



**ASHLAND
FOOD CO+OP**
— BOARD OF DIRECTORS —

Board Meeting Minutes

June 13, 2018

APPROVED

Present: Gwyneth Bowman, Aaron Jarvi, Gary Einhorn, Julie O'Dwyer, Jeff Golden, Charlie Douglass, Ed Claassen.

Others present: Emile Amarotico, General Manager; Abby Lazerow, Board Administrator.

Facilitator: Gary Einhorn Timekeeper: Aaron Jarvi

	ITEM DESCRIPTION	DISCUSSION
1.	Positive Affirmation	<ul style="list-style-type: none">Ed Claassen led the positive affirmation.
3.	Announcements and Opportunities	<ul style="list-style-type: none">To date, 903 voters have participated in the election.Directors were asked to update their vacation calendars.The Rogue Valley Farm tour will be held in July.June 23 is the CCMA review and orientation for new directors.The keynote speaker at CCMA, Eric Holt-Gimenez, was inspiring.
4.	Agenda Review	<ul style="list-style-type: none">Done.
5.	Consent Agenda:	The following consent agenda items were unanimously approved. <ul style="list-style-type: none">Board Meeting Minutes, May 9, 2018Executive Session Minutes, May 9, 2018Board Finance Report, April 2018Finance Committee Charter, Revised 6-2018Finance Committee Manual, Revised 6-2018
6.	New Director Orientation	<ul style="list-style-type: none">Charlie Douglass will assist the transition of the new Board Treasurer.The new director orientation guidelines have been updated, with specific roles for the President, Vice-President, Treasurer, Board Administrator and mentors.
7.	Community Grants Committee/External Relations Committee Consolidation; Grants Manual	<ul style="list-style-type: none">The Executive Committee proposed the Grants Committee be integrated with the External Relations Committee. Although the External Relations committee has been focusing primarily on Rogue Co-ops, distributing grants to the community is another way to carry out external affairs.One Director wished to explore creating a foundation that could help generate AFC grant funds.The Board unanimously approved integrating the Grants Committee into the External Relations Committee.

8.	Board/Owner Events	<ul style="list-style-type: none"> Three owner events were proposed by the Owner Engagement Committee: Beer with the Board, an owner forum about expansion and a social event with owners before or after a board meeting. The Board agreed to hold the Beer with the Board event on September 26. The Board will discuss other fall owner events in August.
9.	Scheduling Exit Interviews	<ul style="list-style-type: none"> The BDC asked to schedule exit interviews with the two directors leaving the Board at the end of June
11.	Scheduling Fall Board Retreat	<ul style="list-style-type: none"> The Board discussed scheduling a fall Board retreat. Julie will send out a Doodle Poll.
12.	CCMA Overview and June 23 CCMA Presentations	<ul style="list-style-type: none"> Directors were encouraged to attend the June 23 meeting for a fuller discussion about CCMA. Emile noted that the focus of the event was generally broader than the NCG meetings he has attended. Those who attended were pleased to have the opportunity to meet a broad range of board members from other co-ops and to hear from experienced executives and senior managers. The format of the keynote speakers and multiple tracks of break out sessions worked well. AFC's CCMA presentation was well received. Co-ops were interested in the collaborative approach to strategic planning with the MT and Board.
13.	Finance Report	<ul style="list-style-type: none"> There were 58 new owners in one month. Owner sales are 80% of income. Owners are the Co-op's most dedicated shoppers. Employee benefits were 5.4% of sales in 2017; in 2018, benefits are only 2.3% of sales. The productivity bonus is still negative by \$112,000. \$176,000 has already been allocated to the patronage dividend this year. Last year only \$16,000 had been allocated at this time. Thanks to the Finance Manager's efforts, the Co-op's return on investments is improving. The GM and FM will give a presentation about finances at the August Board work session. There have been relatively few negative comments concerning this year's patronage dividend.
14.	GM Report	<ul style="list-style-type: none"> The GM and the FM are starting to look at a 5-year model to project future growth and development. The 10% coupons do not offer enough of a lift in sales to be offered every month. A 10-12% lift is needed to cover the discount expenses, but the store is only getting an average of 5 or 6%. It is good to have balance with other benefits, such as the patronage dividend. The new Store Manager's transition is going extremely well. The owner email list is being cleaned up and there have been very few bounced emails. The new temporary Marketing Manager will start on Monday. The RE team is waiting for a reconciled appraisal from Umpqua Bank. Rianna Koppel has taken the part time position of AFC's Sustainability Coordinator.
15.	Real Estate Proposal	<ul style="list-style-type: none"> The Board discussed the architect's proposal during its dinner work session. Ed proposed the Board authorize the expenditure of \$14,600 for the architectural team to consider possible use of the Clear Creek, Umpqua Bank and current Co-op properties. The Board unanimously approved this proposal.
16.	Board Officer Intentions and Committee Interest	<ul style="list-style-type: none"> The Board discussed possible changes in Board officer positions and committee chairs. The Board Administrator will create a list and share it with the Board
17.	Owners Forum	<ul style="list-style-type: none"> Owner Al Karger thanked the Board for the patronage dividend, which he spent at the Co-op. Owner and Finance Committee volunteer Larry Cooper requested more visible signage and regular emails

		<p>about upcoming Board meetings. He suggested the Co-op focus on creating a branded online delivery service, as well as an electric delivery vehicle to bring people who are not mobile to the store. Cooper said the meeting showed the focus and attention the Board spends on considering expansion and the future. He had concerns the Co-op will be challenged to support an expansion that will require going into debt. It is important to have a plan and the knowledgeable expectation that if the Co-op takes on a big project, there will be enough expansion in sales.</p> <ul style="list-style-type: none"> • Trine Ostergaard enjoyed attending the meeting. She recently participated in a leadership course in food systems and noted City Market in Burlington, VT is going through a similar expansion.
	Action Items	<ul style="list-style-type: none"> • The proposal to hire the architectural team to create a study of best use was unanimously approved. • The Community Grants Program was integrated into the External Relations Committee. • The Board approved the September 26 "Beer with the Board" event. • Julie will send out a Doodle poll for dates for the fall Board retreat. • Two directors each will take part in the Board director exit interviews.
18.	Meeting Evaluation	<p>Roses:</p> <ul style="list-style-type: none"> • The discussion with Carlos Delgado and Jerome White about the real estate proposal was appreciated. The architectural team cares about the Co-op and the process. • The timekeeping and facilitation were well done. • Tonight's meeting was a thoughtful and consensus-collaborative process. The group is congenial and works well together. • The owner's candor was welcomed and appreciated. • Aaron and Charlie were thanked for their service to the Board. <p>Thorns:</p> <ul style="list-style-type: none"> • All directors did not do a thorough job of reading the architect's proposal; directors must take on the responsibility to take the time to do that so the process is not slowed down. • There is some apprehension about the work that will need to be done this coming year.

The meeting was adjourned at 8:02 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.