

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

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

Staff: Jim Kase, Will White, Brenda Winkle, and Gloria Isselhard.

Guests: Judith Starker, Shannon Longanecker, Paul Maschel, Sarah Tipple, and Phillip Gianopulos.

Board Study – Financial Definitions

Jim and Jamie went over the Financial Ratio Definitions and NCG recommendations for goals to determine where help is needed and what the indicators mean.

Outreach and Education Committee

Andi asked which committee members had applied for scholarships for the upcoming Consumer Cooperative Management Association meeting. Sarela, Merrin and Lynn said that they had.

Andi said she and Stephanie plan to attend the California Center for Cooperative Development's California Co-op Conference, which will take place in April in Sacramento.

Andi asked for opinions regarding the best way to handle board messages and updates. Stephanie felt that the committee should get more co-op owners to participate and that facilitating this could be part of Policy Governance. Also, messages about what the board does could be put in the newsletter.

Jim reported that People's Membership Dept. will use new owner forms starting in April. If an owner refers someone who joins the Co-op, the owner will receive 10% off their next shopping trip. There will be a membership drive in June that Sarela will present at a new ownership meeting.

Governance Committee

Stephanie reported that the Planning Committee has been disbanded, and that henceforth it will now be the Governance Committee. She said that the Governance Committee is intended to be a way for the board and the General Manager to collaborate on what needs to be done and to engage more with owners. Stephanie made a motion to adopt Policy Governance and work on it over the next year. Derek seconded. Vote: in favor – 6; abstained – 1. Motion passed.

Stephanie asked for someone to volunteer to be the chair. Merrin and Chris volunteered to be co-chairs.

Merrin explained that the aim of the committee is to review the governance document and recommend policy. Stephanie suggested that they also include Board Study topics.

Merrin said they would review Section C-5 of the Policy Governance documents at the next two meetings and Section E-4 at the following two meetings. After those reviews, they will review the by-laws. Merrin asked that all committee members read the document so that at the next month's committee meeting they can start making physical edits.

Finance Committee

Steve reviewed the February 2019 Financial Reports for the market and for the café.

For the market, total revenue for the month was up 3.7% compared to February 2018 and up 5% year-to-date. Total cost of sales was down 2% for the month compared to February 2018 and down .2%

year-to-date. Gross profit was up 15% for the month and up 13% year-to-date.

For the café, total revenue for February was down 13% compared to February 2018 and down 1.8% year-to-date. Total cost of sales was down 32% for the month and down 22% year-to-date compared to 2018. Gross profit was up .05% for the month and up 12% year-to-date.

Total electricity usage and cost was up, gas cost up, and water was an estimate. Total utilities were up a total of 6.74% change for the month and up 1.03% year-to-date, compared to 2018.

Jamie asked board members to review the reports and decide which documents contain the most important information, tools, and benchmarks in order to streamline the financial reporting.

Stephanie made a motion that we accept Tim Sullivan's proposal for consulting for the remainder of 2019. Sarela seconded. Vote: in favor – 6; abstained – 1. Motion passed.

Nominating Committee

Jamie reported that two applications have been received for appointments to the two vacant Board of Directors' seats. The two applicants will be interviewed before the Annual Meeting.

General Manager's Operations Report

Sales were up 3.1% at the store compared to March of last year, and café sales down 19.1% over the same period. The grand opening of the café was held last March, which contributed to the sales differential. The combined revenue for March was \$1,185,527, an increase of 1.8% over last year. Before depreciation, our organization posted a net income of \$27,542 compare to a loss of \$26,090 last March.

Market

	2019	2018	% Change
Sales	\$1,131,196	\$1,097,185	3.1%
Basket Size	\$27.32	\$25.77	6.0%
Customer Count	39,622	40,738	-2.7%

Café

	2019	2018	% Change
Sales	\$54,332	\$67,137	-19.1%
Avg. Order Size	\$20.89	\$11.60	80%
Customer Count	2,571	5,676	-55.4%

Personnel costs at the store were 24.54% of gross sales, while personnel costs at the café were down 40.1% from the same period last year, and were 71.95% of gross sales.

March was the close of our first fiscal quarter, with sales for the quarter up 4.1% at the store and down 8.7% at the café. The combined revenue was \$3,483,987, an increase of 3.5% over last year. Combined net income before depreciation was \$65,718 for the quarter, compared to a net loss of \$256,009 last year. A physical inventory was conducted store-wide at the end of March. The count showed an inventory reduction of 9.1%.

New carts and shopping baskets arrived in March and spring cleaning projects were completed throughout the store. The reset of the produce department is proceeding, and a grab and go cooler for the front of the store has been ordered and will be delivered in April. The café hosted the Ocean Beach Mainstreet Association's monthly sundowner mixer and continued its Friday night trivia event. Food from the café is now available through Grub Hub and the warmer, sunnier weather is bringing an increase in patronage.