

# Board of Directors' Meeting Notes for March 16, 2020

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

Staff: Jim Kase and Gloria Isselhard.

## **New Business**

Stephanie Mood called the meeting to order at 6 p.m. on a telephone conference call. She announced that Board Study has been postponed until the next meeting.

## **Outreach and Education Committee**

Lynn and Steve reported on their contacts with Co-op customers at the board's outreach and information tabling events at People's. Sarela showed the box of supplies and information they have available to be placed on the table.

Jamie reported on store tours that she gave to the members of the Point Loma Garden Club and to students from Dana Middle School.

Jim circulated thank you notes from recipients of donations from the Co-op including a City of San Diego State of the District event, Ocean Beach Main Street Association Annual Awards Celebration, and the San Diego Food Bank.

Jim reported on a tour of People's given to the Japanese Agricultural Cooperative group, which took place in February. Also known as JA Group, they represent a national group of 694 regional co-ops in Japan that supply members with input for production, undertake packaging, transportation, and marketing of agricultural products, and provide financial services.

Jim reported that a vendor's booth at the Ocean Beach Farmers' Market will be available as soon as we receive an off-site health permit.

Stephanie reported that she has created a folder on the Google drive that is entitled "Board Study." The Board Study topic at the March board meeting will be C1, Governance Style. She asked that everyone be ready to participate in the discussion.

## **Finance Committee**

Steve reviewed the February 2020 financial reports. The market's total revenue for the month of February was up 3.89% compared to 2019, and up .05% year-to-date. The total combined revenue for the store and café was down by .19% for the month and down 4.27% year-to-date compared to 2019.

Sales per paid labor hour as of the end of February was \$100.82 compared to \$94.87 in 2019. Steve made a motion that the board approve up to \$6,500 for seven new credit card machines. Jamie seconded. Vote: passed unanimously. The upgrade will allow us to accept Apple Pay and Google Pay and will include a credit/debit card chip reader.

Steve made a motion that the board approve up to \$3,000 for a new point of sale (POS) cash register for the deli. Sarela seconded. Vote: passed unanimously.

Steve made a motion to approve the National Cooperative Grocer (NCG) New Member Agreement. Jamie seconded. Vote: passed unanimously.

Steve made a motion to raise the target labor adjustment to 26%. Stephanie seconded. Vote: passed unanimously.

## Nominating Committee

Lynn said that 133 votes had been received to date for the 2020 Board of Directors' election. It was recommended that the voting cut-off date be extended. Steve suggested that we allow owners to cast their votes via email.

### General Manager's Operations Report

Gross sales were up 10.8% at the store compared to March of last year. The difference was due to the rush on food and supplies as the novel coronavirus began to spread in the U.S. The surge in sales began March 12th, with sales on March 13th surpassing \$96,000. Sales slowed after we started limiting the number of shoppers in the store at one time to fifteen on March 17th, the closing of the store's second floor to non-staff and Governor Newsom's announcement of a statewide stay at home order on March 20th. Year-to-date, which is also our first fiscal quarter, we are \$123,703 ahead of last year in gross sales. Our organization posted a net profit of \$134,214 in March of 2020, compared to \$13,944 last March. Year-to-date, our net profit is \$211,848 this year compared to \$50,365 at the same point last year.

#### Market

	2020	2019	% Change
Sales	\$1,253,787	\$1,131,195	10.8
Basket Size	\$42.14	\$26.41	59.6%
Customer Count	29,968	43,361	-30.9%

March personnel costs at the store came in at 23.46% of gross sales due to the mid-month spike and a reduction in hours related to our response to the virus. The staff has been incredibly positive and resilient throughout the current situation, and we all owe them a great deal of thanks for persevering in a very difficult time.

Operations continued to adapt to the new reality of the pandemic, and the recommendations by the Center for Disease Control (CDC), the State of California and the County of San Diego Department of Health. Our current system of operations will be in place for the foreseeable future, unless we receive further mandates from the authorities. The measures we have taken are to protect staff and customers alike, and I applaud the great majority of shoppers who have continued to support their Co-op while patiently complying with the new system.

Beginning in March we implemented our new discount structure. Our intention is to make healthy food available to more people on limited incomes. The program is called FLOWER, Fresh, Local & Organic Within Everyone's Reach. Due to the pandemic, however, we have stopped taking paper money and coins, as well as renewal, new owner, and other paper forms and applications in order to better protect our staff. Our Membership and Marketing Departments are working together to make renewals and possibly new ownerships available through the Co-op's website.