

Board of Directors Meeting

May 11th, 2004

APPROVED

Ashland Food Cooperative
237 North First Street
Ashland, OR 97520

Board members present: Glenn J. Hill, Joe Golton, Richard "Ric" Sayre, Serena St. Clair, Diane Taudvin, Herb Heiman, Gwen Bowman, and Erik Wallbank. Also present were: Richard Katz, GM; Annie Hoy, Outreach Coordinator/Owner Service Manager; and Matt Farrow, Staff Council Liaison. The meeting was called to order at 6:30 p.m. by facilitator, Erik Wallbank.

1. Announcements: New Board member Gwen Bowman was introduced and welcomed to the Board.
2. Check In: Done.
3. Agenda Review: The agenda was reviewed, amended and accepted.
4. Staff Council: Matt Farrow reported that elections are being held to fill the two open positions on the Staff Council.
5. Officer and Committee Appointments: Glenn Hill was re-elected to the Board by a vote of 304 and new member Gweneth Bowman was elected by a vote of 279. By unanimous consent officers for the coming year were voted in and committee membership was assigned:
 - President - Erik Wallbank
 - Vice President - Herb Heiman
 - Treasurer - Joe Golton
 - Secretary - Glenn Hill
 - Finance Committee - Joe Golton (Chair), Glenn Hill, Erik Wallbank
 - Board Development - Serena St. Clair (Chair), Ric Sayre
 - Outreach - Herb Heiman (Chair), Gwen Bowman
6. Audit for 2004: On behalf of the Finance Committee, Treasurer Joe Golton proposed that the Board authorize the finance committee to engage a CPA firm for a 2004 audit. Glenn Hill seconded the motion and it was passed by unanimous consent.
7. First Quarter Review: Sales continue to grow. First quarter sales were 2.1% above the budgeted amount for the first quarter. An additional principal payment of \$100,000 was made on the mortgage in April.

8. By-laws Changes: Glenn Hill proposed that an Owner/Member vote be taken to change the By-laws by adding the words, "who are owners" to the end of the sentence in Article IV, Board of Directors, Section 4.3, which currently reads, "The staff director shall be nominated and elected by the staff."

Gwen Bowman seconded the motion, and it was passed by unanimous consent. The Board agreed that the term "staff director" in the By-laws is ambiguous in regards to whether management staff can serve on the Board but decided to leave the term as it is for now.

This change and the previously approved proposal to change the nominating process will be sent to the membership in the November/December newsletter for a vote. The first sentence of Article IV, Section 4.3 would be changed to read, "Patron directors may be nominated by the Board, by a nominating committee appointed by the board, or by petition signed by at least fifty owners and submitted to the Co-op at least forty-five days before commencement of election of directors. "

Eric Wallbank proposed that a ballot be added to the November/December newsletter for voting by the members on the By-Laws changes. Serena St. Clair seconded the motion, and it was passed by unanimous consent.

9. Review of First Year as a Co-op: The Board discussed the successes of the first year as a co-op and also looked at possible changes to the member benefits, improving member outreach, and ways to increase membership among AFC staff. It was agreed that all-in-all, the first year was successful on many levels.

10. General Manager Report: Richard Katz reported that the proposal to reorganize the National Cooperative Grocers Association passed by 89 out of 91 votes. Therefore, the regional association, the NWCGA (Northwest Cooperative Grocers Association) will be dissolved and its assets forwarded to the NCGA. May 13th and 14th, AFC will host a regional meeting of the NWCGA. Richard reports that AFC is one of the six largest single co-op stores in the country.

Richard has hired an organization to work on strategic planning to put together a customer market survey which will provide demographic information.

Richard initiated a discussion to be continued by the Finance Committee on the feasibility of raising the starting wages for staff at AFC.

11. Financial Report: The financial report was covered under item #7, First Quarter Review.

12. Minutes Review: The Board reviewed and amended the April minutes and moved to accept them with changes.

13. Finance Committee: Joe Golton presented the minutes of the Finance Committee for the record. There were no questions.

14. Outreach Committee: There was no report this month, as the committee did not meet in April.

15. Member-owned Health Plan: Glenn Hill reported that he has talked with Arnie Freyman regarding the Elements Health Plan which could provide health and wellness insurance to AFC Owner/Members. It would be necessary to find out how many Owner/Members would be interested in being insured in order to get quotes on policy costs.

16. Parting Words from Diane Taudvin: This was Diane's last meeting as a working member of the board, and the Board expressed their sorrow at losing Diane's contributions and their pleasure at having served on the Board with her. Diane thanked the Board for the opportunity to serve and for all she had learned during her tenure. In parting, she offered some ideas which will be discussed at future meetings.

15. Staff Council/Owner/Member Follow Up: Done

16. Meeting Evaluation: Done

The meeting was adjourned at 10 pm. The next regularly scheduled Board meeting will be June 8, 2004 at 6:30 p.m. with Erik Wallbank facilitating.

The GM report and Committee reports are available on request.

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

BOARD ACTIONS:

- Officers for the coming year were voted in: President - Erik Wallbank; Vice President - Herb Heiman; Treasurer - Joe Golton; Secretary - Glenn Hill
- The Board authorized the finance committee to engage a CPA firm for a 2004 audit.
- A vote will be sent to the membership in the November/December newsletter to change the By-laws by adding the words, "who are owners" to the end of the sentence in Article IV, Board of Directors, Section 4.3, which currently reads, "The staff director shall be nominated and elected by the staff."
- The Owner/Members will also be asked to vote to change the first sentence of Article IV, Section 4.3 to read, "Patron directors may be nominated by the Board, by a nominating committee appointed by the board, or by petition signed by at least fifty owners and submitted to the Co-op at least forty-five days before commencement of election of directors."

Minutes were amended and approved by the Board on June 8, 2004.