

Board of Directors' Meeting Notes for September 21, 2020

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

Staff: Jim Kase and Gloria Isselhard.

Board Study - Food Co-ops During the Pandemic

Board members suggested ways to bring more shoppers into the market and increase owner membership; i.e., discount coupons on products, new membership offers, direct mail to owners on special offers, etc. Lynn said that communication is very important.

New Business

Lynn reported that board meetings are in compliance with Policy Governance - C4.

Regarding Monitoring Report B1 - Financial Condition, Peter said he felt that we are not in compliance with #11 because the Board of Directors (BOD) had not been presented with the Annual CPA Reviews. They will be distributed at the next BOD meeting. Peter made a motion that the B1 Report be approved. Janice seconded. Vote: passed unanimously.

Monitoring Report B6 - Staff Treatment

Peter made a motion that the B6 Report be approved. Paul seconded. Vote: passed unanimously.

Outreach and Education Committee

Janice reported that she is working on a legal statement for people who give historical information about the Co-op. She will ask our attorney to review it once completed.

Janice said she has been in contact with the Ashland Food Co-op in Oregon regarding their child art project and how they handle volunteers for humanitarian projects. Jamie said that each state has a different labor code and that in California we cannot legally use volunteers. If we do, they must be considered paid employees, and covered by Workers' Compensation Insurance.

Janice asked if a date had been set for the Co-op's Annual Meeting in 2021. Jamie said the meeting is usually held in early April to coincide with the end of the Board of Directors' election. Steve suggested that we consider finding a keynote speaker now.

Finance Committee

Steve reported on the August financials. Total revenue for the market was down 18.53% in August, compared to August 2019, and down 13.78 year-to-date. For the market and café, total revenue was down 22.47% compared to August 2019 and down 17.74% year-to-date. Net loss for the organization

compared to August 2019 was down 115.36% and down 423.34% year-to-date.

Nominating Committee

Sarela reported that there is someone who would like to join the committee whose partner is an owner. A discussion followed, since co-op owners must have their own ownership for at least six months in order to be eligible to serve on board committees. Sarela made a motion to allow partners of member-owners to serve as committee members. Peter seconded. Vote: passed with one abstention.

Store Manager's Operations Report

Gross sales were down 24.3% at the market compared to September of last year, and down 14.9% year-to-date. Our organization posted a net loss of \$56,864 in September of 2020, compared to a net loss of \$35,350 last year. Year-to-date, there was a net loss of \$269,192 compared to a net profit of \$30,316 at the same time last year.

Market

September	2020	2019	% Change
Sales	\$791,757	\$1,045,884	-24.3%
Basket Size	\$44.88	\$27.35	64.1%
Customer Count	17,986	39,496	-54.5%

September personnel costs at the Co-op were 32% of gross sales, holding steady, as they were the same percentage for the prior month. Wage adjustments were made to a small number of staff who achieved tenure milestones, as well as staff who were promoted to supervisory roles or positions with higher complexity.

Although the Deli, which is available for take-out, is still not open for dine-in eating, our outdoor dining space was expanded. In addition to the three sidewalk tables, we have sectioned off two center aisle parking spaces, built a freestanding "patio," and added four tables to provide additional seating.

Another addition to the Deli operation was the reinstallation of a part-time Deli register. Although we are still challenged by the need to limit the number of customers in the market while allowing for adequate social distancing, the addition of a Deli register has helped to alleviate some of the congestion at the check-out lines that have been extending onto the sales floor.

We were able to conduct an almost total quarterly in-house inventory for the second time this year, rather than hiring an outside service. On the last day of the quarter, and prior to staff completing final department inventories, the Co-op's main computer server, which controls the point of sale and inventory data, crashed and had to be replaced. This resulted in only a partial inventory for the third quarter of 2020.