

Board of Directors' Meeting Notes for September 23, 2019

Board of Directors Present: Stephanie Mood, Lynn Wade, Sarela Bonilla, Sarah Tipple, Steve Myrick, Merrin Muxlow, and Jamie Decker.

Staff Present: Jim Kase and Gloria Isselhard.

Guests Present: Lynette Saffren-Welles and Phillip Gianopulos.

Board Study – Review and Edits of Bylaws

Stephanie reported that she had contacted a California attorney who will review the proposed changes to the Co-op's bylaws. Steve said that the attorney should be sent the current bylaws document with the proposed corrections. Discussion followed regarding suggested changes.

Executive Session

Stephanie reported that the board met in Executive Session on September 9 and 16, 2019, and that no action was taken at either one.

Outreach and Education Committee

Mel Lions, former Director of Wild Willow Farm and Education Center, announced that the farm has merged and become a project of the Resource Conservation District of Greater San Diego. He presented a plaque entitled "Proclamation of Gratitude" commemorating the last ten years of collaboration with Ocean Beach People's Organic Food Market. .

Lynn asked for suggestions for venues for the committee's outreach presentation. Point Loma High School was suggested. Stephanie spoke about the presentations she had made to business classes at two local schools.

Suggestions were made to change a portion of People's Mission Statement. An example given was to change the statement from, "To operate retail vegetarian consumer cooperatives providing high quality natural products at a fair and reasonable price." to "To operate retail vegetarian consumer cooperatives providing high quality organic products at a fair and affordable price."

Regarding governance, Stephanie distributed copies of C3, "The Consent Agenda," and went over the need for monitoring the board's activities.

Stephanie distributed copies of the 2019 Board of Directors' (BOD) Calendar as a guideline for 2020.

Finance Committee

Steve reviewed the August Financial Reports for the market and cafe.

Total Revenue for the market was down 0.74% for the month compared to August 2018 and up 1.31% year-to-date. Total cost of sales was up 0.25% for the month and down 0.21% year-to-date. Gross profit was down 2.48% and up 4.01% respectively.

Total revenue for the café was down 22.79% compared to August 2018 and down 17.53% year-to-date. Total cost of sales was down 23.95% for the month and down 26.69% year-to-date compared to 2018. Gross profit was down 22.06% and 14.22% respectively.

Total combined revenue for the market and café was down 2.09% for the month compared to August 2018 and up 0.26%. Total Cost of Sales was minus 0.67% for the month and minus 0.99% year-to-date compared to 2018. Gross profit was down 4.39% and up 2.35% respectively.

Sales per paid labor hour were \$82.78 compared to \$66.89 last year at this time.

Labor to sales ratio for the café was 91.49% in August 2019 compared to 100.42% in 2018. Year-to-date it was 81.3% this year compared to 109.25% year-to-date in July 2018

Steve made a motion that the board approve up to \$2,500 for an interior structure survey of the market. Sarela seconded. Vote: passed unanimously

Nominating Committee

Sarela reported that committee members discussed language for an email that could be sent to Co-op owners to recruit candidates for the 2020 Board of Directors' election.

General Manager's Operations Report

Sales were up 1.25% at the market compared to September of last year, and café sales down 73.68% compared to the same period. The combined revenue for September was \$1,063,320, a decrease of 3.26% compared to last year. The large drop in café revenue was due to the cessation of operations as of September 14th. Before depreciation, our organization posted a net loss of \$18,103 compared to a loss of \$90,739 last September. Year-to-date our net income before depreciation is \$44,239 compared to a net loss of \$573,471 at the same point last year.

Market

	2019	2018	% Change
Sales	\$1,045,881	\$1,032,943	1.3%
Basket Size	\$27.35	\$25.75	6.2%
Customer Count	38,496	40,650	-5.3%

Café

	2019	2018	% Change
Sales	\$17,439	\$66,253	-76.68%
Avg. Order Size	\$19.41	\$13.43	44.5%
Customer Count	872	5,058	-82.8%

Personnel costs at the market were 25.94% of gross sales. Labor Day is an all-staff paid holiday with no corresponding sales, which inflated the labor percentage for the month. Personnel costs at the café were down from the same period last year due to the closure. The total for the month was 237.65% of gross sales, however, due to the issuing of final checks to staff, which included payments for accrued benefits.

People's Produce Dept. saw continued revamping during the month of September, and the new department manager is concentrating on continuing to improve selection and merchandising as we transition from summer to fall growing seasons. The Produce Dept. was responsible for over 24% of gross sales for the month, and has continued to show growth. Minor improvements to the market continue, such as the replacement of the treads on the stairway. Larger projects such as the evaluation of the mezzanine level for structural settling and the roof's solar system for efficiency are under consideration.

The Board of Directors and general manager have been exploring all options for the future of the café property, with the intention of determining the best way forward for the organization as a whole.