

# **Board of Directors' Meeting Notes for September 17, 2018**

Board Directors Present: Stephanie Mood, Andi Briceno, Jamie Decker, Derek Casady, Sarela Bonilla, Merrin Muxlow, Lynn Wade, and Chris Doupis.

Staff: Jim Kase and Gloria Isselhard.

Guests: Paul Maschel and Phillip Gianopulos.

## **Board Study – Board Retreat**

Stephanie reported on the two goals that were decided upon at the Board of Directors' retreat. First, offer customer-centered operations, and second, that all business units of the cooperative should run synergistically as one cooperative unit. It was also decided to create an information electronics system so that all board documents are kept in one place.

## **New Business**

Stephanie made a motion that the board develop an electronic information system (e-MIS). Lynn seconded. Vote: in Favor - 6, opposed - 1; abstained - 1. Motion passed

## **Outreach and Education Committee**

Stephanie made a motion that Paul Maschel become a member of the committee. Derek seconded. Vote: passed unanimously.

Mel Lions from Wild Willow Farm and Education Center reviewed the recent activities at the farm as well as upcoming events. Stephanie made a motion that the Finance Committee recommend to the Board of Directors (BOD) a donation of \$1,500 to Wild Willow for the last quarter of 2018. Lynn seconded. Vote: passed unanimously.

Jim read a thank you card from Ocean Beach Elementary School for a donation received from People's for their Field Day Event.

Andi reported that the checks have been delivered to the two winners of People's Scholarship Program. The program has been placed on hold for the time being.

Andi requested that new ideas for outreach be submitted to the committee. It was decided that a voter registration table would be put at the entrance to the market and updates would be made to People's "Cooperative Business Model" PowerPoint presentation, which can be viewed on People's website at [www.obpeoplesfood.coop](http://www.obpeoplesfood.coop). Andi asked committee members to submit the names of organizations that could be a good audience for the presentation.

## **Planning Committee**

Jim gave a report on operations at the O.B. Garden Café for August.

Stephanie made a motion that Paul Maschel become a member of the Planning Committee. Chris seconded. Vote: passed unanimously.

Stephanie reported that the investment cap has been raised to \$1,000 by the U.S. Securities and Exchange Commission and asked whether the present \$300 cap on our Co-op investment should be reconsidered. Jim will research this with People's lawyer and other co-ops' general managers.

## **Finance Committee**

Steve made a motion that Paul Maschel be made a member of the Finance Committee.

Steve reviewed the August financial reports. Total revenue was down 6% for the month compared to August 2017 and also down 6% year-to-date. Total cost of sales was -8% for the month and -5% year-to-date compared to 2017. Gross Profit was -4% and -8% respectively. Sales per paid labor hour was \$81.44 compared to \$87.81 last year. Labor to sales was 26.84% for the month compared to 26.06% in August 2017 and 27.25% year-to-date compared to 25.10% last year. Electricity use and cost was up, gas was up, and water was down, with total utilities up 14.28% year-to-date. The Co-op's duplex property had the usual income and expenses.

Steve made a motion that the Co-op continue to donate to Wild Willow Farm and Education Center at the rate of \$500 per month for the last quarter of 2018. Derek seconded. Vote: passed unanimously.

## **Nominating Committee**

Jamie reported that the application for BOD candidates will be on People's website on the first of October. A call for candidates will appear in the November newsletter.

Jamie made a motion that the board adopt a policy that owners' emails be made available to the Nominating Committee. Stephanie seconded. Vote: passed unanimously.

## **General Manager's Operations Report**

September of 2018 saw sales down 3.8 % compared to September 2107, with year-to-date sales down 5.9%. The cost of sales was reduced by 1.7% compared to the same month last year, and was affected by a planned reduction in inventory. Due to the reduction of inventory, cost of sales for the quarter not only included the cost of goods purchased during the quarter, but also the cost of goods that were purchased in the previous quarter and sold during the third quarter of 2018.

Labor costs including benefits were down compared to September of last year, both in dollar amount and as a percentage of sales. The reduction was a result of direct labor being more in line with current sales trends, as well as a reduction in health insurance costs due to retroactive credits for termed employees who were removed from coverage.

Cooler temperatures helped keep maintenance costs for refrigeration equipment under control, and made for a more comfortable shopping and working environment. As we transition from summer into fall, the selection of stone fruit and melons is giving way to squash and apples, with People's carrying over twenty varieties of organic apples grown in the U.S.

I attended the National Co-op Grocers (NCG) fall meeting for General Managers and Designated Representatives in Minneapolis in late September. The NCG staff presented results of a study commissioned from a national consumer research firm regarding the perceptions and attitudes about co-ops from the perspective of potential shoppers. The information was eye opening regarding some common misperceptions about food co-ops, and future outreach efforts will attempt to address them.

Ongoing, we will remain focused on enhancing the customer experience, providing increased value for People's owners, and creating more synergy between our two businesses, Ocean Beach People's Organic Food Market and the O.B. Garden Café.