

Board of Directors' Meeting Notes for July 23, 2018

Board of Directors: Stephanie Mood, Andi Briceno, Jamie Decker, Chris Doupis, Derek Casady, Sarela Bonilla, and Merrin Muxlow. Staff: Jim Kase and Gloria Isselhard. Guests: Andre Andersen, Paul Maschel, and Phillip Gianopulos.

New Business

Stephanie reviewed the goals established at previous board retreats. She asked for board members' suggestions for this year's retreat agenda, as well as a location to hold the retreat.

Outreach & Education

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: Ocean Beach Town Council, SanDiego350, Peace Resource Center of San Diego, San Diego Food Bank, Doors of Change, I Love a Clean San Diego, Out of the Boat Swim, Cabrillo National Monument, San Diego Chapter of the Sierra Club, and Western Service Workers Association. Andi reported that the donation budget has been set at \$23,000 for the year. She circulated the year-to-date report.

Andi described events at People's that reach out to the community, including People's Annual Birthday Party where a vegan barbecue is provided free of charge and People's free Heathy Halloween Carnival. A discussion followed regarding how People's could further engage the community, including ways to share how the cooperative business model works and the history of People's in Ocean Beach.

Planning Committee

Stephanie reported that Jeannie Wells, a Cooperative Development Services (CDS) consultant, has presented a list of the services she can provide to People's and has also submitted a proposal. It will be included in the monthly board package and discussed at the next Board of Directors' meeting.

Jim gave an update on the O.B. Garden Café'. The café averaged \$2,100 in daily sales for the month of June. There are plans for live music and theme nights.

Finance Committee

Jamie reviewed the June 2018 financial reports. Total revenue for the month of June was -2% and -6% year-to-date compared to 2017, and cost of sales was -4% for the month and -5% year-to-date. Gross profit was up 1% and -9% respectively. Sales per paid labor hour was \$82.35. Labor to sales ratio for the month was 25.32% compared to 26.75% in June 2017. Year-to-date labor to sales was 27.24% compared to 24.85% in 2017.

Electricity use and cost is up, gas cost is down, and water is an estimate, with the total cost of utilities for June up 10.53%. Year-to-date utilities cost was up 12.39% compared to 2017. The Co-op's duplex property had the usual income and expenses. Jamie reviewed the proposed 6 month budget adjustment which will be brought to the next board meeting for approval.

Nominating Committee

Jamie reported that the committee is looking for at-large committee members (non-board consumer owners). A notice has been placed in People's newsletter, please see page 4.

General Manager's Operations Report

July sales were down compared to July of 2017 by about 3.5 percent, below the year-to-date trend of -6%. An Owner Appreciation Week was held from July 9 to July 16, with sales for the week up a little over 7% compared to the same week last year. Cost of sales are down 1% for the month on month and 4.5% year-to-date compared to 2017. Labor is up over last year partly due to an unusually high turnover rate for June and July. Higher turnover adds to labor cost due to time spent interviewing, on-boarding and training new staff.

July of 2018 was the hottest on record in the state of California and it had an effect on shoppers, staff and equipment. The Deli had to limit production of hot food on a few occasions in order to follow heat protocols to protect staff. Several service calls were required from our refrigeration maintenance company, as coolers and freezers struggled to keep up with the heat and high humidity. Most issues have been rectified with moderate repair cost, however the failure of one stand-alone cooler resulted in the loss of some perishable product. The grab and go ice cream freezer was repaired and is functioning properly for the first time this summer and single serving frozen treats have been restocked and are selling briskly.

Two staff members attended out of town conferences during the month of July. The National Co-op Grocers (NCG) Convergence Conference was attended by the Co-op's Wellness Manager who is also the Promotions Liaison for NCG. NCG continued its theme for meetings in 2018, with the keynote address focusing on "Customers – The Heart of the Co-op." The ECRS Ignite conference was attended by the Co-op's Membership/POS Coordinator. The conference focused on issues and capabilities of our CATAPULT point of sale system. Workshops were given regarding cleaning up our owner database and additional functionality of our system including the use of a loyalty program for Co-op owners.