

**Ashland Food Cooperative
Board of Directors Meeting
April 10, 2013
APPROVED**

Board members present: Gwyneth Bowman, Peter Hoyt, Joanie Kintscher, Phil Johnson, Ed Claassen, Sheila Carder
Employees present: Richard Katz, General Manager. **Others:** Ken Crocker Facilitator; Abby Lazerow, Board Administrator

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

AGENDA ITEM	DISCUSSION POINTS	ACTION TAKEN	REMINDERS/ FOLLOW UP
Positive Affirmation	<ul style="list-style-type: none"> • Sheila Carder led the Positive Affirmation 		
Announcements	<ul style="list-style-type: none"> • The recent issue of Cooperative Grocer featured an article about conflict of interest in management of co-ops • The Ashland Conservation Commission awarded the 2013 Conservation Business of the Year award to AFC for our sustainability practices. Annie Hoy will be accepting the award for the Co-op at ScienceWorks on April 20. • The AFC 2013 Grants Awards ceremony will be held on May 22 in the Gresham Room of the Ashland Public Library. Board Directors are invited. 		
Agenda Review	<ul style="list-style-type: none"> • Done. • The document “Bylaw Amendments to be Placed on the Ballot for the 2013 Annual Meeting by Mail” was taken off the consent agenda in order to hold a formal vote by the Board. 	Approved.	
Consent Agenda	<ul style="list-style-type: none"> • The board unanimously approved all Consent Agenda items: Consent Agenda: <ul style="list-style-type: none"> - Board Meeting Minutes, March 13, 2013 - Executive Session Minutes, March 13, 2013 - GM Report, March 2013 - Board Finance Report, April 10, 2013 - Board Finance Report, March 13, 2013 - Explanations to Owners of Proposed Bylaw Amendments 	The board approved all Consent Agenda documents.	
Bylaw Amendments to be Placed on the Ballot for the 2013	<ul style="list-style-type: none"> • The Board agreed the proposed amendment to bylaw 8.4 should be discussed by the GM and the Board attorney before it was placed on the ballot for owners. The Board 	The Board approved the bylaw	

Annual Meeting by Mail	<p>recommended leaving bylaw 8.4 as it currently stands unless there was a compelling reason to change it. The GM was authorized to make a decision about bylaw 8.4 based on his conversation with the attorney.</p> <ul style="list-style-type: none"> The Board voted to approve the proposed bylaw amendments and to place them on the ballot with the exception of 8.4. 	<p>amendments with the exception of item 8.4, which will be discussed by the GM and the Board attorney. The Board authorized the GM to make a decision for 8.4 based on his conversation with the attorney.</p>	
Owner Forum	<ul style="list-style-type: none"> Owner Steve Barnard observed the meeting. 		
Discussion Course on Cooperatives, Chapter 7	<ul style="list-style-type: none"> Annie Hoy led the discussion of Chapter 7. Food co-ops in the northeast are ahead of us in working together cooperatively. Peace and social justice are in the DNA of the cooperative movement. Peace comes from food and resource security. "Competition is married to conflict, co-operation is married to peace!" Small co-ops throughout the world are up against the WTO and multi-national corporations. It is important to support localism whenever possible. The Co-op is more than a grocery store for many people in our community and we would like to expand our role. More awareness of the ten cooperative values are important. The ICA joins all cooperatives in the world together. Cooperative enterprise helps economic development take place. 95% economic development in developing word is through coops; many are women-owned. 		<p>To further education of our owners, a future newsletter article should feature the ten Co-op core values.</p>
Break	<ul style="list-style-type: none"> A ten-minute break was taken. 		
2012 Financial Reports: Dividend Distribution, Profit-Sharing Bonus, Phone Discussion with CPA	<ul style="list-style-type: none"> The dividend retention ratio has been at 50% for many years. Because store expansion will be needed in the future, it was recommended to continue to keep the retained portion at 50% to accrue funding to expand or build when the opportunity presents itself. According to our state law, minimum dividend distribution is 20%. 	<p>The Board unanimously agreed to declare a 100% patronage dividend and a 50% distribution.</p>	

	<ul style="list-style-type: none"> Retaining the 50% dividend this year puts the total reserve at over \$3 million in CDs and cash. It was proposed to declare a 100% dividend and a 50% distribution. It was proposed the Board approve the annual Profit Sharing Bonus. Employees, with the exception of the GM and the Finance Manager, would receive a bonus based on 5% of earnings. The Board voted to approve the Profit Sharing Bonus. An annual audit by an independent CPA will be held for 2013. It is our policy to hold an audit when there is a change in leadership. 2012 has already been reviewed. The amount distributed for grants is based on the Co-op's net income before taxes and was set as the maximum amount that could be used as a deduction. Increasing this amount would need to come as a proposal to the Board. One Board member proposed looking at the grants distribution as part of the fall strategic planning process. 	The Board unanimously agreed to approve the Profit-Sharing bonus. The Staff Director abstained, due to possible conflict of interest.	
GM Evaluation Update	<ul style="list-style-type: none"> The Executive Committee met with the GM for his annual evaluation. The evaluation was excellent. The committee is working on ways to make the evaluation process more measurable. 		
Search Committee Report	<ul style="list-style-type: none"> Board President Gwyneth Bowman and HR Manager Sharon Van Duker have been working on a contract with the new General Manager. 		
Organizational Assessment Update	<ul style="list-style-type: none"> An internal organizational assessment process is being implemented to improve communication and relationships with employees and management. It is hoped the process will lead to new personnel policies and an even better working environment for all. A four-hour meeting was held with the consultants to identify the assessment instrument. This meeting was a good team-building session and members of EA attended and shared with the team. An exciting and positive relationship is already forming. An all-staff meeting will be held in the Armory the evening of May 7. Store will be closed at that time. This will be both an informational and an engaging experience. Internal organizational assessment process. About communication and relationships with employees and management. Healing trauma of past year. An owner survey will also be held this year. Both the 		Board Directors are encouraged to attend the May 7 all-staff meeting at the Ashland Armory.

	organizational assessment and owner survey will be a valuable part of our strategic planning and visioning process.		
GM Report	<ul style="list-style-type: none"> • Sales improved in March. The Deli is still showing 10 to 15% sales growth. • Emile Amarotico will start working half-time at the beginning of June and will be working full-time during the second half of June. 		
Staff Director Report	<ul style="list-style-type: none"> • Employees are pleased with the approval of the Employee Alliance. • The Organizational Assessment as a beneficial tool for employees. The EA is supportive of the process. 		

The meeting was adjourned at 7:29 p.m.

Board Actions:

The following Consent Agenda Items were approved:

- Board Meeting Minutes, March 13, 2013
- Executive Session Minutes, March 13, 2013
- GM Report, March 2013
- Board Finance Report, April 10, 2013
- Board Finance Report, March 13, 2013
- Explanations to Owners of Proposed Bylaw Amendments
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The next regularly scheduled Board meeting will be on Wednesday April 10 at 6:00 p.m. with Ken Crocker facilitating.

Minutes are not posted until approved by the Board at the next month's meeting.

The meeting was digitally recorded by the Board Administrator. Minutes were kept and prepared by the Board Administrator, Abby Lazerow.