, we have held Owner Appreciation Discount Days for Co-op owners in December, however this year we opted to hold Produce Discount Days from December 15th to 17th. This allowed us to still show appreciation to owners without overcrowding the market, as well as not putting more strain on our supply chain and limited staff.

We are planning and preparing for an Owner Appreciation event in early spring on the hopes that some county and state restrictions will be lifted, allowing more shoppers in the market at any given time. However, we will continue to do what's safest for owners, shoppers and staff.