



Ashland Food Co-op
Board of Directors

**Ashland Food Cooperative
Board of Directors Meeting
May 14, 2014
APPROVED**

Board members present: Gwyneth Bowman, Joanie Kintscher, Phil Johnson, Ed Claassen Gary Einhorn and Sheila Carder.
Employees present: Emile Amarotico, General Manager. **Others:** Ken Crocker, Professional Facilitator; Abby Lazerow, Board Administrator. **Absent:** Charlie Douglass.

The meeting was called to order at 6:00pm by Ken Crocker.

AGENDA ITEM	DISCUSSION POINTS	ACTION	REMINDERS/ FOLLOW UP
Positive Affirmation	<ul style="list-style-type: none"> Emile Amarotico led the positive affirmation. 		
Announcement and Training Opportunities	<ul style="list-style-type: none"> The Co-op Café and leadership training will be held July 19, in Portland. The Grants Committee awards meeting will be held at the Elks Club on May 29 at 6 p.m. 35 organizations will be introduced at the event. Board Directors are encouraged to attend. The next Dinner with the Directors will be held on June 4 and is exclusively for new members who have joined the Co-op in the last three months. Members can learn about the Co-op and the cooperative movement. Gary and Annie will attend the CCMA conference in June. 		Sheila may attend the June Dinner with the Directors.
Owner Forum	<ul style="list-style-type: none"> There were no owners present. 		
Consent Agenda	<ul style="list-style-type: none"> April 9, 2014 Board Meeting Minutes April 9, 2014 Executive Session Minutes GM Report, May 2014 Outreach Report, May 2014 Finance Report, May 2014 Finance Report, April 2014 Committee Evaluation Summaries, May 2014 	The agenda was unanimously approved.	

Co-op Annual Meeting Agenda	<ul style="list-style-type: none"> • The Executive Committee presented the agenda for the 2014 annual meeting. • The annual meeting will start with a band performance. Meals will be served from 5-6 p.m. Annie will introduce the Board President, who will introduce the Board and the three Board candidates. Emile will then talk about state of the Co-op and the annual report. Sheila will talk about ScienceWorks and at 6 p.m. the doors will open for families to visit the museum. • The Lions Club will cook hamburgers and lentil burgers. The event will be catered as the Deli is being remodeled. 		
Extending Board Director Stipends through August 2014 for Strategic Planning	<ul style="list-style-type: none"> • This year outgoing Directors will need an additional month on the Board to continue participation in the strategic planning process and to mentor the three incoming Directors. • Directors voted to extend the monthly stipend for the outgoing directors for the month of August 2014. • Three directors abstained from the vote. • Sheila offered to meet with the next head of the Grants Committee to review the process. Grants Committee manuals should also be updated. 		<p>The Grants Committee will update their manuals.</p>
Using Board of Directors Email	<ul style="list-style-type: none"> • The boardofdirectors@ashlandfood.coop is the email address used by owners to contact the Board. • Managers should be aware that emails to this address are sent to the Board Administrator, rather than all Board Directors. 		
Break	<p>A ten-minutes break was taken.</p>		
Finance Report	<ul style="list-style-type: none"> • An audit was recently performed because the Co-op has a new General Manager. The audit results of the 2013 financial year were excellent. Former GM Richard Katz and Financial Manager Christina Oliver created strong, accurate and timely financial systems and reporting. • There was a small loss for the first quarter of 2014 due to higher end of year medical claims. Claims were approximately \$100,000 higher than for past years. Other expenses included the replacement of all front-end register monitors and a change in NCGA dues credit policy. • The costs of the Deli remodel will most likely affect second quarter earnings. 		

	<ul style="list-style-type: none"> • The Co-op has received refunds for energy tax credits taken in prior years after amending 3 years of Oregon tax returns. • Margins are healthy even though sales are lagging behind budget projections. • We have offered a patronage dividend for more than ten years and the 2013 patronage dividend is the largest in our Co-op's history. • The Finance Committee conducted a self-evaluation and all is satisfactory, timely and well covered. • Beginning in August 2014, the Finance Committee plans to invite one manager per year to join the Committee as an opportunity to learn about financials. Michelle O'Connor will be the first candidate. 		
GM Report	<ul style="list-style-type: none"> • Produce cases were recently removed and will be replaced with brand new cases that offer additional produce shelving for more merchandising. • The electrolyzed water machine still isn't functioning correctly. Two replacements have already been sent and a third machine should be running soon. • Emile looked into banking with the local credit union and spent several hours with three of Rogue Federal Credit Union's officers, explaining our business needs. However, RFCU does not currently have the systems to handle our business and it may be several years until they are able to manage our needs. For the time being, the Co-op will continue to bank with Wells Fargo Bank. 		
Employee Director Report	<ul style="list-style-type: none"> • Co-op staff members are ready to vote on the new contract. • As two members of EA are leaving the store, there will be an opportunity for other employees to participate as members of the EA. • Phil is working with the POS and Design departments to implement the Deli remodel. 		
Analysis of Increasing Number of Directors And Increasing Board Stipends	<ul style="list-style-type: none"> • The Board Development Committee looked into the pros and cons of increasing the number of Board Directors. • Increasing the number of directors could benefit the board by adding expertise. If there were more directors, turnover could have less impact on the functioning of the board. However, it could be more difficult to make decisions with more directors, and possibly there could be less engagement and commitment. 		<ul style="list-style-type: none"> • The BDC will revise their recommendations and bring a proposal to board in June.

	<ul style="list-style-type: none"> • Instead of increasing the number of directors, the BDC recommended adding two new owner volunteers receiving shopping discounts to participate on Board committees. Committee assignments would be based on the needs of the Board. The BDC also recommended using independent contractors with specific skills for short projects and to add expertise without increasing the size of the Board. • It is hoped some owner volunteers and members of the strategic planning scan teams may also be interested in eventually running for the Board. • The BDC also brought the issue of monthly director stipends to the Board. Director stipends have been in effect since 2003 and have not changed even though the cost of living has increased. It was recommended a volunteer owner study group be created to evaluate Board stipends. As the employee director already receives the employee discount, it was also recommended the owner study group consider ways to make the Board stipend for the ED more equitable. • The BDC also recommended reviewing the list of Board Director expectations to see if any can be reduced or eliminated. Currently there are high expectations for time commitments that can be difficult for potential directors who work or have young families. • One director who also has a full-time job said the current expectations were not unreasonable. Other boards have fundraising components that don't exist at our Co-op. Another director said the time spent in outreach activities help to develop community and connection with owners. • The Board appreciated the idea of increasing Board expertise by adding up to two volunteer owners receiving discounts to serve on committees starting in August 2014. The Board asked for a cost-benefit analysis for additional owners volunteers before a decision is made. Roles for volunteers should also be considered in the proposal. • The BDC will revise its recommendations and bring a proposal to the Board at the June meeting. A Board decision about additional volunteers could be made in June or August. 		<p>Directors are reminded to actively recruit potential director candidates throughout year and add names to the BDC list of potential candidates.</p> <p>An owner volunteer group to study board director stipends will be formed in the fall.</p>
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	<ul style="list-style-type: none"> The BDC was commended for its good work. 		
Strategic Planning Update	<ul style="list-style-type: none"> The planning teams that developed from the first strategic planning meeting have met this month. Two have completed their work in one meeting and the third team is conducting some follow-up and then meeting again. The next all-day strategic planning meeting was cancelled. Instead, a half-day strategic planning meeting will be held on June 5, from 8:30 to noon. Following the June meeting, a more detailed analysis and discussion will take place during the summer. Another half-day strategic planning meeting will take place in late summer or early fall. Ed attended all of the meetings and was impressed by the rich ideas, commitment and the quality of engagement from managers and owners. Many ideas, issues and opportunities were discussed during the process; however only a few will be selected for the final strategic initiatives for managers to implement over the next few years. One director asked about bringing the strategic initiatives to owners for feedback. Owners have invested the Board to be responsible for developing the strategic plan and outside input has been gathered by including owners with specific expertise. Owners will be informed about the process at the annual meeting and through our newsletter and website. 		

The meeting was adjourned at 8:05 p.m.