

Board of Directors' Meeting Notes for April 20, 2020

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

Staff: Jim Kase, Gloria Isselhard.

Guests: Peter Doft, Janice DuVall, Jennifer Jiau, Paul Coogan, and Silvia Ward.

Board Study

Stephanie read a list of subjects on the topic of reinventing democracy to get as much owner participation in the Co-op as possible. It was decided to delay the discussion in order to hear from Jim regarding his business plans.

New Business

Stephanie spoke of having a consent agenda to approve motions passed. Steve made a motion that the Board of Directors (BOD) approve the consent agenda, which includes four items. Vote: in favor – 6, abstained – 1. Motion passed.

Stephanie reported that the 2020 BOD calendar has been set and is open to change.

Jim announced that he would be joining SunCoast Market Co-op as a panel speaker at the upcoming Live Well San Diego conference. The panel topic will be San Diego cooperatives. There is no cost to attend. Peter made a motion that the board approve participating in the conference. Janice seconded. Vote – passed unanimously.

Nominating Committee

Sarela made a motion that the board ratify the 2020 Board of Directors' Election, and certify the following candidates as members of the Board of Directors: Janice DuVall, Peter Doft, Jennifer Jiau, and Paul Coogan. Lynn seconded. Vote: passed unanimously.

Finance Committee

Steve reviewed the financial statements for March. He reported that due to the increased sales in early March, revenue was up 10.84% compared to March 2019. Year-to-date sales were up 3.71% compared to the prior year-to-date. At the March board meeting, the new labor target was approved to remain at or below 26% of revenue. Sales per paid labor hour was \$87.25 as of March 2019 and \$103.50 in 2020.

Steve made a resolution that Store Manager, Sarela Bonilla, be added as an additional signer on the Co-op's checking account. Paul seconded. Vote: in favor – 8, abstained – 1. Motion passed.

Jamie made a motion to approve the 2020 Operating Budget with 2nd quarter adjustments. Lynn seconded. Vote: passed unanimously.

Steve made a motion to pursue applications for the Economic Injury Disaster Loan and the Paycheck Protection Program, both SBA (Small Business Administration) sponsored programs. Jamie seconded. Vote: passed unanimously.

Policy Governance

Peter made a motion to accept Executive Limitations reports B1 and B5. Lynn seconded. Vote: passed unanimously.

Stephanie asked that all board members sign the Board of Directors' Code of Conduct and Code of Ethics statements.

General Manger's Operation Report

Gross sales were down 32.34% at the market compared to April of last year. The decline in sales was due to the coronavirus protocols that were introduced in the mid-March, including the reduction in operating hours to 70% of pre-pandemic, and the closing of the deli and bulk departments to customer traffic. Year-to-date, we are \$229,212 behind last year in gross sales.

Our organization posted a net loss of \$94,684 in April of 2020, compared to a net profit of \$3,143 last April. Year-to-date, our net profit is \$69,069 this year compared to \$53,508 at the same point last year. The unusually high profit made in March of this year was offset in April by the need to replenish inventory that was decimated during the panic buying in early March.

Market

	2020	2019	% Change
Sales	\$738,457	\$1,091,371	-32.34%
Basket Size	\$66.07	\$26.53	149%
Customer Count	11,180	41,644	-73.2%

April personnel costs at the Co-op were high and came in at 35.25% of gross sales, partially due to the added labor required for administering the pandemic protocols, running the curbside pickup program, distribution of a staff quarterly bonus and the shero/hero bonus paid to staff who have been bravely working during the pandemic to keep the community supplied with healthy organic food. Our staff is positive and resilient, and dedicated to continuing the mission of the Co-op. They deserve the sincerest thanks for keeping People's food available during unprecedented circumstances.

Plans for the coming months are to safely expand deli service and our curbside pickup program, as they show the most opportunity for growth. As the situation and safety allow, we will look to expand our hours of operation to meet the needs of the community. Only the most necessary repairs and improvements will be prioritized for the time being in an effort to preserve operating cash and focus on regaining lost revenue. The empty café will be used as needed to support expanded deli and curbside pickup operations.