

Board of Directors' Meeting Notes for February 18th, 2019

Board of Directors Present: Stephanie Mood, Derek Casady, Steve Myrick, Merrin Muxlow, Sarela Bonilla, Lynn Wade and Jamie Decker.

Staff: Jim Kase, Tim Sullivan and Gloria Isselhard.

Guests: Nancy Casady, Erin Elliot-Brown, Will White, AnaMaria Puente, Joshua Beidler, Sarah Tipple, Paul Maschel, and Phillip Gianopulos.

Old Business

Stephanie reported that no action was taken at the Executive Session last week.

Outreach & Education Committee

Jim read thank-you notes from the following recipients for donations that they had received from People's and from the customer donation boxes located the registers: OB Mainstreet Association, San Diego Food Bank, and San Diego Library READ Recognition dinner.

Andi reported that Merrin, Lynn and Sarela will be applying for scholarships to attend the Consumer Cooperative Management Association meeting scheduled for June 6-8, 2019 in Durham, NC.

Andi reported that San Diego City Council President, Georgette Gomez has been confirmed as the speaker for People's Annual Meeting scheduled for April 6, 2019.

Sarela reported that the Membership Dept. has made changes to the process of notifying Co-op owners that their membership renewal is due.

Stephanie reported that Policy Governance, which will include discussing changes to People's Mission and Vision Statements if necessary, will be the topic at the upcoming Board of Directors' retreat. Tim suggested that the board talk about the store's physical structure needs as well, including how to raise money for the cost of upgrades and repairs.

Planning Committee

Stephanie reported that the Planning Committee is obsolete as it overlaps with the Outreach and Education Committee. She recommends that a new committee entitled "Governance" be established in its place. The Governance Committee will convene immediately following the Outreach and Education Committee meeting. Lynn and Merrin reviewed a draft of the overview of board governance practices on which they collaborated. The topic of emergency succession of the Co-op's General Manager will be covered at the next board meeting.

Finance Committee

Steve announced that future financial reports will be in a new format and will be part of the General Manager's Operation Report. Lynn suggested that the General Manager's Operations Report be scheduled before the Finance Committee.

The Income Statement for January 2019 shows total revenue up 5.5%, total cost of sales is up 1.75%, and gross profit is up 12.6% compared to January of 2018. Sales per paid labor hour was \$88.16 compared to \$88.07 in 2018.

Jim reported that he and Tim are working on the 2019 budget and that the first quarter may be ready for the next board meeting. The financial reports will be made available to board members before the monthly meeting. Steve said it is the responsibility of board members to read through the financial reports and be ready to ask questions and discuss them at the meeting.

Nominating Committee

Jamie reported that the single candidate applicant for the 2019 Board of Directors' election did not

submit the required 100 signatures on a petition by January 31, 2019 as required by the Co-op's bylaws. The board currently has one vacancy and will have another vacancy after the Annual Meeting. The board will appoint two applicants to fill these vacancies for one year terms. Applications for appointment must be submitted by March 31, 2019.

General Manager's Operations Report

February of 2019 saw continued positive sales growth for People's, although not at the same pace as January. Basket size and customer count also followed the trend from January, with basket size increasing compared to January 2018 and a decline in customer count. Sales in the Produce and Grocery Departments saw significant increases of 9.8% and 5% respectively. Storewide, sales are up 5% over the first two months of 2018, and a strong March may result in positive sales growth in the first quarter. A physical inventory is scheduled for the end of March, and the April report will provide verified inventory and turns for all departments.

While the average order size increased at People's O.B. Garden Café during February, sales and customer count were down significantly. February of this year was colder and wetter than last year, which may have contributed to the decline.

Market

	2019	2018	% Change
Sales	\$1,049,272	\$1,011,471	3.7%
Basket Size	\$27.04	\$25.36	6.6%
Customer Count	39,292	40,444	-2.8

Café

	2019	2018	% Change
Sales	\$42,885	\$49,431	-13.2%
Avg. Order Size	\$21.12	\$12.07	75%
Customer Count	1,965	4,108	-52.2%

Labor costs at People's were down 5.4% compared to February of 2018, and were 24.34% of sales, versus 26.62% last year. Labor costs at the café were down 39.1% over the same period last year, and were 81.18% of sales.

The long running Bag and Box Raffle was discontinued as of the end of February, since the CA state bag charge fills the same purpose of encouraging shoppers to bring their own reusable shopping bags. This will save People's over \$10,000 during a 12-month period. The collection and verification of owner email addresses is ongoing, with the aim of reducing the cost and labor of paper mail, as well as increasing the frequency and effectiveness with which we communicate with our owners.

New shopping carts have been ordered and will arrive in March and new handbaskets will shortly follow. The Produce Department reset continues to move forward and sales are reflecting this effort which opens up the view of bountiful produce as shoppers enter the Co-op. The storewide increase in business so far this year has been encouraging, but we still need more new owners to replace those who have left. We will be conducting an ownership drive this summer.