

Board of Directors' Meeting Notes for June 18, 2018

Board of Directors Present: Stephanie Mood, Andi Briceno, Steve Myrick, Chris Doupis, Derek Casady, Lynn Wade, Sarela Bonilla, Jamie Decker, and Merrin Muxlow. Staff: Ron Maggard, Gloria Isselhard. Guests: Paul Maschel, Yvette Marcum, and Phillip Gianopulos.

New Business

Ron "Woogie" Maggard, Manager of the O.B. Garden Café gave an update on café activities including the café's new hours (7 a.m. – 9 p.m.), the ability to sign up for coupons via the café's website (www.obgardencafe.coop), notices and coupons planned for People's newsletter, as well as additions to the café's menu.

Andi gave a report on workshops that she and Stephanie attended at the Consumer Cooperative Management Association (CCMA) conference held in Portland, Oregon. Workshops covered topics including online voting, membership campaign drives, workplace culture, and staff and board development. Stephanie reported on the inclusion managers, staff and vendors in strategic planning conversations.

Outreach & Education Committee

Mel Lions introduced Tanya Raz, the field trip coordinator at Wild Willow Farm and Education Center. Both Mel and Tanya gave an update on events at the farm. Andi made a motion that the committee recommend to the Finance Committee that the board approve a donation to the farm of \$500 per month for the third quarter of 2018. Stephanie seconded. Vote: in favor – 7; opposed – 1. Motion passed.

Colleen Dietz reported on recent events at the Ocean Beach Green Center. Andi made a motion that the committee recommend to the Finance Committee that the board approve a donation to the center of \$100 per month for the third quarter of 2018. Amber seconded. Vote: passed unanimously.

Jim read a letter from the Ocean Beach Historical Society thanking People's for a donation to their Wisteria Garden Party event.

Andi researched the requirements of other scholarship donors for verification of college enrollment. She found that a copy of the student's class schedule is typically required.

Chris presented an idea for an information booth, which would be located in front of People's, with the intention of sharing the cooperative message and strengthening ties with the community.

Planning Committee

Stephanie asked that board members be prepared to discuss plans for a board retreat at the next board meeting.

Stephanie made a motion that the committee recommend to the Finance Committee that the board approve up to \$1,200 to replace the glass and frame for the deli's cold salad case. Chris seconded. Vote: passed unanimously.

Stephanie asked that board members consider receiving their monthly board information packet via email instead of printed copies, which are currently sent in the mail or picked up at the Co-op prior to the board meeting.

Finance Committee

Steve reviewed the May 2018 financial reports. Total revenue was down 7.5% for May and down 7%

year-to-date compared to 2017. Total cost of sales was down 7% for the month and down 5% year-to-date. Gross profit was down 9% and 10% respectively.

Sales per paid labor hour was \$82.69 compared to \$88.05 in May 2017. Labor to sales ratio was 26.10% for the month compared to 24.35% in May 2017. Year-to-date it was 27.62% compared to 24.50% last year.

Cost and usage of electricity was up, gas was down, and water was up, with a total increase of 12.83% year-to-date. The Co-op's duplex property had the usual income and expenses.

Steve made a motion that People's continue to donate to the Wild Willow Farm and Education Center at \$500 per month for the third quarter of 2018. Chris seconded. Vote: passed unanimously.

Steve made a motion that People's continue to donate to the Ocean Beach Green Center for the third quarter of 2018 at \$100 per month. Stephanie seconded. Vote: passed unanimously.

Steve made a motion that the board approve up to \$1,200 to replace the glass and frame on the deli's cold salad case. Jamie seconded. Vote: passed unanimously.

Nominating Committee

Jamie reported that the committee met and discussed the possibility of having online voting available for future Board of Director consumer elections. The committee is looking for an at-large committee member.

General Manager's Operations Report

June was a busy month at O.B. People's Organic Food Market. Long time co-op owner Ken Liberman gave two lectures, speaking about the state of the coffee industry as well as holding blind coffee tastings. Ken has done extensive research on the coffee industry and we appreciate him for bringing his knowledge and passion to our customers.

People's held a 10% off Owner Appreciation Produce sale. The event not only boosted sales in the Produce Department but throughout the Co-op as well. Gross sales for the two days was just under \$90,000.

The Co-op participated in the Chili Cookoff at the O.B. Street Fair. Both People's Deli and the O.B. Garden Café entered. Staff had a lot of fun at the event and both entries were well received by the crowd. Discount coupons for both People's and the O.B. Garden Café were handed out to help market both business units. We have already seen quite a few returned and coincidentally (or not) new ownerships and renewals are up substantially over June of last year.

People's new Store Operations Manager, Sarela Bonilla is already making a difference by helping department managers schedule for efficiency, shoring up training procedures and accountability as well as helping handle the myriad of day to day issues that arise. She also helped oversee the second quarter inventory, which was up slightly, and efforts are being made with purchasing staff to run leaner to be more in line with current sales.

While sales in June were down compared to June of 2017, the difference was significantly smaller than it has been so far this year. Second quarter metrics such as gross margin, personnel costs and operating expenses have been calculated and they are each heading in a favorable direction. All aspects of our business are under review. This will help determine where further efficiencies can be gained to keep our financial indicators heading in the right direction, while still providing premium service to our shoppers as well as following our mission statement.