



**Board Meeting Minutes**  
February 13, 2019  
APPROVED

**Present:** Gwyneth Bowman, Julie O'Dwyer, Ed Claassen, Dean Williamson, Mira Wonderwheel, Trine Ostergaard, Stephen Bowman.  
**Others present:** Emile Amarotico, General Manager, Abby Lazerow, Board Administrator.

Facilitator: Trine Ostergaard Timekeeper: Mira Wonderwheel

The meeting was called to order by Trine Ostergaard at 6 p.m.

	ITEM DESCRIPTION	DISCUSSION	ACTION
1.	<b>Positive Affirmation</b>	<ul style="list-style-type: none"> <li>● Dean Williamson led the positive affirmation.</li> </ul>	
2.	<b>Announcements and Opportunities</b>	<ul style="list-style-type: none"> <li>● The Board welcomed Stephen Bowman as a new Board director.</li> <li>● The Candidate Information Night will be held on March 20 in the Co-op classroom at 7 p.m. Candidate applications will be due on March 29.</li> <li>● Julie will attend the March meeting by conference phone.</li> </ul>	
3.	<b>Agenda Review</b>	<ul style="list-style-type: none"> <li>● Done.</li> <li>● The Names of Nominating Committee document was pulled, pending appointment of an owner volunteer.</li> </ul>	
4.	<b>Consent Agenda:</b>	<p>The following Consent Agenda items were approved:</p> <ul style="list-style-type: none"> <li>● Board Meeting Minutes, January 2019</li> <li>● Executive Session Minutes, January 2019</li> <li>● Board Finance Report, December 2018</li> <li>● 2019 Board Elections Packet</li> <li>● 2018 Board Actions</li> </ul>	The Board unanimously approved the Consent Agenda.

		<ul style="list-style-type: none"> <li>● Guidelines for Board Committees, Revised 2-2019</li> <li>● AFC Board Manual – Paying Board Contract Consultants, Revised 2-2019</li> <li>● Executive Session Policy and Procedures, Revised 2-2019</li> </ul>	
5.	<b>Secretary of External Relations Position</b>	<ul style="list-style-type: none"> <li>● The additional Board officer position of Secretary of External Relations was created relative to Jeff Golden's role on the Board. Now that he has resigned because of his election to the Oregon State Senate, the Executive Committee recommended the Board eliminate that officer position.</li> <li>● The Board President moved to eliminate the SER position. The Board unanimously agreed to eliminate the position.</li> <li>● The committee for External Relations will continue and is now being chaired by Steve Bowman.</li> </ul>	The Board unanimously agreed to eliminate the SER position.
6.	<b>Grants Committee Criteria</b>	<ul style="list-style-type: none"> <li>● The Grants Committee is reviewing their charter and manual.</li> <li>● Online applications for grants will be available starting February 15. This year approximately \$24,000 will be distributed to organizations.</li> <li>● The Grants Committee is developing a definitive evaluation checklist. The program funds only 501C3 organizations.</li> <li>● The Committee is investigating changing the grants process in order to have a larger impact. Organizations requesting funds for nutritional needs may be given Co-op gift cards instead of cash.</li> <li>● The Grants Committee is researching funding a foundation, potentially through Twin Pines Cooperative Foundation. The Committee is also investigating a round-up program. Round up funds could be donated to one organization a month.</li> <li>● The Grants Committee suggested the grants program be renamed to "AFC Gives."</li> <li>● The Grants Committee will be submitting a request for owner volunteers to serve on the grants committee. Other committees interested in having owner volunteers, should submit their request to the Board Administrator by Feb. 25.</li> </ul>	
7.	<b>Review of Status of Board Goals</b>	<ul style="list-style-type: none"> <li>● The Executive Committee had discussed reviewing Board goals and evaluating goal progress at the monthly Board meeting. This will be added to the monthly meeting agenda.</li> <li>● Goal A. <i>Advance progress in developing solutions to space issues</i> The Co-op is close to finalizing negotiations for signing a lease with Umpqua Bank for the space previously held by a real estate management company. Emile and Ed are active in conducting some other negotiations to enlarge our capacity.</li> <li>● Goal B. <i>Strategic Plan.</i> Meetings with the Board and MT are scheduled for April and May. Emile, Ed, Trine, Gwyneth, Kelly and Barry are members of the SPSC</li> </ul>	

		<ul style="list-style-type: none"> <li>● <i>Goal C. Consider recommendations from the BDC re: optimal number of directors, role, changes in stipends and benefits</i> The BDC has made some recommendations to the Board. The Executive Committee has suggested some changes to the Bylaws that will parallel these recommendations. Emile, Dean, Mira, Julie, and Abby are members of the BDC.</li> <li>● <i>Goal D. Interface with marketing and education</i> The OEC has been working closely with the Marketing Director. There are a number of new initiatives, including First Friday events in the summer. There is a new plan for the AFC Annual Meeting. Trine, Tracy, Gwyneth, Steve, and Abby are members of OEC.</li> <li>● <i>E. Explore and consider implementing ongoing funding for Grants</i> The Grants Committee is investigating funding. Ed, Julie and Emile also spoke with David Thompson of Twin Pines to learn how to utilize their foundation to grow an AFC grants foundation. Matching funds may be available. Emile, Trine, Mira, Julie, and Tracy are members of the Grants Committee.</li> <li>● <i>F. Strengthen diversity and inclusion</i> The entire Board is involved in this goal.</li> <li>● <i>G. Consider opportunities to minimize impact of the business on the environment and climate</i> The work of the Sustainability Committee supports this goal.</li> </ul>	
8.	<b>MEETING BREAK</b>	No meeting break was taken.	
9.	<b>2019 Co-op Operating Budget</b>	<ul style="list-style-type: none"> <li>● The Board Treasurer reported the 2019 Co-op budget was finalized. This would have been a robust year, but smoke has had large impact on store operations. The GM reported the biggest difference in this budget compared to other years was that labor costs have been rising over past two years as a result of Oregon Minimum Wage annual step increases and will continue to rise over the next three years. The labor cap was temporarily altered from 22.12% to 22.85% of sales, while raising margins slightly for at least one year.</li> <li>● We are in a high-priced labor market compared to some other co-ops. The Co-op pays a good living wage and offers excellent benefits. Food prices have been stable but labor is going up. Last year the labor cap was exceeded by about \$37,000. A productivity bonus is not likely this year. If the labor cap was kept the same, labor expense overage would reduce profit-sharing, which would impact employee morale.</li> <li>● The Co-op has a self-funded health insurance. Traditional health plans are 20% more than what the Co-op is paying. Currently health care costs are down to about</li> </ul>	

		<p>3% of sales after several years of higher claims and costs exceeding 4.0%.</p> <ul style="list-style-type: none"> <li>● The Board asked to be informed about financial results from Marketing Department efforts in a future work session.</li> <li>● The Board unanimously approved the 2019 Co-op budget, including a temporary increase of the labor margin.</li> </ul>	
10.	<b>2019 Annual Meeting</b>	<ul style="list-style-type: none"> <li>● The OEC suggested the 2019 Annual Meeting be held on June 7 in the Co-op classroom, immediately before First Friday festivities.</li> <li>● The Board unanimously agreed to hold the 2019 Annual Meeting on June 7.</li> <li>● The OEC will be responsible for the event, with some input from the Executive Team. Trine will convene a meeting with Ed, Emile, Steve Davidson, Tracy and Abby.</li> </ul>	
11.	<b>Board Finance Report</b>	<ul style="list-style-type: none"> <li>● January and February numbers look very strong.</li> </ul>	
12.	<b>GM Report</b>	<ul style="list-style-type: none"> <li>● A new random customer survey program started in early January. 5% of customers received a receipt requesting they take the online survey. 5% of 3000 have responded. If the shopper takes the survey, they receive a code for \$5 off their next purchase. 80% are redeeming the coupon. The survey showed 74% satisfaction system-wide. The availability of products received lowest satisfaction, with 63%. 88% of shoppers are likely to return and 76% would recommend the store to others.</li> <li>● The Tech Department is working to implement online suggestion and comment forms on the website.</li> <li>● There has been positive sales growth in the past three months.</li> <li>● The Administrative Leadership Team, comprised of the GM, SM, HRM, M&amp;EM, FM and ITM is collaborating on a comprehensive smoke response plan. A director suggested coordinating with other organizations, such as OSF and YMCA.</li> <li>● The employee break room upgrade has been completed.</li> <li>● Employees can now have a virtual conversation with a doctor, with no co-pay. The costs are \$35 for the Co-op versus \$275 for a traditional visit.</li> <li>● The Twin Pines community fund invests in national co-op development activity and pays approximately 3% interest on AFC funds. The Co-op can direct how their 3% is used. The fund's principal is invested in other co-ops in a way that leverages their buying power and is not tied to the stock market.</li> </ul>	
13.	<b>Owners Forum</b>	<ul style="list-style-type: none"> <li>● Owners Lisa Beam, Maria Stoecker, Alice Martin, Nancy Quintanella, Dan Maymar, Angelina Cooke, Blaine Ross, Joseph Curl, Jim Pruitt, Helga Motley and Al Karger attended the meeting.</li> <li>● Al Karger asked when the lease of new office space would start. The Co-op hopes</li> </ul>	

		<p>to rent it within a few months.</p> <ul style="list-style-type: none"> <li>● Al also asked a question about the labor cap. The GM explained the wages and taxes that are paid on employees in addition to health care are budgeted to be 22.12 %. These were over 22.12% in 2018 by \$37,000. As a result, \$37,000 will be deducted from the approximately \$140,000 2018 profit-sharing bonus before distribution to employees.</li> <li>● Angelina Cooke is a new Co-op owner who wanted to learn about the Sustainability Committee. She is a member of the Draw Down Food Reduction group in Ashland and was interested in interfacing with the Co-op. The GM will introduce her to the Sustainability Coordinator.</li> <li>● Helga Motley suggested the new office space be used as a place for customers to socialize. The GM reported the space may be used for offices and the Co-op will also receive the benefit of additional parking spaces.</li> </ul>	

*The meeting was adjourned at 7:37 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.*