

Board of Directors Meeting

March 9, 2005

APPROVED

Ashland Food Cooperative
237 North First Street
Ashland, OR 97520

Board members present: Erik Wallbank, Herb Heiman, Glenn J. Hill and Gwyneth Bowman.
Board Members absent: Joe Golton, Richard "Ric" Sayre, and Serena St. Clair. Others present: Richard Katz, General Manager; Matt Farrow, Staff Council Liaison, Vickie Fox, Owner, John and Kasorn Miele, Owners, and Willow Dean, Owner. The meeting was called to order at 6:30 p.m. by facilitator, Erik Wallbank.

1. Announcements: Joe Golton was absent from the Board meeting, because he and his wife had a baby boy on Sunday, March 6.
2. Check In: Done.
3. Agenda Review: The agenda was reviewed, amended and accepted.
4. Owner Forum: The owners listed above introduced themselves
5. Staff Council: Staff Council member Matt Farrow announced that Kevin Bendaw (from the front end) and Russell Phillips (from the Deli) have been elected to fill the vacancies on the Council. The Council is working on streamlining their processes and cleaning out old files. Their meetings are held on the 2nd and 4th Thursdays of the month at noon.
6. Member Benefits: Herb Heiman reported that the Outreach Committee met on March 8th to draft a recommendation for the board regarding the senior and disabled discount, based on the conclusions reached at earlier meetings of the Management Team, Board of Directors, focus groups, the town meeting of members and our own committee input. They made a list of the discussion points on which there was unanimous accord of all participants. Those were:
 - Discount (modified as below) will be for owners only.
 - Discount to be grandfathered in for current owners 60-64 years of age.
 - Savings can be applied to lower store prices with the emphasis on basic pricing items.
 - New owners who consider themselves "eligible" for a discount (65 years or older) will sign up for their status when joining.
 - Promotion/newsletter/signage and cash register descriptive flyer etc... to help describe the new discount criteria and how the savings will be used.
 - Board and Outreach members to be available to "man" the information booth especially on May owner appreciation day and the end of May/beginning of June.
 - Initial start of new program to be July 1.

- Keep some mode of discount for disabled owners.
- Widely promote the newer-lower prices in newsletters, ads comparative bulletins, etc.
- Discount available daily before 11:00 am and all day Saturday and Sunday.

Richard Katz reported that the Operations Committee was also in accord with most of the proposals. The only changes they would make would be to have the changes in benefits start July 1st with the beginning of the third financial quarter and to be able to have sufficient time to prepare a letter to go out with the May/June newsletter.

The Board asked that the many hours of work that went into coming to this decision be noted in the minutes. There has been involvement from 3 public focus groups, a Management Team focus group, a Board of Directors focus group, plus a forum of all the groups in addition to all the work done in Board meetings and Management meetings. It was further noted that the savings from the changes in the senior/disabled benefits could make a big impact on the Basic Pricing program.

Erik Wallbank asked to have Joe Golton's following statement added to the minutes:

"I want it noted for the record that I strongly believe it is better both financially and for the community to eliminate the senior discount altogether and put the savings into further price reductions on basic foods. However, I also place a high value on co-op owners being able to have an influence on major decisions, so therefore support the compromise which places restrictions on who may use the senior discount."

Herb moved that the proposal from the Outreach Committee be adopted, giving AFC Management the discretion for fine tuning of the details. Gwyneth Bowman seconded the motion, and the Board accepted the motion by unanimous consent. The Board asked that the Management Team go over the proposal and bring it back to the April meeting for a final vote.

7. Outreach Meeting Report: Herb reported that the committee had tried to come up with a new name, but after consideration of many options, decided to keep the name as is for now. The committee also decided to adopt the term "owner" for members of the Co-op.

Meeting dates are the 2nd Tuesday of the month at 1 pm. The committee will work on making the owners more aware of these meetings.

The Committee will be working on the plans for the Annual Meeting at the April meeting.

The Outreach Committee is planning to bring a proposal to the Board for a process which can be used by the owners to interface with the Board.

8. 2005 Goals: The Management Team presented the Board with wording for the remaining two goals. Herb moved that the Board adopt them along with the other three. Gwyneth Bowman seconded the motion, and it was passed by unanimous consent.

The adopted goals for 2005 are:

- The General Manager will present to the Board a cost/benefit analysis on obtaining organic certification by the October Board meeting.
- The General Manager will present to the Board a feasibility study on opening a second store in the Rogue Valley by the March Board meeting.
- A review of owner and senior benefits and recommendations will be distributed to the Board by the March Board meeting.
- AFC will use savings from the changes in owner benefits to lower retail prices.
- To increase owner involvement to include these objectives:
 - Have a better-attended annual meeting.
 - Form focus groups as needed to continue to build owner linkage.
 - To include owners on committees.

9. General Manager's Report: Richard reported that he has been very busy with the owner's benefits and the feasibility study. The Co-op is still searching for a Deli Manager, but staff has become very involved in filling the Deli Manager's duties in the meantime.

Richard handed out the New Store Feasibility Study and asked that Board members contact him if they need further information.

10. Minutes Review: The February Board minutes were reviewed, amended and approved.

11. Finance Committee Meeting Minutes: There was no Finance Committee meeting last month.

12. Financial Report (Questions): The Board reviewed the financial reports provided by the Financial Manager. It was noted that the Co-op now has more than 3,000 members.

The regular Board meeting was adjourned at 7:45 p.m and was followed by an Executive Session. The next regularly scheduled Board meeting will be on Wednesday, April 13, 2005 at 6:30 p.m. with Erik Wallbank facilitating.

The GM report and Committee reports are available on request.

BOARD ACTIONS:

1. The Board voted to adopt the concept for the senior/disabled discount to be reviewed by the Management Team which will present a final version for vote in April.

2. The Board adopted the following goals for 2005:

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- The General Manager will present to the Board a feasibility study on opening a second store in the Rogue Valley by the March Board meeting.
- A review of owner and senior benefits and recommendations will be distributed to the Board by the March Board meeting.
- To use savings from the changes in owner benefits to lower retail prices.

- To increase owner involvement to include these objectives:
 - Have a better-attended annual meeting.
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 - Include owners on committees.

Minutes were amended and approved by the Board on April 13, 2005.