

Board of Directors' Meeting Notes for April 16, 2018

Board of Directors Present: Andi Briceno, Steve Myrick, Derek Casady, Andre Andersen, Stephanie Mood, and Jamie Decker.

Staff: Jim Kase, Sarela Bonilla, and Gloria Isselhard.

Guests: Lynn Wade, Merrin Muxlow, Chris Doupis, Paul Maschel, and Phillip Gianopulos

Board Study - Board Member Orientation

Andi presented an overview of the Board of Directors (BOD) meeting procedures for the new board members.

Outreach and Education Committee

Jim read thank you notes from the DDX3X Foundation and San Diego River Park Foundation for donations they had received from People's, and from Second Chance Youth Garden Project and the Ocean Beach Town Council's Holiday Food and Toy Drive for donations collected from shoppers at the cash register donation boxes.

Andi made a motion that the committee recommend to the Finance Committee that the BOD approve the two student scholarships of \$1,000 each to be awarded to Maia Pearl and Nicolas Fithen. Andre seconded. Vote: passed unanimously. Andi reported that the two students will be invited to the May or June board meeting.

Andi asked that present board members volunteer to mentor newly elected board members. Steve suggested that board mentoring be the subject of the next Board Study. Andi asked for volunteers to help assemble the BOD manuals for the new members.

Andi reported that People's donation budget for 2018 is \$23,000 and that \$4,300 has been donated as of March 31, 2018.

Planning Committee

Stephanie reported that the Board Study topic for the April meeting will be New Board Member Orientation.

Stephanie thanked Jamie for coordinating the Ocean Beach People's Organic Food Market's 2018 Annual Meeting. Stephanie reported that the guest speaker, E. Kim Coontz, Executive Director for the CA Center for Cooperative Development (CCCD) did an excellent job and suggested that at future annual meetings the guest speaker's speech could be recorded for review at a later date. Suggestions were made on how to increase member-owner attendance at future annual meetings.

Jim gave a report on the O.B. Garden Café's grand opening. A family dining night will take place at the café in April with 20% of the net sales being donated to Ocean Beach Elementary's PTA.

Finance Committee

Steve reviewed the March 2018 financial reports. Total revenue was down 7% compared to March 2017 and down 6% year-to-date. Total cost of sales was down 8.6% for March and down 4.6% year-to-date. Gross profit was down 5% and 9% respectively. Sales per paid labor hour was \$84.00 this year compared to \$87.80 in 2017. The labor to sales ratio was 27.59% for March compared to 24.40% in 2017; year-to-date it was 28.88% compared to 23.92% in 2017. Electricity cost and usage was up, gas was down, and water was an estimate. Total utilities were up 16% year-to-date.

Stephanie made a motion that the committee approve two student scholarships at \$1,000 each for a total of \$2,000. Jamie seconded. Vote: passed unanimously.

Nominating Committee

Andi made a motion that the committee ratify the 2018 board election results. Steve seconded. Vote: passed unanimously.

General Manager's Operations Report

April sales were down 9% compared to April of 2017, however expenses were held in check, resulting in a slight profit for the Co-op.

People's Annual Meeting was held on Saturday, April 7th. Attendance was lower than in previous years, but the keynote speech from E. Kim Coontz, the Executive Director of CCCD was enlightening. Several of our member-owners said they did not know that there are other types of co-ops in existence. We did have a quorum for the election and the results were validated shortly after the meeting.

I attended the National Cooperative Grocers (NCG) Spring Meeting for General Managers and Designated Representatives in Durham, N.C., where our cooperative was honored with NCG's 2017 Growth Star award for opening the O.B. Garden Café. The theme of sustainability was again featured as a focus for the national organization. The big push for 2018 is to become customer centric in our business practices. The keynote speaker was Ari Weinzweig, a cofounder of Zingerman's Community of Businesses, which is legendary for their customer service.

Two employees left during the month of April and two new employees were hired, leaving the number of staff unchanged. The position of a Store Operations Manager was posted in April. After reviewing over fifty external applications and two internal applications, the field was narrowed to nine first interview invitations, from which the finalists will be selected. Second interviews will be conducted in early May, with a decision expected by the middle to the end of the month.

We were informed in April that Closing the Loop, the company that has been collecting our compost and recyclables, will soon cease operations. A new company is being sought to replace them. Thanks to Chris and Brie, owners of Closing the Loop, for all of their hard work. We wish them the best.