

Board of Directors' Meeting Notes for July 22, 2019

Board of Directors Present: Stephanie Mood, Sarela Bonilla, Sarah Tipple, Brenda Winkle, Merrin Muxlow, and Jamie Decker. Staff: Jim Kase, Ryan WHYld, Rachel DeCaro and Gloria Isselhard. Guests: James Heyser and Phillip Gianopulos.

New Business

Jim introduced Ryan WHYld, the new Chef and Manager of People's O.B. Garden Café. Ryan talked about his background and his goals for the café.

Board Study

Stephanie explained Policy Governance, a new system of governance that the Co-op has adopted. She distributed copies of the source documents and explained what policy governance is and is not. She explained the policy ends vs. means and ways to accomplish ends.

Outreach and Education Committee

Lynn reported on the outreach tabling event that the committee held at People's, including customer suggestions to increase market and café sales.

Merrin reported that she will be showing a Power Point presentation on the co-op model at the Pt. Loma Nazarene University in the fall. She asked for suggestions for other venues. Jamie suggested local public libraries.

Policy Governance Report

Stephanie reported that she had sent board members the Board Monitoring Schedule Policy and the Four Ends Policy, which is as follows: The Co-op is the center of a vibrant inclusive community. The Cooperative movement is strengthened. The Co-op serves as an educational resource on food issues. Our local food chain is more equitable, sustainable, robust, and environmentally sound.

The Four Ends will be the subject of the next Board Study.

Stephanie presented a card with graphics and text displaying the Four Pillars of Cooperative Governance, which are: teaming, democracy, strategic leadership, and accountable empowerment. She is planning to make them available on the tables in the Co-op's Deli. It was suggested that the back of the card could be used for other messages.

Finance Committee

Jamie reviewed the June Financial Reports for the market and café.

Total revenue for the market was up 1.19% for the month compared to June 2018 and up 2.42% year-to-date. Total cost of sales was down 5.37% for the month and down 0.20% year-to-date. Gross profit was up 12.37% and up 7.10% respectively.

Total revenue for the café was down 17.22% compared to June 2018 and down 14.03% year-to-date. Total cost of sales was up 21.82% for the month and down 21.82% year-to-date compared to 2018. Gross Profit was down 27.51% and down 9.15% respectively.

Total combined revenue for the market and café was up 0.12% for the month compared to June 2018 and up 1.53% year-to-date. Total cost of sales was down 4.83% for month and down 0.92% year-to-date compared to 2018. Gross profit was up 7.71% and up 5.66% respectively. Sales per Paid Labor Hour were \$86.02 compared to \$67.99 last year at this time.

Labor to sales ratio for the cafe was 82.90% in June 2019 compared to 103.75% in 2018. Year-to-date it was 75.62% this year compared to 112.98% year-to-date in June 2018.

Jamie made a motion that the Finance Committee recommend to the BOD that they approve an optional additional investment by owners of up to \$1,000. Sarela seconded. Vote: passed unanimously.

The purchase of one large steam table for the café was put on hold. Ryan reported that he could purchase two small steam tables for less than the cost of one large table. He added that they would be portable and could be transported to the farmers' market.

Nominating Committee

Sarela reported that the committee met and discussed how to reach out to Co-op owners. Communication via email was suggested.

General Manager's Operations Report

Sales were down 3.35% at the market compared to July of last year, and café sales down 31.42% over the same period. The combined revenue for July was \$1,081,944, a decrease of 5.10% over last year. Before depreciation, our organization posted a net loss of \$17,838 compared to a loss of \$68,595 last July. Year-to-date our net income before depreciation is \$99,353 compared to a net loss of \$426,445 at the same point last year.

Market

	2019	2018	% Change
Sales	\$1,033,192	\$1,068,963	- 3.35%
Basket Size	\$26.10	\$24.58	6.2%
Customer Count	40,153	43,208	-7.1%

Café

	2019	2018	% Change
Sales	\$48,752	\$71,092	-31.42%
Avg. Order Size	\$20.37	\$12.06	68.9%
Customer Count	2,407	5,885	-59.1%

Personnel costs at the market came in at 26.2% of gross sales, while personnel costs at the café were down 25.4% from the same period last year, and were 107.1% of gross sales. Both the market and café were open until 2 p.m. on July 4th. This year was the first time the market was open on Independence Day; the café was open the same hours last year. While the market benefited from the extra sales, it was still a paid holiday for staff, which increased our labor to sales percentage. July of last year also had five Sundays in the month compared to only four this year. Sundays have historically been our highest sales day of the week, and the difference of a large sales day also contributed to the revenue gap.

The café was closed for two days in July to deep clean the facility and transition to the new menu. Since all café staff were on hand for two days of labor with no corresponding sales, our labor to sales percentage at the café was higher than they had been trending. The new menu was launched on July 25th and customer comments have generally been very positive about the changes.

Plans have been in development to switch our in-store water machine to a new company, Fresh Pure Waters. Installation is planned for August and when completed, we will offer reverse osmosis, de-ionized and high ph water from our new machine.