

Board of Directors' Meeting Notes

for September 18, 2017

Board of Directors Present: Andi Briceno, Stephanie Mood, Tasha Dewey, Steve Myrick, Andre' Andersen, Derek Casady, and Jamie Decker. Staff: Jim Kase and Gloria Isselhard. Guests: Benjamin Thompson and Phillip Gianopulos

Board Study - Online voting

Tasha reported the results of her research into the benefits of using on-line voting instead of paper ballots for the Board of Directors (BOD) 2018 election.

Outreach and Education

Colleen Dietzel from the Ocean Beach Green Center reported on the latest activities at the center. Andi made a motion that the committee refer to the Finance Committee a recommendation to donate \$100 per month for the last quarter of 2017 to the center.

Andre' seconded. Vote: passed unanimously.

Cat Henng reported that she had recently been promoted to Farm Manager at the Wild Willow Farm and Education Center and that the farm has hired an Education Coordinator who will handle school field trips. Stephanie made a motion that the committee refer to the Finance Committee a recommendation to donate \$500 per month for the last quarter of 2017 to the farm. Tasha seconded. Vote: passed unanimously.

Tasha asked that any changes to People's 2018 Scholarship application be submitted by September 14. The scholarship will be announced in People's monthly newsletter beginning in October.

Andi circulated a thank you letter from the Ocean Beach Green Center.

Planning Committee

Stephanie reported that Tasha will give an update on online voting as the Board Study topic at the September board meeting.

As a member of the Policy Review Sub-Committee, Stephanie reviewed some of the official policies at People's. Discussion followed regarding the Share Purchase Waiver policy. Jim will review the policy and report back at the next committee meeting.

Stephanie reported that the BOD candidate application is being reviewed by People's attorney. Approval of the application will be on the agenda at the next BOD meeting.

Jim reported on the progress of the O.B. Garden Café. Gas and hot water have been turned on. The San Diego Health Dept. will perform its inspection this month.

Finance Committee

Steve reviewed the financial reports for August. Total revenue was up 1.65% for the month compared to August 2016 and down 2.31% year-to-date. Total cost of sales was up 1.97% for the month and down 2.72% year-to-date. Gross profit was up 1.08% and down 1.61% respectively. Sales per paid labor hour was \$87.81, which is close to last month and the prior year-to-date ratios. Labor to sales ratio for August was 26.04% compared to 24.58% in August 2016, and 25.10%

compared to 24.02% last year. Electricity usage and cost was up, gas was up, and water remains steady, resulting in a 6.68% change for the month and -1.48% change year-to-date.

The Co-op's duplex property showed the usual expenses, including taxes and insurance, etc., with rental income constant. The Voltaire East property, the location of the future O.B. Garden Café, had expenses for property taxes and water, with no revenue as of yet.

Steve made a motion that People's donate \$300 to the Ocean Beach Green Center for the last quarter of 2017 at \$100 per month for October, November and December. Tasha seconded. Vote: passed unanimously.

Steve made a motion that People's donate \$1,500 to the Wild Willow Farm and Education Center for the last quarter of 2017 at \$500 per month for October, November and December. Stephanie seconded. Vote: passed unanimously.

Nominating Committee

Andi reported that the committee is working on the BOD candidate application. After completion, the application will be approved by the committee before being reviewed by People's attorney. The application will then be presented to the BOD for approval. This will be the new procedure for all official BOD documents. Derek made a motion that the BOD approve the candidate application. Stephanie seconded. Vote: in favor - 6; abstained - 1; vote passed.

General Managers Operations Report

Sales in September 2017 were down about 3.5% compared to September of 2016, and down 2.4% year-to-date compared with the prior year. Customer count remains relatively steady, however. Departments showing the most marked effect from increasing competition in organic sales are Grocery, Perishables, Bulk and Produce. Prepared food sales are up compared to last year, and a program to offer more fresh and grab and go offerings is in development. Pricing structures and space allotment are also being evaluated to respond to current purchasing trends. "New Hope Media" reports that traditional natural channel retailers' sales are down about 3.2% nationwide compared to last year, as conventional retailers increase their organic and natural selections.

National Co-op Grocers, a national business services co-op that People's is a member-owner of, held its annual fall meeting in Minneapolis in September. I attended as the designated representative from our Co-op. A major theme of the conference was finding relevance for food co-ops in the current high-competition marketplace. Workshops were held on topics including communicating co-op values at every level of your organization, incorporating local into the co-op brand, and national integration of individual store systems to function as more of a "virtual co-op chain." Sustainability was also discussed at great length, with Ocean Beach People's Organic Food Market being recognized as having a very low carbon footprint in relation to the Co-op's size.

People's Produce Manager, Mike Barry, attended a symposium held by the Southern California Chapter of California Certified Organic Farmers. The goal of the conference was to connect small regional organic farmers with retailers looking to source organic produce. Though we are already familiar with many of the small organic farmers who were present at the symposium, it was a great opportunity to reestablish our presence in the regional organic produce system and network with an even greater number of organic sources for our Co-op.