

Ashland Food Cooperative
237 North First Street
Ashland, OR 97520

Board of Directors Meeting
February 10, 2010
APPROVED

Board members present: Guy Nutter, Peter Hoyt, Ric Sayre, Gwyneth Bowman, Glenn Hill, Joanie Kintscher, and Elizabeth Robinson. **Employees present:** Richard Katz, General Manager; Leslie van Gelder, Board Administrator **Others:** Joseph Tokarz, AFC staff member and owner.

The meeting was called to order at 6:00 by the Guy Nutter, facilitator this month

1.	Announcements: Gwyneth Bowman announced that the GM Evaluation process is on schedule. All evaluations by board members are due by Monday, February 15. Gwyneth also reported that the process for recruiting a new Board Administrator has begun and six candidates have been chosen for initial screening and interviews.
2.	Owner Forum: Joseph Tokarz, AFC employee and owner expressed his gratitude for the productivity bonus the staff recently received.
3.	Agenda Review: Done
4.	Calendar of Opportunities: Peter Hoyt reminded the Board that the next Dinner with the Directors will be on February 17 th and board members Joanie Kintscher and Elizabeth Robinson will be attending with Guy Nutter as a backup.
5.	Training Opportunities: <ul style="list-style-type: none"> o March 27 -- NCGA Effective Co-op Leadership, Portland – Guy Nutter reported that a number of board members are going to the conference with their partners. Richard will rent a car for the remaining board members. Guy explained the per diem arrangements, the plan for meals, and hotel parking options.
6.	Consent Agenda: <ul style="list-style-type: none"> o Approve January Board Meeting minutes o Review Committee Reports: Social Responsibility (11/18/09), Board Development (1/21/10), Management Relations (2/1/10), Finance (1/11/10) o Investment Policy Clarification o Board Administrator Job Description o Board Administrator Recruitment Ad o Committee Guidelines o Management Relations Committee Charter o Management Relations Committee Manual o Board Development Methods to Recruit and Elect Board Officers
7.	GM Report: Richard Katz discussed some of the highlights from the year-end financial results. Elizabeth questioned the use of the word “profit” since we operate on a non-profit basis. She also asked about any savings last year on credit card charges resulting from owner’s using gift cards rather than credit cards. Richard reported that there was a slight decrease in credit card processing expenses. He also explained the qualifications for receiving a staff productivity bonus.
8.	Preliminary Plans for Pioneer St Building: Richard presented drawings of the preliminary

	<p>plan from Carlos Delgado, the project architect. Sustainability issues for the remodel are being addressed. The Board of Directors will have a small office when the remodel is completed. The Board agreed that the plans look fine and commended Richard on them.</p>
<p>9.</p>	<p>Q&A on the General Manager’s Role: The Board was given an opportunity to ask Richard questions about his role as General Manager, in order to have a clearer understanding of his job when they fill out his evaluation tool. Questions included: “How is inventory control carried out?” R: “Inventory is monitored each month by department and the numbers are tracked. Some issues which affect inventory control include theft, how we receive products, and checks and balances in the process.” “How do you ensure that Health and Beauty Aids (HABA) department inventory is accurate?” R: “Financial Manager Christina Oliver is in charge of the inventory process. Inventory service counts products on the floor. Staff counts what is in the back room. A report is compiled and given to Christina for her review.” Richard stated that he believes the inventory process works well and is accurate.” “How can you ensure that we are in compliance with all regulating agencies?” R: “Most agencies charge annual fees and compliance checks are driven by that. A lot of inspections are carried out on site, such as inspections of scales and Oregon Department of Agriculture inspections. Worker’s Comp audits are handled by the Financial and Personnel Managers. If we were in violation, the agency involved would notify us.” “What is involved in overseeing the development of marketing plans?” R: “Annie Hoy, Marketing and Outreach Manager, presents an annual marketing plan to me and to the Marketing and Merchandising Committee for approval. Sales and margin goals are a Finance Committee budget issue which measures marketing success.” How much do you look at the big picture as General Manager, and how much do you help in making product choices and get involved with merchandise and sales decisions?” R: “I meet quarterly with each department manager and assistant manager to go over sales figures and department sales goals. We recently completed a linear foot analysis of sales per department. I am aware of merchandising and sales trends through industry sources. We also conduct price comparisons in HABA, tracking the 100 best selling items and sales data coming out of Catapult, the POS system is analyzed.” “What areas of your job do you feel you need to work on?” R: “I have been the GM for 8 years, so I feel I know the job well, but there are always unexpected things that come up. Our store processes are more consistent than before. This year I am committed to get more help for Sharon Carrigan, our Personnel Manager. We need more training for managers in teamwork and developing better skills in working with people. We need more space. We are using Matthew Hartman to help train managers, and we are going to do more in-house training.” “How do you ‘think strategically to align decisions with the organization’s long-term goals’?” R: “About four years ago, we went through a process to improve our strategic planning and we have been refining the process since then. Departments annually make strategic priority action plans which are reviewed during the year.”</p>
<p>10.</p>	<p>Review of 4th Qtr 2009 Financials: Guy Nutter reported that the Finance Committee reviewed the 4th quarter financial figures. Pam Lucas, who was attending her first meeting, was thrilled with the results. Richard reported that the 4th quarter results reflected the trends of the first three quarters, but were even better. He felt that this was an efficient quarter with earnings up and expenses down and is expecting good sales growth for the first half of 2010. The EBITDAP (Earnings Before Interest, Taxes, Depreciation, Amortization and Patronage Refund) was close to \$1 million. Capital expenditures were lower than budgeted and there were no remodel expenses for Pioneer St in 2009. Guy Nutter commended AFC management for its quick response to the difficult market environment in 2009, resulting in a record amount of earnings to be considered for the patronage refund.</p>
<p>11.</p>	<p>Board D&O Insurance Update: Guy Nutter shared information regarding the Director’s and Officer’s Insurance and the Weiss rating (now called “The Street.com”) of insurance companies. Our current policy issuer has a C rating. The Board considered two other companies with B ratings and agreed to switch coverage to one of them.</p>

12.	BOD Budget: Update and Reclassification: The Finance Committee discussed the Board Budget and recommends that the training category include all training and conferences expenses for the Board. The Board approved the recommendation.
13.	Outreach Proposal: Peter Hoyt reported that the Outreach Committee discussed the problem that tickets for the lunch before the annual meeting lunch are always given out quickly, but because there is no cost involved, they are not valued and many people ask for tickets but don't use them. The Committee suggested some solutions – charge a nominal \$1 for adults and \$.50 for children, wait until two weeks before the meeting to make tickets available, allow owners who live outside of Ashland to reserve tickets online, increase the number of meals served to feed 400. Peter pointed out that the tickets are for the dinner prior to the annual meeting, and all owners are invited to the meeting, whether they attend the dinner or not. Glenn expressed his concerned that owners will react negatively to having to pay. Peter pointed out that the money from ticket sales does not pay for food costs, but will be donated to the AFC Community Fund. He also said the Committee is working on re-engineering the food lines so that the wait will be shorter. The Board agreed that the Outreach Committee should go ahead with their plans.
14.	Meeting Evaluation: Done

The meeting was adjourned at 8:01 pm.

Board Actions:

- **The following Consent Agenda Items were approved:**
 - January 2010 Board Meeting minutes
 - Committee Reports: Social Responsibility (11/18/09), Board Development (1/21/10), Management Relations (2/1/10), Finance (1/11/10)
 - Investment Policy Clarification
 - Board Administrator Job Description
 - Board Administrator Recruitment Ad
 - Committee Guidelines
 - Management Relations Committee Charter
 - Management Relations Committee Manual
 - Board Development Methods to Recruit and Elect Board Officers
- **Agreed to change Directors and Officers Insurance carriers**
- **Reclassified the Board Budget to fold all training and conference expenses into one line item**
- **Agreed to changes for the lunch before the annual meeting: charging for tickets (\$1 for adults/\$.50 for children; issuing tickets two weeks before the lunch; allowing out of town owners to reserve tickets online; and increasing the number of meals to be served)**

The next regularly scheduled Board meeting will be on Wednesday, April 14, 2010 at 6:00 p.m. with Matthew Hartman facilitating.

The GM report and Committee reports are available on request.

The February minutes were approved by the Board on March 10, 2010.