

# Board of Directors' Meeting Notes for July 20, 2020

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

Board Study: New board member orientation

Jamie reviewed the ratios that serve as key indicators of the financial health of the business.

## Executive Session

Lynn reported that there was a meeting held following the July 13, 2020 committee meeting and there was no action taken.

## New Business

Jim reported that our contract with the real estate agent who has been marketing the café sale, has expired. Jim asked whether the board would like to renew the contract for six months or remove the listing.

Jim reported that some staff members have placed signs on the Co-op's outside bulletin board supporting Black Lives Matter. He also mentioned that a non-staff member has been sitting in front the Co-op and talking to shoppers regarding the movement and other political matters. Jim suggested that we should ask individuals not to approach customers who are entering the Co-op. He also suggested that a policy regarding political lobbying be established and adhered to.

Peter made a motion to accept the General Manager's B1 report. Jamie seconded. Vote: 8 in favor; 1 abstained. Motion passed.

Jim reviewed the 2nd Quarter 2020 Report, and the revised 3rd Quarter Budget. Steve made a motion that the board accept the 3rd Quarter Budget with revisions. Paul seconded. Vote: all in favor. Motion passed.

## Outreach and Education Committee

Janice asked if the committee has a budget. Jim said that an amount for governance expenses has been included in the budget under the Board Expense category.

Janice said she could create a historical PowerPoint presentation of the market. Janice reported that the Ocean Beach Historical Society (OBHS) has no information regarding the Co-op's history. It was mentioned that the OBHS is currently not holding meetings.

Janice asked about the status of People's vendor booth at the Ocean Beach Farmers' Market. Jim said that during the pandemic it would not be feasible to operate a booth.

Regarding a marketing survey completed by People's shoppers, Jim noted that one was done recently and that he will email copies of the results to board members.

## Finance Committee

Steve reviewed the June financials. The market's income for the month of June shows a decrease of 24.77% compared to June 2019. Year-to-date 2020 was down by 12.5% compared to year-to-date 2019. The market and café income shows a decrease of 28% in June 2020 compared to June 2019 a year-to-date drop of 16.56%.

New and renewal membership payments increased in June, compared to May and April.

Jamie reported that we have been using the Paycheck Protection Program funds for payroll, and

that the program's stipulations for use are being strictly followed to ensure that the loan is forgiven. It has been eight weeks since receiving the loan and we have used the funds only for payroll expenses. Steve asked if it can be used for the café's mortgage payment and Jamie responded that the funds can be used to pay the interest on the mortgage. Peter asked if we should refinance the mortgage since interest rates are currently low. Jamie said she will research that.

**Nominating Committee**

Sarela reported that committee members are working on revisions to the candidates' application. Sarela asked if relatives of board members are eligible to join the committee or if that would be considered a conflict of interest. She suggested that we add more than one non-board member to the committee.

**General Manager's Operations Report**

Gross sales were down 16.6% at the market compared to July of last year. Year-to-date, we are \$999,504 behind last year in gross sales, or 13.1%. The market posted a net loss of \$48,229 in July of 2020, compared to a net loss \$16,737 last year. Year-to-date, we have a net loss of \$95,948 compared to a net profit of \$104,646 at the same point last year.

**Market**

July	2020	2019	% Change
Sales	\$861,432	\$1,033,192	-16.6%
Basket Size	\$47.59	\$26.10	82.3%
Customer Count	18,389	40,153	-54.2%

July personnel costs at the market came in at 30.1% of gross sales, up a little from the 27.7 from the previous month. Fulfilling the Paycheck Protection Program (PPP) forgiveness requirements, as well as maintaining COVID-19 protocols continue to keep labor high. However, achieving the requirements will prevent us from having to pay back the loan. Staff who were scheduled to work on July 4th were paid holiday pay, adding to payroll with only a half day of accompanying sales.

Operating hours remained the same as in June. We have reduced the number of shoppers in the store from 20 at a time back down to 15. Lines in the market were getting too long and the aisles too crowded for proper distancing.

The curbside pickup program continues to be steady, albeit small. We are working on overhauling our product database to have a much more user friendly virtual shopping experience where customers can see pictures of the items available, as well as their current cost. We hope to have the new system up and running by the fall.