

Board of Directors' Meeting Notes for June 17, 2019

Board of Directors Present: Stephanie Mood, Lynn Wade, Steve Myrick, Sarela Bonilla, Derek Casady, Sarah Tipple, Brenda Winkle, Merrin Muxlow, and Jamie Decker. Staff: Jim Kase, Rachel DeCaro and Gloria Isselhard. Guests: Paul Maschel, Robert Bettinger, and Phillip Gianopulos.

Board Study

Lynn displayed the Google Board of Directors' (BOD) page online and showed BOD members how to navigate it. This will be the board's repository for reference documents

Old Business

Jamie made a motion that the BOD approve the 2019 Market Operating Budget. Stephanie seconded. Vote: passed unanimously.

New Business

People's member-owner Robert Bettinger asked about the possibility of delivery service for those who are unable to get to People's to shop. Additionally, he mentioned that small meals and special lunch hours for seniors at People's O.B. Garden Café would be helpful.

Outreach and Education Committee

Stephanie asked for nominations for chair of the committee. Derek nominated Sarah Tipple. Sarah declined. Derek then nominated Lynn Wade. Vote: passed unanimously.

Lynn discussed ways to promote tabling at People's and suggested that a brief article be published in the July issue of People's newsletter. Sarah said that a BOD member is needed to write an article for the September newsletter on why they serve on the board and reasons to shop at People's and frequent the O.B. Garden Café.

Stephanie would also like to have a consent agenda that would group items into one agenda item. She would like the board to read through the associated documents ahead of time so there will be discussion only on those items that require clarification.

Stephanie asked Brenda for comments on the Co-op's Mission and Vision statements. Lynn said she has notes from last summer.

Nominating Committee

Jamie reported that the Nominating Committee had elected Sarela Bonilla as chair. They discussed deadlines for application submissions, voting, and processing ballots. A non-board member attended the meeting and is expected to fill that position.

Finance Committee

Steve reviewed the May Financial Reports for the market and the café. Total revenue for the market was down 0.50% for the month compared to May 2018 and up 2.66% year-to-date. Total cost of sales was down 6.44% for the month and up 0.77% year-to-date. Compared to 2018, gross profit was up 11.66% and up 6.06% respectively.

Total revenue for the café was down 12.42% compared to May 2018 and minus 13.35% year-to-date. Total cost of sales was down 24.28% for the month and down 26.67% year-to-date compared to 2018. Gross profit was down 3.87% and down 3.55% respectively.

Total combined revenue for the market and café was down 1.14% for the month compared to May 2018 and up 1.81% year-to-date. Total cost of sales was down 7.05% for month and down 0.20% year-to-date compared to 2018. Gross profit was up 10.24% and up 5.26% respectively. Sales per paid labor hour was \$87.15 compared to \$68.36 last year at this time. Labor to sales ratio for the café was 70.55%

in May 2019 compared to 107.70% in 2018. Year-to-date it was 74.12% this year compared to 114.97% in May 2018

Steve reported that it was decided at the Planning Committee that we will not review the financials for the Co-op's duplex property, nor the utilities for the market, in order to streamline the printed monthly financial report.

Steve reported that, due to an emergency, a vote was held via email to replace a compressor for up to \$4,500. Jim reported that the compressor was being installed.

Policy Governance

Steve asked what follow-up would take place on any non-compliance of the Policy Governance guidelines. Jim said he would include any out of compliance items in his monthly report. Stephanie encouraged all BOD members to question anything that seems to be out of alignment.

Stephanie asked all BOD members to re-read Sections C and D of the Policy Governance documents and make any suggestions regarding items that may need to be added or revised.

Stephanie made a motion that the following item be added to B7: "The General Manager will not allow a workplace atmosphere of negativity to interfere with work productivity in the co-op's business." Brenda seconded. Vote: passed unanimously.

General Manager's Operations Report

Sales were up 1.19% at the market compared to June of last year, and café sales down 17.22% compared to the same period in 2018. The combined revenue for June was \$11,114,466, an increase of 0.12% over last year. Before depreciation, our organization posted a net income of \$71,533 compared to a loss of \$11,840 last June.

Market

	2019	2018	% Change
Sales	\$1,060,782	\$1,048,275	1.2%
Basket Size	\$27.13	\$24.58	10.4.2%
Customer Count	39,724	43,208	- 8.1%

Café

	2019	2018	% Change
Sales	\$53,683	\$64,852	-17.2%
Avg. Order Size	\$20.21	\$18.61	8.6%
Customer Count	2,572	5,355	-52.0%

Personnel costs at the market came in at 24.4% of gross sales, while personnel costs at the café were down 33.9% from the same period last year, and were 82.9% of gross sales.

Halfway through 2019, total revenue for the combined businesses was \$6,893,355 compared to \$6,789,355 for the first half of 2018. Cost of sales and expenses have dropped considerably, with our Co-op showing a net profit before depreciation of \$139,168 year-to-date, compared to a net loss of \$357,850 year-to-date in 2018.

A store-wide inventory was conducted at the end of June. Inventory for the market was up 8.3% from the first quarter, however it was down 18.8% from the June inventory of last year. The margin for the quarter was 38% compared to 36% in the second quarter of 2018, and inventory turns during the quarter increased from 5.02 last year to 6.09 this year.

People's O.B. Garden Café participated in the Ocean Beach Street Fair in June, adding \$1,250 dollars in revenue to the day's sales at the café. While labor and operating expenses have been reduced, resulting in a smaller net loss for the café, revenue and customer count are still lower than last year. Café operations and menu are being evaluated to find a viable way forward for the business.