



Board Meeting Minutes

October 12, 2016

APPROVED

Present: Gwyneth Bowman, Joanie Kintscher, Gary Einhorn, Jeff Golden, Julie O'Dwyer, Ed Claassen, Charlie Douglass.

Others present: Emile Amarotico, General Manager; Abby Lazerow, Board Administrator.

Facilitator: Gwyneth Bowman; **Timekeeper:** Ed Claassen; **Queue Manager:** Julie O'Dwyer

	ITEM DESCRIPTION	DISCUSSION	ACTION
1.	Positive Affirmation	<ul style="list-style-type: none"> Charlie Douglass led the Positive Affirmation. 	
2.	Owners Forum	<ul style="list-style-type: none"> Owner Al Karger (#2995) requested the Co-op have a microwave in the Deli eating area to warm pastries. He had been told there could not be a microwave for a number of reasons, including sanitation, space and insurance liability. Al noted other Co-ops have roaster ovens for their customers or will microwave groceries for customers. The Board appreciated Al's presentation. 	
3.	Agenda Review	<ul style="list-style-type: none"> Done. 	Approved.
4.	Consent Agenda:	<p>The following Consent Agenda items were unanimously approved:</p> <ul style="list-style-type: none"> September 14, 2016 Board Meeting Minutes September 14, 2016 Executive Session Minutes Board Finance Report, October 2016 BDC Goals, 2016-2017 Executive Committee Goals, 2016-2017 	The Consent Agenda was unanimously approved.
5.	Ideas for Board Events with Owners	<ul style="list-style-type: none"> The Outreach Department is looking to develop new events for the Board and Owners. The fall harvest events have been discontinued because of low participation. The Board discussed past Dinners with the Directors. Previously there were many owners attending. This past year the event was open only to new owners, but not many new owners join each quarter. The Board was in favor of holding the event for all owners, with the marketing department promoting and photographing the event. In addition to newsletter and online publicity, Directors also suggested directly inviting people to the event as well. 	<ul style="list-style-type: none">



		<ul style="list-style-type: none">• One Director wondered if the dinners could focus on topics such as strategic initiatives, but others thought it was important to have the dinners be open-ended so owners could ask questions and make comments.• If any of the SPSC initiatives require focus groups, the Board will collaborate with Outreach to carry these out.	
6.	GM Goal Presentation	<ul style="list-style-type: none">• The GM 2016-2017 goals were presented in a new format, containing detailed goal objectives as well as a timeline for completion.• Emile recently gathered MT input on what portion of their time is spent on non-department specific business. He believes this information will be helpful in identifying opportunities for a store manager to make an impact.• The Customer Experience Program is progressing well, with key elements already in progress.• Adjusting health care expenses is on track. The EA will be communicating with employees to explain the reasons to increase contributions for employees and their family members.• Strategic initiatives are on track.• Emile discussed the reasons health care costs were taken out of the labor cap. The labor cap is a productivity incentive.• Emile will discuss overall labor costs with the Board during the next few months.	
7.	Request for Owner Volunteer on BDC	<ul style="list-style-type: none">• The BDC is interested in having an owner-volunteer serve on the committee but was not yet clear if an ongoing volunteer was needed or if that person would only be needed for a short time. Any compensation could be determined after it was assessed how much contribution that volunteer was making.• Applications would be open to all owners. The ideal owner-volunteer would have experience with Board training and education.• The BDC will discuss the idea further and report back to the Board within the next few months.	
8.	Secretary of External Relations Position	<ul style="list-style-type: none">• The Secretary of External Relations recently resigned from the position. The Board discussed whether it wanted to continue this position.• Responsibilities of the position include reporting to the Executive Committee, informing the Board of legislation related to co-ops, and collaboration and relationship building with local and regional cooperatives.• Many of the SER activities in the past year related more to the SPSC	The Executive Committee will discuss the SER position in November.



		<p>cooperative movement initiative.</p> <ul style="list-style-type: none">• The responsibilities of the SPSC Champion included meeting monthly with a small working group to encourage the development of cooperative businesses and gathering information for a web page for the Rogue Co-ops.• There is some overlap with this position and with Outreach staff. A member of the Outreach Department has been speaking with the SOU Department of Business about integrating information about cooperatives into their curriculum.• The Board would like to expand understanding of co-ops in the local community and to build the co-op economy.• The Executive Committee will discuss whether to continue the SER position, create a new Board committee to carry out these responsibilities or to direct some of these responsibilities to a current Board committee.	
9.	Break	A ten minute break was taken.	
10.	Finance Report	<ul style="list-style-type: none">• The Board Treasurer reported sales were 4.0% over budget for August, and 2.9% over budget for the year-to-date.• There are two changes to the financial policies document, which will be included on the November consent agenda:<ul style="list-style-type: none">1) A clause was added to keep cash reserves on hand for short-term investments. Emile noted financial reserves are uncommon for co-ops.2) The labor cap is 22% of gross revenue minus the total of all costs of sales, wages, discounts and the 401K. Recruitment expenses, employee health costs, the profit-sharing bonus and costs for employee relations are not included in the labor cap.• The Board asked questions about the profit-sharing bonus, an annual bonus based on the share of profits before income taxes and patronage dividends, limited to a maximum of .5% of sales. The profit-sharing bonus may be reduced by any negative amount from the quarterly productivity bonus.• Patronage dividends will now be determined on a book basis. Previously the patronage dividend has been based on a tax basis, which required waiting to review numbers until all taxes and audits were completed.	
11.	GM Report	<ul style="list-style-type: none">• Employees and the MT have identified opportunities for improvement in the store. The MT also met in pairs to evaluate other departments using the NCG standardized format. Their observations will be compiled into a spreadsheet and prioritized.	



		<ul style="list-style-type: none">• Diamond Parking Service will begin working on November 1. It is hoped their presence will streamline parking and entry and exit into the parking lot.• The Co-op employee holiday party will be held on December 10 from 6:00 to 10:00 p.m. at the Ashland Armory.• Two high school age courtesy clerks have been hired to bag groceries. This will improve cashier efficiency and possibly groom these younger employees for other positions in the store.• If Measure 97 passes, the Co-op could pay over \$175,000 in taxes, in addition to the \$30,000 minimum corporate tax. This could put pressure on prices. Emile and some members of the MT recently listened to a debate about the impact of Measure 97.• The Co-op's 45th Anniversary is February 14, 2017.	
12.	Board Holiday Party	<ul style="list-style-type: none">• The Board agreed to hold a holiday potluck party at the home of one of the Directors.• Directors agreed these events helped Board members bond and know each other better.	

The meeting was adjourned at 7:42 p.m.