



**Ashland Food Cooperative Annual Meeting and Picnic  
July 25, 2015**

The meeting was called to order by Annie Hoy at 6:15 p.m.

| <b>AGENDA ITEM</b>   | <b>DISCUSSION POINTS</b>  | <b>ACTION TAKEN</b> | <b>REMINDERS/<br/>FOLLOW UP</b> |
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| <b>Introductions</b> | <ul style="list-style-type: none"><li>• Annie opened the Annual Meeting and thanked everyone for attending.</li><li>• Annie said the Outreach Department interfaces with the Co-op community as well as regional, national and international communities. The theme this year has been "connect and engage, activate and celebrate." This annual meeting is about connection. The Co-op also wants to engage owners/shoppers through Twitter, Facebook, Instagram and help to spread the word about cooperation in southern Oregon. Engaging includes attending events, farm tours, free lectures and cooking classes.</li><li>• Recently the Co-op has activated owners around GMO-free Jackson County issues, as well as the Dark Act, which would deny the right to know on a label if a product contains GMO ingredients. As the issue moves on to the Senate, the Co-op encourages owners to rally Senators Widen and Merkley to vote "No". The National Co-op Grocers Association has full time advocates in Washington, lobbying on behalf of this issue nationwide. A phone call and personal chat with an aide will make a difference.</li><li>• September is non-GMO month and Love Local month. October is also National Co-op Month, and the Harvest Fair will be held in October.</li><li>• Dr. Vandana Shiva will speak at SOU on Oct. 14. She combines sharp intellectual inquiry with courageous activism and is a global leader in preserving the sanctity of our seeds and fighting against genetic modification. The Co-op is seeking angel sponsors for this event.</li><li>• Annie recognized the Outreach Team and others who helped set up the meeting and picnic, including the Lions</li></ul> |                     |                                 |

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|                               | <p>Club and the Co-op Deli.</p> <ul style="list-style-type: none"> <li>Annie reported the 2015 Annual Meeting minutes will be posted on the Co-op website after the August Board of Directors meeting.</li> <li>Annie introduced Vice-President Gary Einhorn.</li> </ul>   |  |  |
| <b>Board of Directors</b>     | <ul style="list-style-type: none"> <li>Gary introduced the Board of Directors individually and welcomed owners. He regretted Board President Gwyneth Bowman could not attend the meeting.</li> <li>Gary introduced the 2015 new Board Directors, Stephen Sendar and Joanie Kintscher.</li> <li>Gary recognized Charlie Douglass as a retiring outgoing Director and thanked him for his contributions to our Co-op.</li> <li>Gary introduced General Manager Emile Amarotico.</li> </ul>   |  |  |
| <b>Annual Meeting Message</b> | <ul style="list-style-type: none"> <li>Emile thanked Gary and the Board. He acknowledged our owners and gave the "Co-op Annual Meeting message."</li> <li>Emile pointed out each owner has only one share, and we work collaboratively to run the store. Our owners bring many voices and our owners' collective voices influences the Board. It is the Board's responsibility and duty to look at our course today and into the future.</li> <li>Emile thanked the Outreach team and the people who help orchestrate behind the scenes, the 11 members of the Management Team. Emile introduced Amey Broeker, Wellness Department Manager (at the Co-op for 3 years) ; Annie Hoy, Outreach Manager (21 years); Barry Haynes, Produce Manager (20 years); Derek Shilts, Meat Manager (5 years as manager and with Co-op with 10 years); Emile Amarotico, General Manager (2 years as GM); Kelly McNamara, Specialties Department Manager (20 years); Lynn Scianti, Grocery Manager (35 years); Marty Williams, Deli Manager (5-6 mos) and Sharon Van Duker, HR Manager, who takes care of 170 employees. Steve Davidson, Tech/POS Manager, Christina Oliver, Finance Department Manager, and Zack Burrows, Front End Manager could not attend the meeting. Emile also pointed out two employees who were in attendance, Ian and Chessley.</li> <li>Emile reminded owners about the Annual Report that was sent out in the mail in early June. The report is also available on the Co-op website.</li> <li>Emile said the Co-op sold almost \$29 million in goods in 2014. This was an amazing number for a small town with so</li> </ul> |  |  |

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|                         | <p>many other grocery stores here. We are still strong and still vibrant. However, our growth has slowed to less than 1% last year. It is difficult to park and some other stores sell the same items.</p> <ul style="list-style-type: none"> <li>• With growth stable, we are trying to hold our expenses down. The Co-op is self-insured and because so much was paid out last year in medical benefits, our profits were lower. Last year's high health care costs also impacted the patronage dividend refund. This year we are on track to have 3% growth.</li> <li>• Three highlights from the year were: <ol style="list-style-type: none"> <li>1) To guarantee future use of that property, the Co-op purchased the Shostrom barn that we had been leasing for several years. The Pioneer Street house was also part of the property purchase.</li> <li>2) The Deli was renovated in the front and back. This will help us grow in the future and make a much more safe and comfortable environment for employees.</li> <li>3) New produce cases were installed in the store.</li> </ol> </li> </ul>   |  |  |
| <p><b>Q &amp; A</b></p> | <ul style="list-style-type: none"> <li>• Emile asked owners for questions.</li> <li>• Q: Any new parking ideas?<br/>A: No, there are no clear solutions at this time although we have actively been investigating this issue. Suggestions from owners have included walking or biking to the store, carpooling, and building a parking garage.</li> <li>• Q: The Deli remodel comes off as cold and not welcoming. Why?<br/>A: We allowed form to follow function, focusing on how the work area flowed back there. We could have spent time and money on finishes but we had a limited budget. When we opened the doors 20 years ago, we prepared to do business but had no frills such as the tile mosaic. Good aesthetic improvements will be made over time.</li> <li>• Q: What are our options for expansion? Are you considering expansion at the current site?<br/>A: We are constrained by our footprint. We are earnestly preparing by planning and discussing options, but a clear direction has not been determined. Options include expansion in place, creating a second store outside of our Ashland footprint, and finding a new location in Ashland and moving again.</li> <li>• Q: How is it going getting rid of GMOs in the store?</li> </ul> |  |  |

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|  | <p>A: Many people were concerned about the GMO feed ingested by animals whose meat is served in Deli. GMO-free meats need to be organic, but the cost is much higher, as organic feed is in scarce supply. We decided to increase Deli prices to accommodate organic products, meats, cheeses and chicken. We are continuing to remove what GMO products are on the shelves.</p> <ul style="list-style-type: none"> <li>• Q: I am always concerned about our prices; it is helpful to have the background information about the Deli. How are labor relations these days?</li> <li>• A: Labor relations are very strong. This is the second year we have an in-house bargaining unit. Our staff organized it themselves, defining wages, hours and working conditions. The agreement made it though the entire year without any amendments. It has been very positive for all involved. We hope owners are feeling that as well.</li> <li>• Q: What are the plans for the rusty barn?<br/>A: We appreciate the barn for its historic nature. It is the last hay barn in the railroad district. When we renovate it, we plan to keep the skin and build a building within it. Currently it is used for storage and as a warehouse. It also has a walk-in freezer.</li> <li>• Emile informed owners that if they have additional questions for the GM or Board Directors, they will be available in the dining area for the next hour.</li> <li>• Annie led the raffle of three Co-op gift baskets.</li> <li>• Emile reintroduced the band Honey Don't and invited owners to stay and enjoy the music.</li> </ul> |  |  |
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The meeting was adjourned at 6:50 p.m.