

Board of Directors' Meeting Notes for November 18, 2019

Board of Directors Present: Stephanie Mood, Lynn Wade, Sarela Bonilla, Sarah Tipple, Steve Myrick, Merrin Muxlow, and Jamie Decker. Staff: Jim Kase, Kylie Oliver, and Gloria Isselhard. Guests: Beezie Gerber, Laurie Gerber, Wade Robinson, Patricia Schlegel, Thomas Schlegel, Brennen McCoy, Peter Doft, and Phillip Gianopulos.

Board Study

Board Management Relationship – Part D

Stephanie covered the Policy Governance system that the Board of Directors (BOD) adopted this year. She said that it has given the board more structure. There are four parts to policy governance and she outlined the end that the BOD is trying to achieve. She reported on the monitoring of the General Manager's performance, including compliance and non-compliance. Jim described the General Manager's control and the strategy needed to deal with things that are out of compliance.

Action at Executive Session

Stephanie reported that the BOD approved the expenditure of \$5,000 for the real estate attorney's retainer via an email vote.

New Business

Kylie Oliver reported on the ECRS (People's point of sale system provider) conferences she attended and how the new features of this computer software affects the market's operations.

Outreach and Education Committee

Lynn reported that Steve and Jim will host a board informational table at the Co-op on November 16, 2019 from 12 p.m. – 2 p.m. Stephanie asked that the board packet include the "meetings coming up" forms. Email sign-up forms will be available at the next tabling event.

Jim reported that he is waiting to hear from the Ocean Beach Mainstream Association regarding the possibility of People's having a booth at the weekly Ocean Beach Farmers' Market. He said he feels that we could sell the Deli's baked goods, Jamie suggested a variety of salads, and Sarela said that selling *People's Deli Cookbook* would be appropriate. Jim said he hopes we will be in the Ocean Beach Holiday Parade and that he will contact the Ocean Beach Town Council about participation.

Stephanie distributed the 2020 BOD Calendar. She reviewed the schedule, reporting that she has planned a topic for each month and will have someone make a report regarding board education. Stephanie distributed the 2020 Calendar of Committee and Board Meeting Dates. She said that all dates are based on the second and third Mondays of the month. In some months (e.g., March 9 and June 8) the Finance Committee meeting falls too early to allow the Finance Committee Chair to have the full financial reports. In that case it was suggested that the financial report be included in the board packet and that board members be asked to review it for discussion at the board meeting. She would like to keep the early dates and asked whether it is necessary to go through the financial reports twice.

Stephanie said that the subject of the Board Study at the next board meeting will be "Board Management Relationships - Part B."

Finance Committee

Steve reviewed the October Financial Reports for the market and café. Total revenue for the market was down 0.02% for the month compared to October 2018 and up 1.17% year-to-date. Net income from operations was up 23.49% for the month and up 151.13% year-to-date.

Total revenue for the café was minus 100.00% compared to October 2018 and minus 31.37% year-to-date. Net Income from operations was 50.64% and 25.39% respectively. Note: the café is now officially closed for business, which is the reason for the 100% decline in revenue.

Total revenue for the market and café was down 5.49% for the month compared to October 2018

and down 0.66% year-to-date. Net Income from operations was up 39.34% for the month and up 77.19% year-to-date.

Sales per paid labor hour was \$83.31 compared to \$67.57 last year at this time.

Steve made a motion that the BOD approve spending up to \$18,000.00 to renew the ECRS annual maintenance contract. Stephanie seconded. Vote: passed unanimously.

Jim reported that he has reviewed options for conducting a staff satisfaction survey.

Nominating Committee

Sarela reported that the committee has decided to hold off on interviewing prospective candidates for the 2020 Board of Directors' Election until after the cut-off date for receiving applications, which is December 1, 2019 at 6 p.m.

General Manager's Operations Report

Sales were up 2.8% at the market compared to November of last year. Our organization posted a net profit of \$32,791 compared to a loss of \$36,781 last November. Year-to-date, our net income before depreciation was \$45,467 compared to a net loss of \$651,039 at the same point last year.

Market

	2019	2018	% Change
Sales	\$1,093,498	\$1,063,923	2.8
Basket Size	\$28.41	\$25.90	9.7%
Customer Count	38,973	41,569	-6.2%

Personnel costs at the market came in at 25.4% of gross sales, within one percent of our target, 24.75%.

Several departments outperformed their sales last November, as grocery, produce, wellness, bulk and frozen foods showed increases of over three percent. The deli was down slightly, and the anticipated installation of a new range in January is expected to help with production issues.

A surveying company was in the market near the end of the month, measuring the elevation of the deli mezzanine in an effort to determine if there has been settling of the building that would require the tensioning of the suspension cables. Data has been sent to an engineering firm for review.

People's was open from 8 a.m. until 2 p.m. on Thanksgiving Day for the second straight year. Although the rainy day slowed sales, business was steady and many shoppers expressed appreciation for the opportunity to shop for last minute items. Owner Appreciation Days held the week before Thanksgiving also produced strong sales

The Board of Directors has voted to sell the café property, pay off the remainder of the outstanding loan, and concentrate on improving the condition of the market. With strong interest already, the café property will be listed as available on commercial real estate sites and signage is posted on the building.