

Board of Directors' Meeting Notes for October 19, 2020

Board of Directors Present Lynn Wade, Chair, Janice Duvall, Peter Doft, Kylie Oliver, Paul Coogan, Steve Myrick, Jennifer Jiau, Jamie Decker and Sarela Bonilla.

Staff: Gloria Isselhard

New Business

Executive Session: Lynn reported that an Executive Session was held on Monday, October 12, 2020 to discuss the restructuring of the Co-op's management team. Action was taken regarding personnel issues.

Policy Governance

Lynn reported on C7.

Outreach and Education Committee

Janice said that work on the People's Market history project has been temporarily postponed. She said we need to arrange for a keynote speaker for the Co-op's Annual Meeting next April. She feels it should be done in November and asked that if anyone has a suggestion that they contact her.

Janice said that the description of the scope of the committee needs updating. She requested that the meeting be devoted to brainstorming and recording ideas for community outreach.

Finance Committee

Steve reported that total revenue for the market was down by 24.30% in September, compared to September 2019, and down 14.91% year-to-date.

The total revenue for the market and café was down by 25.55% for the month compared to September 2019 and down 18.56% year-to-date. Net loss for September was down by 39.62%, and down 213.50 % year-to-date compared to 2019. Paid in capital showed a 25.67% decrease compared to 2019.

Ownership renewals totaled 488 in September 2020 compared to 636 in 2019. A discussion followed regarding possible ways to contact owners to inform them that their ownership renewals are due.

Steve made a motion that the board approve \$4,440 for an upgrade of the accounting software program. Peter seconded. Vote: passed unanimously.

Nominating Committee

Sarela reported that the Nominating Committee had met and discussed online voting for the 2021 Board of Directors' election.

Sarela said she is stepping down as a board member and as Chair of the Nominating Committee. A new member will be joining the committee next month.

Interim General Manager Operations Report

Gross sales were down 19.85% at the market compared to October of last year. Year-to-date, we are \$1,658,339 behind last year in gross sales, or 15.4%. Our organization posted a net loss of \$75,164 in October of 2020, compared to a net loss \$33,048 last year. Year-to-date, we have a net loss of \$347,580 compared to a net loss of \$2,731 in 2019.

Market

	2020	2019	% Change
October Sales	\$853,401	\$1,064,760	-19.8%
Basket Size	\$42.73	\$26.77	37.41%
Customer Count	20,163	40,356	-50%

October personnel costs at the market were 31% of gross sales, with a minimal decrease of 1% from 32% last month. Following the restructuring of the Co-op's management, our Management Team met and began planning to reduce labor costs, with a focus on revising department schedules, finding efficiencies by utilizing cross trained staff and encouraging more cross training throughout the market. Labor reductions were planned for most departments to begin in November.

Due to the county mandate that forced the closure of self-serve bulk departments, and subsequent packaging of all bulk items, we have had to reimagine how to best serve our owners and shoppers as well as how to bring back items that we had to drop due to limited shelf space. We decided that the best course of action to improve customer flow, encourage more social distancing and provide more items and better stock levels was to reopen our bulk foods aisle. By adding shelving and moving our packaging operation to the café building, the sales floor layout has improved, which in turn has had a positive impact on our sales.

An additional change that was made in October was the designation of additional checkout lines, which has proved to be more efficient for customers and staff alike. With the opening of the bulk food aisle, which allows for better customer flow, and reassignment of some space in the Produce Department, we have been able to successfully ensure a fast and efficient check out for our shoppers. This has also allowed for shorter waiting times in line and a safe increase in the number of shoppers allowed in the market at any given time, while still following all safety measures.

On a final operational note, October was the first month that we have operated under our new management structure, with myself as Interim General Manager (IGM) supported by a Management Team made up of a number of our department managers. The Management Team is in place to aid the IGM in operational decision making that will help the Co-op increase sales, reach our goals for target store margin and target labor percentage, while maintaining safety measures and preparing for any operational changes that may be required due to COVID-19. As a team, we have met weekly and have implemented several changes that have been successful so far.