



Board Meeting Minutes
 August 12, 2020
 APPROVED

Attending via video conference: Julie O'Dwyer, Ed Claassen, Charlie Douglass, Annie Hoy, Steve Bowman, Melina Barker and Lisa Beam. Emile Amarotico, Abby Lazerow.

Facilltator: Annie Hoy

Timekeeper: Melina Barker

	ITEM DESCRIPTION	DISCUSSION	ACTION
1.	Positive Affirmation	<ul style="list-style-type: none"> Mark Gibbs led the positive affirmation. 	
2.	Owners Forum	<ul style="list-style-type: none"> Owners Cassie Preskenis, Jane Ellen, David Wong, Taj Northington, Steve Shapiro, Lara Howell, Teresa Demarie, Ellen Williamson, Ana Luisa Guzman, Andres Rivero, Jules Zarate, Richard Spencer, Chessley Sexton, Joy Fate (?) and John Scarborough attended the meeting. Owner/employee Lara Howell said denial of the racist, homophobic and transphobic allegations brought to management is gas lighting and active racism. She has experienced explicit and implicit racism at the Co-op. She was disturbed that the employee was told by management that the experience he had and was posted, on the website did not happen. She reported that he was concerned about the experience for months. She stated that people of color have stopped reporting racism because they are told there is something wrong with them, and are told they are unstable and disposable. She promised to report any discrimination she experiences and will believe the victim, offering the benefit of a doubt. She expects nothing less from AFC and expects AFC to learn empathy. Owner/employee Taj Northington said she has dealt with many things at the Co-op that she should not have had to experience. The workplace should be safe for everyone. Being anti-racist is an action and a verb. She asked everyone to please be active in changing the AFC workplace and culture. Owner Jane Ellen sent AFC a single page handout about protecting Asian-Americans 	

		<p>and Pacific Islanders from racism in response to Covid-19. She requested a reply and heard it had been forwarded to HR, but she felt the issue was unimportant to AFC because HR did not follow-up to say if the handout would be posted. She asked the Board, Management Team and HR to 1) post the flyer; 2) have zero tolerance for racism; and 3) publicly, humbly and transparently acknowledge their shortcomings with the handling of racism within the Co-op culture. She asked that employees and owners be kept informed of AFC's plans to address racism and to fill positions of power with people of color.</p> <ul style="list-style-type: none"> ● Ellen Williamson offered her support for employees at AFC and asked for accountability. ● Cassie Prescenis stated she stands for friends who have had difficult experiences at the Co-op. ● Steve Shapiro saw postings online about racism at the store and was deeply disturbed. He said the allegations need to be taken seriously. ● Ed Claassen appreciated the courage of the owners who attended and those who showed up in support. He said the Board is listening attentively and much energy and attention is being put into the concerns voiced. While the website posting did not tell a complete story, voices have come forward to say that all is not well and the Board will not pretend that it is. He hoped the employee concerns would become a catalyst to create the help and forums needed to allow people to speak their truth. These issues will be addressed as an entire organization and as a community. The Board also plans to charter an Equity, Diversity, and Inclusion committee. ● Emile Amarotico said the testimony he heard was profound. He has heard snippets offline but not in the workplace. He was sickened to hear some employees experience racism in the workplace and pledged to move AFC forward with the rest of the nation. 	
3.	Results, Board of Directors Elections	<ul style="list-style-type: none"> ● Results of 2020 Elections. 1038 votes. Owners were voting for three candidates. The elected directors were Ed Claassen, 773 votes; Julie O'Dwyer, 771 votes; Mark Gibbs, 612 votes ● Owners also voted for their top Change for Good organizations. The Change for Good organizations selected were Rogue Valley Farm to School, Pollinator Project Rogue Valley, Our Family Farms Project, Klamath Siskiyou Wildland Center, Southern Oregon Land Conservancy, Maslow Project, Rogue Farm Corps, North Mountain Park Nature Center, Rogue Valley Mentoring, and AHS Culinary Arts 	

		Program.	
4.	Announcements and Opportunities	<ul style="list-style-type: none"> Employee training day is September 2. Ed and Melina will attend. Change for Good unofficially started in the later half of July and raised \$6000 for the Ashland Food Bank. Round-up funds will go to KS Wildland Center in August. Trine Ostergaard has resigned from the Board because she has moved to Denmark for one year. 	
5.	Agenda Review	<ul style="list-style-type: none"> Done. 	
6.	Consent Agenda	<p>Consent Agenda Documents:</p> <ul style="list-style-type: none"> Board Meeting Minutes, June, 2020 Executive Session Minutes, June, 2020 (confidential, unapproved) Board Finance Report, May 2020 Board Finance Report, June 2020 BDC Combined Charter and Manual, 8-20 GM Succession Plan, 2020 Finance Committee Combined Charter and Manual, 7-20 Board Director Terms of Office Policy, 7-20 Board of Directors Contact List, 8-20 Positive Affirmation Calendar, 2020-2021 Board Meeting Facilitation Calendar, 2020-2021 	The Consent Agenda was unanimously approved.
7.	Election of Board Officers and Board Committee Chairs	<ul style="list-style-type: none"> The Board discussed roles on the Board in the August Closed Work Session. Board Officers: Board President – Ed Claassen; Vice President – Julie O’Dwyer; Secretary – Annie Hoy; Treasurer – Mark Gibbs Board committees: <ul style="list-style-type: none"> Executive Committee, Ed Claassen Chair, GM, Board Officers and Board Administrator Finance Committee, Mark Gibbs, Chair, Ed Claassen, Lisa Beam, GM, two department managers AFC Gives Committee, Julie O’Dwyer, Chair; Melina Barker, Board Administrator, Jake Patoski, 2 owner volunteers Board Development Committee, Steve Bowman, Chair, GM, Board Administrator, Lisa Beam Owner Engagement Committee, Annie Hoy Chair, Steve Bowman, Melina Barker, Board Administrator, Marketing Department Representative, owner volunteer Strategic Planning Steering Committee, Ed Claassen, Co-chair, Lisa Beam, Mark Gibbs, Steve Bowman 	The Board approved the 2020-2021 slate of Board officers and committee chairs and committee members..

		<p>Proposed EDI Committee, Julie O'Dwyer, Chair, Annie Hoy, Melina Barker, HR Manager, AFCEA member, owner volunteers (and possibly others)</p> <ul style="list-style-type: none"> The Board approved the slate of Board officers, committee chairs and committee members. 	
8.	<p>Results, Actions without a Meeting 1) Authorization for Solar Agreement 2) Authorization for the GM to Act on the Behalf of AFC to Require Face Coverings for All Employees, Shoppers, Vendors and Contractors</p>	<p>Results, Action without a Meeting</p> <ul style="list-style-type: none"> Results of Vote by Email: On July 20, 2020, the Board of Directors unanimously agreed to authorize the GM to enter into a subscription agreement with Ashland Community Solar 2 (the Company) to purchase solar energy credits generated by the Company to apply to AFC's City of Ashland Electric Utility charges, and then to purchase the solar project assets after the fifth year of the agreement. Results of Vote by Email: On July 22, 2020, the Board of Directors unanimously authorized Emile Amarotico, General Manager, to act on behalf of Ashland Food Co-op in requiring face coverings for all employees, shoppers, vendors, contractors and other visitors effective Wednesday July 22, 2020 and so long as required to do so in the State of Oregon. Face shields and e-Grocery on-line shopping and curbside pickup services will be offered as reasonable accommodations for those who are not able or choose not to wear face coverings. 	Read into the minutes.
9.	<p>EDI Webinar Review</p>	<ul style="list-style-type: none"> Melina Barker recently attended a seminar called <i>Moving Beyond the Trauma, Covid-19</i>. She reported much of the work was very personal and uncomfortable, examining her own responses to trauma. The impactful workshop helped her understand how people are presenting in their work life and how to nurture compassion at work. She is also doing much EDI work in her work life. Annie Hoy is attending a six-month program called The Abolitionist's Challenge, led by LaDonna Sanders. They are currently focusing on a book called <u>My Grandmother's Hands</u> about racial body trauma and avenues for healing. Both directors will email links, book lists and related documents to the Board. 	
10.	<p>Creating an EDI Committee</p>	<ul style="list-style-type: none"> The Board President proposed the formation of an EDI committee, which would include Board directors, members of the management team, and owners. The first task of the committee would be to develop a charter with roles, goals and processes. The Board unanimously approved the proposal. Julie O'Dwyer agreed to be chair of the EDI committee. 	The Board unanimously approved the formation of the EDI Committee.
11.	<p>2020 GM Priorities</p>	<ul style="list-style-type: none"> The GM Priorities for 2020-2021 have not yet been formalized. The GM will continue working on: 1) Advancing the expansion initiative; 2) Increasing accessibility to healthy food for 	

		<p>the economically disadvantaged; 3) Preparing for climate change and other disruptions; and 4) Promoting Equity, Diversity and Inclusion.</p> <ul style="list-style-type: none"> • One director thought it was important for the GM to begin to represent AFC on a larger scale, increasing its leadership role on a regional and national level. • The 2019-2020 priority to define the store's private label strategy has been operationalized. Prepared Foods is working closely with Marketing and the Store Manager. The private label committee will also continue, led by the Store Manager or by the Marketing Manager. • Resilience to climate change threats has been operationalized. Emile is still looking for ways to have continued power if the grid goes down. • EDI will advance from being an overriding principle to becoming a primary priority.. • E-grocery and curbside pickup have been operationalized and are working well. • Emile will present his final list of 2020-2021 GM priorities to the Board at the September meeting. 	
12.	MEETING BREAK	<ul style="list-style-type: none"> • A 10-minute meeting break was taken. 	
13.	Strategic Planning Next Steps	<ul style="list-style-type: none"> • Ed discussed strategic planning next steps. The Strategic Planning Steering Committee met earlier this month and reviewed the new strategic initiatives, considering who might serve as the champion of each initiative. • Space/Expansion. Emile and Ed are in conversation with Umpqua Bank. • EDI: The Board established an EDI committee. • Creating Economic Accessibility: Emile will lead this initiative. • Enhanced Viability of Local Producers: AFC does not want to convene this initiative but is willing to sponsor it. There is a rural development program in Salem that has assisted with similar programs in different communities and might be able to facilitate and possibly provide some funding. The Ford Foundation may also fund rural issues. 	
14.	Co-op 101 Training Review	<ul style="list-style-type: none"> • After attending Co-op 101 Leadership Training, Mark Gibbs reported he learned much about co-ops, co-op history, principles and values, roles, and legal and ethical responsibilities, as well as governance, policy governance, board holism, and how context matters in problem solving.. The training also reviewed grocery business basics, key themes and trends, food security, delivery, safety and preparing for an uncertain future. The financial analysis and review included the metrics of grocery businesses, and the importance of having liquidity and solvency. 	
15.	Board Finance Report	<ul style="list-style-type: none"> • The Finance Committee recently reviewed second quarter financials. Second quarter sales of \$7.5 million were off 11% to budget and down 8% from same quarter in 2019. Gross margins were 38%. YTD sales were down 2.6% to budget. Average daily sales 	

		<p>were \$88,000 in June, with owner sales making up 84%. Sales were higher in July.</p> <ul style="list-style-type: none"> • Labor expenses were 1.7% over budget. Non-labor costs were 11% underbudget. • The numbers show a solid performance based on the good work of management and employees. • The Patronage Dividend has accrued \$266,000 to date, similar to last year. • The Co-op's balance sheet is very favorable. The existing investment and financial policies are being reviewed. • Owner Bob Kaplan submitted an excellent proposal to consider ways AFC investments can build a foundation to self-fund community grants. The Finance Committee will review and consider the proposal. 	
16.	GM Report	<ul style="list-style-type: none"> • Emile shared the daily sales variance report. Sales skyrocketed from 2 to 10% over last year in March. July sales are moving up with positive sales. All sales are up except Prepared Foods. YTD Sales overall are only up 8%, if Deli sales are taken out of the picture. Grocery and meat are up significantly. Sales of beer and wine are up 30%. • The store received an OSHA complaint for refusing to follow Oregon face covering laws. It was assumed this was because some customers were refusing to wear face coverings. A response has been submitted. • A security firm was hired to enforce the state-mandated face-mask requirement at the store entrance. The staff greatly appreciated being able to focus on customer experience, rather than mask enforcement. • The application for PPP forgiveness is not yet finalized. It is expected the loan will be fully forgiven. • E-Grocery weekly orders have doubled. It is almost a full time job for the coordinator. A challenge is maintaining perpetual inventory to be sure items are truly in stock. • The Rotary Club is making deliveries for a \$5donation.. Emile was thankful to Rotary member John Scarborough, who has volunteered his time to help develop and coordinate with the AFC grocery delivery program. • Emile reviewed the solar agreement and had to change a condition in the contract to ensure the owner will maintain the assets prior to selling them to AFC. 	

The meeting was adjourned at 8:20 p.m. Minutes were prepared by Abby Lazerow, Board Administrator