

**Ashland Food Cooperative
Board of Directors Meeting
November 10, 2010
APPROVED**

Board members present: Guy Nutter, Peter Hoyt, Gwyneth Bowman, Glenn Hill, Joanie Kintscher, Ric Sayre and Elizabeth Robinson **Employees present:** Richard Katz, General Manager. **Others:** Ellen Craine, Facilitator; Jenica Faye, Board Administrator.

The Meeting was called to order at 6:00pm by Ellen Craine.

AGENDA ITEM	DISCUSSION POINTS	ACTION TAKEN	REMINDERS/ FOLLOW UP
Announcements	<ul style="list-style-type: none"> • Gwyneth announced that the Farm to School Group appreciated the Board's support throughout the year. The Siskiyou Challenge was also noted to be an amazing success. • The side room at Standing Stone has been reserved for the next meeting which will be held December 8, at 6 pm • Guy donated a book about Switching to the Mac • Eagle Point High School teacher commented on her appreciation of the bins that were donated. Eagle Point has the most successful school recycling program in the state. 		
Owner Forum	<ul style="list-style-type: none"> • Owner Fred Caruso commented on his desire to see less confrontational interaction with staff and that there be a better procedure for staff to handle customer grievances. • Owner Emile Amarotico shared his gratitude with the General Manager and the Board for their valued assistance in helping the Medford Food Co-op get going. • Staff Council member C.R. Moreno attended to observe and report to the council. 		
Agenda Review	Done	Approved.	
Calendar of Opportunities & Expectations	<ul style="list-style-type: none"> • The Board holiday dinner will be at Standing Stone on December 8 at 6 pm. 		
Training Opportunities	<ul style="list-style-type: none"> • Organicology will be in Portland, 2/10/10-2/12/10 • CCMA will be in San Diego, 6/16/11-6/18/11 		Visit organicology.org & ccma.coop

Consent Agenda	<ul style="list-style-type: none"> The board unanimously approved all Consent Agenda items. 	The board approved all Consent Agenda documents.	
GM Report	<ul style="list-style-type: none"> Gwyneth commented that it is concerning that the staff have less Board Recognition. Some suggestions to improve recognition were to give a document to new hires, perhaps in Orientation, so they learn about the Board early on. Staff survey follow up will be discussed at the MT meeting and the Board will learn more as decisions are made. One Director observed that there may be a connection between communication and staff training support. She suggested a workshop on communication for managers. Directors noted that survey results “I feel confident that safety concerns I raise will be addressed,” and “I plan to continue my career at the co-op.” were not as good this year, but the overwhelming majority of responses were better than the previous year, which the Board appreciated. It was suggested that staff council take initiative to attend Board meetings on a frequent basis. The Board shared their appreciation of the survey being given and Richard said it has been important to management for several years now. 		<p>Generate document given to new hires that introduces Board members and Board function.</p> <p>Richard will let the Board know about the Staff Survey follow up.</p>
Family Health Benefits	<ul style="list-style-type: none"> The finance committee met and discussed family health benefits and brought a proposal to the Board. The main topic was the labor cap (which is currently 23% of sales). The labor cap includes wages, benefits, employee discount, medical insurance, employee medical expenses, vacation pay, social security, taxes, worker’s compensation, 401k and employee relations. If all of the above benefits are less than 23% the employees get a bonus. The FC and MT discussed the difficulty of fluctuating health insurance costs affecting the bonus from quarter to quarter. The solution seemed to be extracting medical expenses from the labor cap. MT took an average of medical insurance costs over the past 3 years which 2.37% of sales. Richard and Sharon worked together to see what the cost would be if every survey participant signed on for more affordable family health insurance for employees, it would cost the co-op approximately 60,000. Families would be responsible for some costs but it is essentially a plan subsidized by the co-op. it will lead to higher costs for the 		

	<p>co-op but the plan would be revisited each year to determine whether the prices/plan need to be adjusted.</p> <ul style="list-style-type: none"> The third proposal is to increase the hourly wage by .50 cents. It increases the labor cost and the effect of that is that employees who have been with the co-op the longest are somewhat penalized to help the lowest paid employees. The cost of a 50 cent per hour raise for all employees would be about \$155,000 annually. If half of this cost was added to the labor cap it would result in an increase to the cap of .32% of sales. The new labor cap would be 20.95% of sales. The net increase in expenses is approximated at \$140,000 annually. (See attached proposal) If medical expenses in a given year were extra high it would no longer affect the labor cap, the store would be taking that expense on. The effective date will be January 1, 2011. Board and Staff Council shared their appreciation of the idea of removing the medical expenses from the labor cap to encourage productivity. They said that they felt it made perfect sense and commended management and HR for all their hard work creating the proposals. 	<p>The Board unanimously accepted the three proposals regarding Family Health Benefits.</p>	
<p>Financial Review:</p> <p>3rd quarter financial statements</p> <p>Board budget finalization</p>	<p>3rd Quarter Financials</p> <ul style="list-style-type: none"> 3rd quarter sales are up. However, the margin has crept up over the last few years. Deli growth is largely responsible for increased gross margin. The gross margin in the deli is twice the rest of the store and so is the payroll in the deli. Expenses staying as low as they have been year to date is a great sign since deferred maintenance has been done and some purchases weren't budgeted for. In 3 quarters earnings are at the level budgeted for the entire year. Decisions to increase certain departments and decrease others were observed as right on. The choice to purchase environmentally sustainable products even though they are more costly was commended. <p>Board Budget</p> <ul style="list-style-type: none"> \$8,000 below last year's budget The cost of Cheryl Good was included this year. The Board is absorbing the cost of the Board/MT training. 	<p>The board unanimously</p>	

	<ul style="list-style-type: none"> Guy worked together with Christina to generate the budget, which is simply an estimate. If expenses are lower or higher that is acceptable. 	approved the proposed Board budget.	
Meeting Evaluation	<ul style="list-style-type: none"> Directors appreciated that everyone has done their homework. Guy's Labor Cap explanation was very much appreciated. And Guy in turn thanked Richard, Sharon and Christina for all their work in proposing the Labor Cap solution. Moreno shared that 1 of the 5 staff council members will attend more meetings in the future – they are motivated. 		

The meeting was adjourned at 7:00 pm.

Board Actions:

The following Consent Agenda Items were approved:

- October Board Meeting Minutes
- October Executive Session Minutes
- Committee Reports:
 - Outreach Committee Minutes 10/5/10
 - Finance Committee Proposal to Reappoint Owner Volunteer for additional one-year term
 - Revised Finance Committee Manual
 - Social Responsibility Committee Annual Report 2009-2010
 - Social Responsibility Committee Charter (Revised Sept 2010)
- All 3 proposals by the Finance Committee & Management Team regarding Family Health Benefits were approved.
- The 2011 Board Budget proposed by the Finance Committee was approved.

The next regularly scheduled Board meeting will be on Wednesday, December 8, 2010 at 5:00 p.m. with Ellen Craine facilitating. The meeting will adjourn at 6 pm and the Board will attend their Holiday Party at Standing Stone.

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.

Minutes were kept and prepared by the Board Administrator, Jenica Faye.