



## Board Meeting Minutes

November 11, 2020

APPROVED

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

Facilitator: Melina Barker    Timekeeper: Steve Bowman

	ITEM DESCRIPTION	DISCUSSION	ACTION
1.	<b>Positive Affirmation</b>	<ul style="list-style-type: none"> <li>• Lisa Beam led the positive affirmation</li> </ul>	
2.	<b>Owners Forum</b>	<ul style="list-style-type: none"> <li>• Owners Bob Kaplan, Gwynedolyn Tarra, Jane Ellen, Jim Pruett and Tarra Light attended the meeting.</li> <li>• Gwyndolyn Tarra had concerns about the recent ban of face shields at the store. She felt as if the voices of owners who needed to wear face shields instead of masks were not heard. She asked for a special shopping time for shoppers who could not wear masks and believed that if people could stay 6 feet apart wearing face shields that would give enough protection. She also wondered if there could be a virtual bulletin board for shoppers to post comments.</li> <li>• The Board President responded that an online shopping option is available for shoppers who cannot come to the store. The number one priority has been the safety of AFC employees and to safely keep the store open. If AFC were to institute an open shopping time with no mask or shield requirement, even with extra emphasis on social distancing, we are putting employees at even greater risk. We look forward to when we can meet face-to-face and hug neighbors in the aisles again.</li> <li>• Jane Ellen thanked the Board for hearing and responding to the call to address racism in the Co-op culture. She appreciated the clear statement about what Black Lives</li> </ul>	

		Matter means to the Co-op and adding the sign to the store. She thanked the GM for communications put out in recent newsletters and acknowledging this work is uncomfortable. She felt a sincere and palpable difference in store communications and encouraged continued movement forward.	
3.	<b>Announcements and Opportunities</b>	<ul style="list-style-type: none"> <li>• Snow Blow, a gifting event in Talent and Phoenix will be held in December. People impacted by the Alameda Fire will receive vouchers and gift cards.</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 items were approved. Board Meeting Minutes, 10-14-20</p> <ul style="list-style-type: none"> <li>• Executive Session Minutes 10-14-20 (confidential)</li> <li>• Board Finance Report, September 2020</li> </ul>	The Board approved the Consent Agenda.
6.	<b>Sustainability Report</b>	<ul style="list-style-type: none"> <li>• Sustainability Coordinator Rianna Koppel and Strategic Energy Management intern Nina Friedman gave a presentation about the SEM program that identifies natural gas energy savings opportunities. The Energy Trust of Oregon offers funds for meeting program milestones. AFC is on track to meet all six milestones and earned \$6000. 137M BTUs of natural gas has been saved with these store efforts.</li> <li>• Two stickers have been created to remind employees to “turn it off and shut it down.” This includes lights, blinds and windows to preserve energy. Thermostats have been upgraded to Nest thermostats. Hot water pipes have been insulated.</li> <li>• Nina also curated a sustainability bingo game for staff to engage in energy efficiency.</li> <li>• Air filtration is top priority due to Covid-19 and smoke. A comprehensive HVAC is coming soon.</li> <li>• Rianna Koppel reported the Rogue to Go reusable container program has been very successful. 165 containers have been purchased and many local businesses have been participating in the program.</li> <li>• The Co-op has a goal to be plastic neutral because we are using new plastic bags again during Covid-19. To accomplish this, AFC has partnered with a clean hub that helps to divert plastic waste from going into the ocean. So far 423 kg (900 pounds) of ocean bound plastic has been diverted. This is a pilot project in southern India where women are collecting the plastic from their villages and sending it to Switzerland where it is used as an energy resource for cement called Geocycle.</li> <li>• AFC is using renewable energy certificates, water restoration, and business travel carbon offsets to offset our greenhouse gas emissions.</li> <li>• AFC is looking to be involved in the EPA Green Chill program. The store would use reusable glass containers for salad dressing products and for a few other products in the Deli.</li> </ul>	

		<ul style="list-style-type: none"> <li>• The Board found the presentations very exciting and inspiring.</li> </ul>	
7.	<b>Covid-19 Safety Policies Update</b>	<ul style="list-style-type: none"> <li>• The GM reported the Oregon Health authority is strongly recommending that face shields not be used unless in conjunction with other masks. Face shields were initially permitted for staff and shoppers, but have been found to be not as effective in slowing down or stopping smaller particles. Therefore the decision was made to eliminate the use of face shields by employees and to eliminate them from shopper use as well. Many employees work together in close quarters and we are going into an indoor season with rising Covid-19 cases. So far employees have not had positive tests but it is important to err on the side of safety for all. Employees understand the reasons for this decision.</li> <li>• One employee out of 170 said they could not manage the mask and they have been offered the alternative to work remotely for some of their work hours. If this arrangement is not possible, they will need to take a personal leave of absence and their job will be protected until the mandate is lifted.</li> <li>• Because of the Governor's order for Jackson County, the number of people in the store at any one time will be strictly controlled.</li> </ul>	
8.	<b>MEETING BREAK</b>	<ul style="list-style-type: none"> <li>• A five-minute break was taken.</li> </ul>	
9.	<b>2020-2021 Board Goals</b>	<ul style="list-style-type: none"> <li>• The Board is in the process of setting its goals for 2021. The goals are for governance issues and larger organizational opportunities.</li> <li>• Directors will make a final determination of their 2021 goals at the January meeting.</li> </ul>	
10.	<b>2021 Annual Meeting Date</b>	<ul style="list-style-type: none"> <li>• The Owner Engagement Committee recently discussed how to engage owners at the online annual meeting. They recommended the annual meeting be a stand alone event with rich and exciting content, held the third week in June.</li> <li>• The Board Development Committee recommended holding the annual meeting immediately before the June Board meeting. In order to announce new directors at the annual meeting, they recommended adjusting the Board elections calendar and have voting end two days before the annual meeting. .</li> <li>• The Board agreed to adjust the calendar for the commencement of voting and end of elections to allow for the annual meeting to be held the second Wednesday of June, immediately before the Board meeting.</li> <li>• The annual meeting will be recorded for owners to watch at their leisure.</li> <li>• If it is possible to meet in person again next June, the Board will engage with the first Friday event.</li> </ul>	The Board agreed to hold the 2021 annual meeting at 5 p.m. before the June 9 Board meeting. Elections will end at 9 p.m. on June 7.
11.	<b>Board Finance Report; Preliminary Board Budget</b>	<ul style="list-style-type: none"> <li>• September sales were \$2.54 million and were up 2.2% to budget and 5.3% actual.</li> <li>• Third quarter sales were \$8 million and up 4.2% to budget, up 7.9% actual.</li> <li>• September YTD is down .04% to budget and up 2.8 % compared to 2019.</li> <li>• Most departments are up with the exception of Prepared Foods, which is down 27.5%</li> </ul>	

		<p>YTD.</p> <ul style="list-style-type: none"> <li>● Despite the challenges of Covid-19 and fires, the gap to budget is closing.</li> <li>● Third quarter gross margins are 36.4% versus 38.6% to budget and 37.6% 2019 actual.</li> <li>● YTD gross margins are 37.4% versus 37% actual in 2019.</li> <li>● Operating income, while under budget, is still solid. YTD was \$319,000 versus \$577,000 in 2019. Net income YTD is \$10,000 versus \$78,000 in 2019.</li> <li>● Accrued amounts for the Patronage Dividend YTD are \$323,000 versus \$463,000 in 2019. Third quarter accrued amounts are \$57,000 versus \$197,000 in 2019.</li> <li>● The Finance Committee is working on the 2021 budget. Store managers are providing data for Emile and Barry to assess. The process is challenging this year because there are many unknowns.</li> <li>● The PPP loan forgiveness application is in process. Loan forgiveness may take five months. This will also impact accounting and financial perspectives for next year.</li> <li>● The Board budget is still being finalized.</li> <li>● Directors asked for funding to be set aside for additional EDI training, strategic planning and space planning.</li> <li>● Directors agreed to participate as much as possible in online training. CCMA will be virtual next year. The Board asked for all directors to participate in CCMA, as well as the GM and Board Administrator.</li> <li>● Directors requested the budget include funds for membership in Grant Makers of Southern Oregon and SW Washington and for site visits to other co-ops.</li> </ul>	
12.	<b>GM Report</b>	<ul style="list-style-type: none"> <li>● The GM has been working with a testing, adjusting and balancing (TAB) contractor to assess and propose remediation options for the air filtration system. This should result in a significant improvement in the indoor environmental quality by reducing the flow of external unconditioned air into the store.</li> <li>● The VP of Real Estate of Umpqua Bank has left his position for another opportunity. Emile is working on establishing a new connection with the bank's decision makers.</li> <li>● eGrocery utilization remains relatively flat. However, because product selection is increasing and the maximum order size has been raised from \$200 to \$300, the average basket has grown from \$135 to \$150.</li> <li>● The Rotary Club has agreed to continue deliveries through January 2021. The Rotary offered a great service to the community while raising over \$500 per month for the Ashland Emergency Food Bank.</li> <li>● The GM is investigating two approaches to underwriting or subsidizing access to healthy food for economically challenged owners. The East End Co-op and the Bozeman Food Co-op both offer discount eligibility to shoppers who participate in state</li> </ul>	

		<p>sponsored assistance programs. Both programs also automatically assign the discounts to owner accounts to eliminate the need for discussion at the register. The Finance Manager is working on a preliminary pro forma to determine the impact the discount expense might have on sales, net income and patronage dividends, given a set of assumptions. One consideration will be to eliminate the Senior Discount and allow those senior owners with access to assistance programs to participate in this program and no longer provide a discount to those who are not receiving assistance.</p> <ul style="list-style-type: none"> <li>• The GM is also investigating the feasibility of the development of a microgrid that links the store's solar power generation with battery storage and an engine driven generator. This would allow the store to use solar power and/or the generator when the electric utility is down.</li> <li>• A Management Team retreat was held recently at the Ashland Spring Hotel ballroom. The large space allowed proper social distancing. The team enjoyed a great day together. Consultant Gilda Montenegro-Fix facilitated a discussion around the impacts of social justice on Co-op experiences and the manager's personal life experiences.</li> <li>• Directors expressed concern about employees who lost their homes. The GM reported employees are feeling loved and taken care of.</li> </ul>	
13.	<b>AFC Gives Update</b>	<ul style="list-style-type: none"> <li>• \$6516 was raised for KS Wild in August.</li> <li>• September was originally designated for the Southern Oregon Land Conservancy, but because of the urgent need for funds to help victims of the Almeda Fire, the Change for Good month for SOLC was moved to July 2021.</li> <li>• Over \$111,000 was raised for Almeda Fire relief in September and October, including \$25,000 designated by the Board.</li> <li>• The Change for Good program will feature Rogue Farm Corps in November.</li> </ul>	

***The meeting was adjourned at 7:59 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.***