



**Board Meeting Minutes**  
 Wednesday, June 12, 2019  
**APPROVED**

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

Facilitator: Julie O'Dwyer                      Timekeeper: Steve Bowman

	ITEM DESCRIPTION	DISCUSSION
1.	<b>Positive Affirmation</b>	<ul style="list-style-type: none"> <li>Steve Bowman led the positive affirmation.</li> </ul>
2.	<b>Owners Forum</b>	<ul style="list-style-type: none"> <li>Owner Al Karger attended the meeting. He asked whether there were new ideas for parking at the store.</li> </ul>
3.	<b>Announcements and Opportunities:</b> Rogue Co-ops Contest Rogue Valley Farm Tour	<ul style="list-style-type: none"> <li>There have been two Rogue Co-ops Contest meetings so far; both were well attended. The next meetings will be June 25 at RFCU conference room in Medford and June 30 at the Grange Co-op in Central Point.</li> <li>The Co-op is looking for volunteers to assist at the Rogue Valley Farm Tour on July 22.</li> <li>Board election results will be officially announced on Friday.</li> <li>The Board wished departing Board directors Gwyneth Bowman and Mira Wonderwheel well. They were thanked for their excellent service.</li> </ul>
4.	<b>Agenda Review</b>	<ul style="list-style-type: none"> <li>Done.</li> </ul>
5.	<b>Consent Agenda:</b>	<p>The following consent agenda documents were unanimously approved:</p> <ul style="list-style-type: none"> <li>Board Meeting Minutes, May, 2019</li> <li>Executive Session Minutes, May, 2019</li> <li>Board Finance Report, April 2019</li> <li>Board Attendance Policy, Revised June 2019</li> </ul>
6.	<b>AFC Gives Event Review</b>	<ul style="list-style-type: none"> <li>There were 40 applications for grants. Organizations could request cash or gift cards. The AFC Gives Committee awarded 27 cash awards and gift cards for purchasing food at the store. Organizations could also take the opportunity to receive additional discounts for purchases by buying in bulk.</li> <li>Grantees will give reports in November and again in March.</li> <li>The AFC Gives committee was applauded for their work this year.</li> </ul>

7.	<b>2019 Annual Meeting Review</b>	<ul style="list-style-type: none"> <li>● The AFC annual meeting was poorly attended by owners.</li> <li>● The Board discussed the alternate idea of an annual meeting/picnic on a Saturday or Sunday afternoon. Perhaps the event could be held at a winery.</li> <li>● In addition to financial and state of the Co-op reports, the business meeting could include fun facts such as how many miles of burritos have been sold. Grantees could also be invited to the annual meeting to tell about their programs and their story.</li> <li>● The OEC recommended returning to the picnic format. In previous years several hundred people would attend. Good guest speakers also attracted attendees. The energetic marketing team could help make it a big event that owners look forward to.</li> <li>● Gwyneth was disappointed that managers and employees did not attend the annual meeting.</li> <li>● Trine reported the OEC is running out of ideas of how to engage owners and the next generation of owners. There is little interest in the governance of the Co-op. A picnic would be an invitation to owners to come and enjoy celebrating the Co-op.</li> <li>● Emile cautioned that the picnic format took significant resources to plan, coordinate volunteers for and execute, with dwindling attendance. Several years ago we agreed to decouple the Annual (Business) Meeting from the “celebration”. The result has been an efficient Annual Meeting program with permanent video recordings on our website. And this year we combined our recent successful forays into First Friday participation as a “community” celebration following the Meeting.</li> <li>● Emile also expressed concern about “flip flopping” from format to format each year without allowing time to establish traditions through iteration and continuous improvement.</li> <li>● Annual meeting events should not be scheduled on the same weekend as CCMA.</li> <li>● The Board will hold a future work session to discuss the purpose of the Board in relationship to owners.</li> </ul>
8.	<b>2019 CCMA Report</b>	<ul style="list-style-type: none"> <li>● Julie O’Dwyer attended the recent CCMA meeting in North Carolina. Her overall impression was that co-ops across the country are innovative in marketing, employment and custom products and we are behind the curve. Other Co-ops who are less financially successful than AFC are doing more.</li> <li>● The cooperative model tries to solve problems of the community and is in opposition to the current system of commerce that has become a problem in this country.</li> <li>● Diversity presentations were excellent.</li> <li>● It is essential the AFC Board continues to be involved in CCMA, participating and leading workshops. We have an immense knowledge base in this organization.</li> <li>● Next year’s meeting will be held during the first weekend in June in Sioux Falls, South Dakota.</li> <li>● Many co-ops had their production facilities and or/ private label products. Some had their own creamery, butcher or bakery. What differentiates coop from other providers is their focus on local and unique products and partnering or collaborating with food purveyors.</li> <li>● Many co-ops invested in the talent and passion of their workers. If an employee had a</li> </ul>

		<p>passion and wanted to take a department to the next level, then the co-op invested in that passion.</p> <ul style="list-style-type: none"> <li>• More ideas from CCMA will be discussed in a fall closed work session.</li> </ul>
9.	<b>BDC Recommendation, Number of Board Directors</b>	<ul style="list-style-type: none"> <li>• The BDC made a recommendation to increase the number of Board directors from seven to eight at this time, and possibly then to nine. Eventually there would be three Board directors up for election each election cycle.</li> <li>• The AFC Board has seven directors and eight committees, some of which require more than one board director to serve. Other boards typically have only three committees and do much less work as a whole.</li> <li>• The Board President made a proposal to add an eighth director for the coming year, beginning July 1, 2019 on a provisional basis of one year. The Board will review in January of 2020 whether to terminate that additional position or to permanently install the eighth seat.</li> <li>• The eighth candidate would be selected from the current slate of candidates. The top three candidates would receive three year terms, the fourth a two-year term and the fifth a one-year term.</li> <li>• The Board unanimously agreed to the proposal, with one director standing aside.</li> </ul>
10.	<b>MEETING BREAK</b>	No meeting break was taken.
11.	<b>Voting for Individual Bylaw Changes in the Future</b>	<ul style="list-style-type: none"> <li>• The Board received complaints from nine owners about not being able to vote for individual bylaw changes. About 10% of owners voted “no” to the bylaw slate. 90% voted “yes” to approve the bylaw changes.</li> <li>• Traditionally bylaw revisions are made as a whole slate with electors voting to accept or reject the slate.</li> <li>• The Board President proposed as a future practice that any recommended bylaw changes can be voted on individually.</li> <li>• The Board unanimously agreed to list bylaw changes individually in future elections.</li> </ul>
12.	<b>Mentoring of New Directors</b>	<ul style="list-style-type: none"> <li>• The Board president proposed to extend Gwyneth Bowman’s stipend to July, August and September to coordinate the new director orientation and to mentor new directors.</li> <li>• The Board approved this proposal with Gwyneth Bowman standing aside.</li> <li>• New directors will be assigned to a mentor. Ed, Trine and Julie will mentor.</li> </ul>
13.	<b>Board Finance Report</b>	<ul style="list-style-type: none"> <li>• The store has had seven straight months of positive sales. June is up 4.5% so far. Sales are 2.9% over last year.</li> <li>• Benefits are still favorable. YTD sales variance were 0.2% under budget.</li> <li>• Last year there were 14 days that had over \$100,000 in sales. There have already been 6 \$100,000 days this year. Last year to date, there was only one \$100,000 sales day.</li> <li>• Customer counts are up and the average basket is up through promotion.</li> <li>• The patronage dividend that is held back each year belongs to the Co-op as a group and is part of what we owners own together.</li> <li>• The Finance Committee discussed if the AFC Gives Committee could be able to access non-cashed patronage dividend checks. Owners would have to be informed that unclaimed</li> </ul>

		<p>funds would be used for that purpose.</p> <ul style="list-style-type: none"> <li>• Perhaps owners could have the option to permanently opt in to a round up program at the register.</li> <li>• To be non-taxable, an AFC Gives foundation would need to be a 501c3. The Twin Pines Foundation is set up to act as that investment vehicle, providing us with a steady return on our investment. A portion of the funds received from a round-up program could be directed to that foundation.</li> </ul>
14.	<b>GM Report</b>	<ul style="list-style-type: none"> <li>• One director requested the GM give a report that presented sales trends by departments. The director was interested in the impact of marketing campaigns on sales.</li> <li>• The Board President asked for a one-year update on the impact of adding the Store Manager position.</li> <li>• The Private Label Steering Committee agreed all products must meet product standards and have the potential to drive sales. New products should be local and unique and not similar to something already on the shelf. An R &amp; D process is needed. The committee hopes to introduce at least two new products per year.</li> <li>• The store smoke plan is starting to jell. Emile is implementing ideas for clean air in the store. He is also looking at delivery options during the smoke season. Employees will receive a \$30 coupon for a home air purifier.</li> <li>• Other community partners, including OSF, SOU, Ashland Community Hospital, and the YMCA are interested in AFC's ideas for dealing with periods of smoke.</li> <li>• IT/POS is working well. Tiger has moved from the store to Tech.</li> <li>• Emile recently presented the AFC Culinary scholarship to a deserving high school senior.</li> <li>• There are three great candidates for the energy management internship.</li> </ul>

*The meeting was adjourned at 8:05 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.*