

Board of Directors Meeting

March 8, 2006

APPROVED

Ashland Food Cooperative
237 North First Street
Ashland, OR 97520

Board members present: Erik Wallbank, Joe Golton, Herb Heiman, Glenn Hill, Richard "Ric" Sayre, Gwyneth Bowman and Serena St. Clair. Others present: Richard Katz, General Manager; Annie Hoy, Outreach/Owner Services Manager; Kevin Bendaw, Staff Council Liaison; Leslie van Gelder, Board Assistant.

The meeting was called to order at 5:30 p.m. by facilitator, Erik Wallbank.

1. Announcements: There were no announcements.
2. Check In: Done.
3. Agenda Review: The agenda was reviewed, amended and accepted.
4. Owner Forum: No owners were present at the meeting.
5. Staff Council: Kevin Bendaw reported that elections were held and two people were elected to the Council, John Miller and James Dills. There will be three seats open on Staff Council in July. An attempt is being made to recruit women candidates for the next election.
6. Board Applications: Board applications will go out to interested candidates on March 13th. The deadline for returning them is April 7th. There will be three positions open – Serena St. Clair's, Herb Heiman's and Joe Golton's. In order to begin the staggered vacancy system, the candidate receiving the least number of votes in the 2006 election will serve a two-year term, while the other two positions will be three-year terms.
7. Medford Market: Richard Katz received an email from Velda Welch asking if some people from the Medford Market could attend the April Board meeting and make a Powerpoint presentation of their project. Richard will extend an invitation to them to attend the meeting. We will also request that they give us a monthly progress report in the future. In the meantime, Annie Hoy will email the Medford Market timeline and grant application to the Board.
8. Financial Report/Finance Committee: Treasurer Joe Golton offered Board members an opportunity to review and discuss the 2006 budget. The Board discussed the senior discount

"saving" being diverted to the basic pricing program. In 2006, the emphasis will be on reducing produce prices.

9. General Manager's Report: General Manager Richard Katz presented his report for February and answered questions from the Board.

10. Minutes Review: The minutes from January 2006 were reviewed, corrected and accepted.

11. Outreach Committee Report: Herb Heiman presented the Outreach Committee's recommendation for modifications to Owner Appreciation Day (OAD) and the Owner Meeting in June. Feedback was collected from staff, surveys, and a focus group of ten owners in forming the following recommendation for the rest of 2005.

In each newsletter for the rest of the year, the coupons inserted would be:

- May/June – One \$5.00 off coupon and one 10% discount coupon
- July/August – Two \$5.00 off coupons
- September/October -- One \$5.00 off coupon and one 10% discount coupon
- November/December -- Two \$5.00 off coupons

This suggested modification would result in three fewer \$5 off coupons and one less 10% discount day to offset the fact that more owners will be taking advantage of the 10% opportunities. This system would be reviewed at the end of the year to determine the economic impact it would have.

Many shoppers enjoy the festive atmosphere at the Co-op during Owner Appreciation Days. To compensate for this, the Outreach Committee suggests that the Annual Meeting and a Co-op "birthday" celebration during National Co-op month in October could make up for the loss of the festive aspect of OADs.

The Board discussed other options, including limiting the dollar amount subject to the 10% discount, adding an extra incentive for using the discount before 11 am, and disallowing the discount on supplements and cases already discounted.

The board supports the concept of replacing Owner Appreciation Day with another form of discount, as long as it doesn't substantially increase owner upfront benefits as a percent of sales. Richard and the management team will refine their ideas and present a proposal for replacing Owner Appreciation Day at the next meeting.

The public portion of the Board meeting was adjourned at 7:45 pm, followed by an Executive Session. The next regularly scheduled Board meeting will be on Wednesday, April 12 at 6:30 pm with Erik Wallbank facilitating.

The GM report and Committee reports are available on request.

BOARD ACTIONS:

· The Board approved authorizing management to replace Owner Appreciation Day with another form of discount, as long as it doesn't substantially increase owner upfront benefits as a percent of sales.

The minutes were amended and approved by the Board on April 12, 2006