

# Board of Directors' Meeting Notes for August 17, 2020

Board of Directors Present: Lynn Wade, Janice DuVall, Kylie Oliver, Paul Coogan, Steve Myrick, and Jennifer Jiau. Staff: Jim Kase and Gloria Isselhard.

Guests: Joe Edmunds, Alexander Robertson Hill, and Delores Sangiuliano.

## Board Study

Lynn reviewed an article, *Balancing Democratic Control and Proprietary Information*. A discussion followed regarding high points of the article.

## Executive Session

Lynn reported that a meeting was held in Executive Session on August 3, 2020. Legal matters and employee hero bonuses were discussed.

## New Business

B1 Report: Financial Condition and B4 Report: Ownership Rights and Responsibilities. Peter made a motion that the Board of Directors (BOD) accept the General Manager's B1 and B4 Reports. Janice seconded. Vote: passed unanimously.

Janice reviewed the board's Annual Planning Agenda. The yearly review of this agenda is scheduled for this coming December.

## Outreach and Education Committee

Janice gave an update on her work on the Co-op's history project. Peter reported that Denny Doyle will be reviewing a 1970's history of People's with Janice.

Jim reported that the San Diego Food Alliance has contacted him. They are seeking ideas for food distribution in San Diego.

Lynn asked how the Co-op's Annual Meeting is facilitated. She was told that Jamie Decker provides the year-end reports and that Amber Forest McHale incorporates the report into the Annual Meeting Program handout.

Regarding the sale of the Co-op's café, Steve asked if they could talk about the subject of the broker's commission. Jim said that it should be approximately 4%. The original contract has expired but our broker has said he would like to extend it until the end of the year.

## Finance Committee

Steve reviewed the July 2020 financials. He reported that there was a 16.62% drop in the market's total revenue when comparing July 2020 with July of last year and a 13.13% drop year-to-date. Net income before depreciation was down 127.94% year-to-date.

The income statement for the market and café showed that total revenue was down 20.43% in July 2020 compared to July 2019 and down 17.09% year-to-date.

The refrigeration compressor at the market may need to be replaced soon. It is working currently, but it may not continue to operate for much longer. We received an estimate of \$29,850 to replace it, however, Jim will seek additional bids.

## Nominating Committee

In Sarela's absence, Peter reported that they have found a Co-op owner who is interested in serving on the committee. A non-board member to serve on the committee is a requirement.

## General Manager's Operations Report

Gross sales were down 18.5% at the market compared to August of last year. Year-to-date, we are \$1,192,613 behind last year in gross sales, or 13.8%. Our organization posted a net loss of \$80,196 in August of 2020, compared to a net loss \$38,979 last year. Year-to-date, we have a net loss of \$206,295 compared to a net profit of \$65,668 at the same point last year.

### Market

August	2020	2019	% Change
Sales	\$850,352	\$1,043,721	-18.5%
Basket Size	\$47.54	\$26.50	79.4%
Customer Count	18,151	40,108	-54.7%

August personnel costs at the Co-op came in at 32% of gross sales, up a little from the 30.1% from the previous month. Staff were paid well-deserved hero bonuses in August for time worked during the second quarter, April – June.

Operating hours remained the same as in July. We are now open from 8 a.m. to 8 p.m. for all shoppers, with seniors and compromised community members having priority in the line all day. We have been preparing a deli register to begin ringing up deli food and small orders to shorten the waiting times inside and outside the Co-op, in an effort to increase sales and traffic while trying to maintain social distancing protocols.

While we could not have our annual Co-op birthday celebration, we did have two weeks of owner appreciation discounts, and raffled off either a gift basket or People's gift card each day. Sales increased during the two weeks, but current protocols definitely limited the event.

Our online Curbside Pickup service for senior member-owners and those member-owners with compromised immunity is progressing. Meanwhile, we are moving as quickly as we can to a user-friendly interface that all shoppers can access. All indications are that we will be living with our current pandemic restrictions for some time, and we will be making every effort to increase sales and return to a state of profitability.