

Board of Directors' Meeting Notes for October 18, 2018

Board of Directors present: Stephanie Mood, Merrin Muxlow, Lynn Wade, Derek Casady, Steve Myrick, Sarela Bonilla, and Jamie Decker. Staff present: Gloria Isselhard. Guests present: Nancy Casady, Paul Maschel, Chris Doupis, and Phillip Gianopulos.

New Business

Board Study – New Financial Reporting System: Jamie reported on the changes made to the financial reports, which is a summarized version of the reports previously submitted. Stephanie reported that there was no action taken in the Executive Session.

Outreach & Education Committee

Jim read a thank-you note from the Ocean Beach Town Council for a donation received from the Co-op.

Representatives from the O.B. Library made a presentation of their proposed Ocean Beach Seed Library. They distributed flyers showing the process of lending, growing, and returning seeds.

Colleen Dietzel gave an update on the activities at the Ocean Beach Green Center. Stephanie 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 fourth quarter of 2018. Merrin seconded. Vote: passed unanimously.

Andi reported that she had received a request for a \$500 donation from the Sherman Heights Elementary School to set up their garden program. It was decided to ask a representative from the school to appear at a committee meeting to present details of the garden program.

Andi announced that People's Fall Arts and Craft Fair is scheduled for November 17 from 11 a.m. to 4 p.m. She asked for volunteers to be present at a board information table.

Andi asked for suggestions on how to display People's Cooperative Business Model PowerPoint presentation to Co-op shoppers. It was decided to have a monitor display it at the Customer Service Desk.

Merrin displayed the PowerPoint "What is a Co-op?" that she is creating. She asked for names of groups to whom she could make a twenty minute presentation.

Andi asked for suggestions for a "get-together" with People's Board of Directors and its member-owners. Stephanie reported that a "Coffee with the General Manager and Board of Directors" will take place on Friday, December 7 at 10 a.m. at O.B. Garden Café.

Planning Committee

Stephanie reported that she had been contacted by a woman who wants to start a cooperative business that would raise bees.

Benjamin Thompson gave a visual presentation of his vermiponic system—a soil-free growing technique that combines hydroponics with vermiculture—which he now does in his home. He is looking forward to going public with his project, Dark Nectar, and is looking for financial support for the first year.

Jim outlined a six month plan for the café. He is also working with a National Cooperative Grocers representative to develop a pro forma financial statement, which will enable us to make future projections in addition to comparing past financial performance.

Stephanie distributed copies of the Annual Calendar of board activities. She asked that all board members bring their copy to every meeting.

Stephanie said that Thane Joyal, a board consultant with Cooperative Development Services will be contacting her. Stephanie asked that board members email her with questions they might have about board work, including what we should be doing in the coming year, as well as how other cooperative Board of Directors file and store their documents.

Finance Committee

Steve reviewed the September financial reports. Total revenue was down 3.84% for the month compared to September 2017 and down 5.93% year-to-date. Total cost of sales was -1.73% for the month and -4.57% year-to-date. Gross profit was -7.90% and -8% respectively. Sales per paid labor hour was \$81.87 compared to \$87.56 in 2017. Labor to sales for the month was 25.94% compared to 26.25 % in 2017; year-to-date it was 27.11% compared to 25.22%.

Electricity use and cost was up, gas was up, and water was down with a 13.67% increase overall for the month and 14.31% year-to-date.

The Co-op's duplex property had the usual income and expenses.

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

Nominating Committee

Jamie reported that the committee has reviewed the candidate interview questions, and will have an updated version ready for the next meeting. The Meet & Greet is scheduled for Sunday, March 10, 2019 from 1 to 3 p.m. The board will have a table at the Fall Craft Fair on November 17 from 11 a.m. to 4 p.m. featuring information about board activities and to inform active member-owners about applying to be a candidate in the 2019 Board of Directors' election.

General Manager's Operations Report

Gross sales for October of 2018 were \$1,065,013, down about 3.6% from October of 2017. Cost of sales was down just over 1% for the same period. The end of October coincided with a change-over in sale cycles, which required that end cap items for the first half of November needed to be received at the end of October. This caused the cost of sales to be slightly higher than they otherwise would have been, and may also have contributed to our coming in just under our target margin.

In mid-October, we had a visit from the National Cooperative Grocers' Western Corridor Produce Specialist Jeffrey Owens. During his four-day visit, Jeffrey worked with People's Produce Dept. staff to refine the produce displays, improve the presentation and help implement best practices to better serve our shoppers. He is also continuing to work with us to find a source for new display equipment for the department. The view of colorful produce as one walks into the Co-op is a big improvement. Look for more to come over the next few weeks and months.

During the first nine months of 2018, we experienced an average of 1,443 transactions per day with an average basket ring of \$24.92. The month of October saw an average of 1,402 transactions per day, and an average basket ring of \$24.82. October of 2017 averaged 1,442 transactions per day and had an average ring of \$25.06.