



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

Board Meeting Minutes

February 10, 2021

APPROVED

Directors attending via video conference: Julie O'Dwyer, Ed Claassen, Annie Hoy, Steve Bowman, Melina Barker, Mark Gibbs, Lisa Beam.
Also attending: Emile Amarotico, Abby Lazerow, Kamilah Long.

Facilitator: Julie O'Dwyer

Timekeeper: Mark Gibbs

	ITEM DESCRIPTION	DISCUSSION	ACTION
1.	Positive Affirmation	<ul style="list-style-type: none">Emile Amarotico led the positive affirmation.	
2.	Owners Forum	<ul style="list-style-type: none">Owners Bob Kaplan and Amey Broeker and Finance Manager Mel Geddes attended the meeting.	
3.	Announcements and Opportunities	<ul style="list-style-type: none">Board candidate applications will be available online March 4 and due by March 25. Candidate information night is March 10 from 5 to 6 p.m.This month's Change for Good partner is the Ashland High Arts Advocates to support their culinary program.Mt. Ashland Ski Patrol is holding a silent auction fundraiser to support Alameda Fire victims.	
4.	Agenda Review	<ul style="list-style-type: none">Done.	Done.
5.	Consent Agenda:	<ul style="list-style-type: none">The following Consent Agenda items were approved:Board Meeting Minutes, January 13, 2021 (unapproved)Executive Session Minutes, January 13, 2021 (confidential, unapproved)Board Finance Report, December 2020	Approved.
6.	Board Nomination Committee	<ul style="list-style-type: none">The members of the Board Nomination Committee will be Annie Hoy, Director; Emile Amarotico, GM; Abby Lazerow, Board Administrator and Phil Johnson, IT Manager. The committee members were approved by the Board.	2021 Nominating Committee members were approved.
7.	Proposed Solar Facility Purchase	<ul style="list-style-type: none">AFC is planning to purchase a package of physical assets and intellectual property that comes along with lease of space on a rooftop	The Board unanimously

	Update	<p>where the solar equipment will be installed. After receiving grants, out of pocket costs should be \$280,000. Expenses include lease of space, insurance and equipment costs. Savings in energy costs against expenses is expected to be cash flow positive by \$180,000. The GM is working with an attorney to finalize documents and the lease. Construction should begin by the middle of March to be eligible for grants.</p> <ul style="list-style-type: none"> • The GM requested the Board give authorization in principle to move forward with the signing of documents and purchasing these assets. • The Board unanimously agreed to give authorization. 	<p>authorized the GM to sign solar lease agreement documents, contingent on full vetting by the AFC attorney.</p>
8.	Cultural Agility Training Proposal	<ul style="list-style-type: none"> • Kamilah Long, chair of the ED&I Committee, is waiting to receive a formal proposal from consultant Gilda Montenegro-Fix for the second part of a cultural agility training for members of the Board, Management Team and possibly store supervisors. The goal is for all employees to go through a similar training during this year. • The Board requested the training include grocery-specific situations that are likely to come up as practice sessions for our staff. • When completed, the proposal will be forwarded to the Board Administrator who will send it out to the Board for an email action. 	
9.	Board Finance Report	<ul style="list-style-type: none"> • 2020 fourth quarter sales were up 3.1%. Sales were up 2.6% for the month of December and 2.9% for the full year. Yearly sales were only off budget by .4%, which is a great outcome given all that has been faced with the Alameda fire and Covid-19. • The CPAs recommended that the PPP loan be treated as grant income in the 2020 calendar year. It is expected the full \$1.5 million PPP loan amount for payroll and related expenses will be forgiven. Forgiveness of debt is generally taxable but because of the CARES act, the PPP loan is not taxable. • Normally the patronage dividend accrues around \$600,000 for the year. The 2020 PPP funds increase the patronage dividend to \$1.6 million. The funds were used for hero pay and to support labor in the Prepared Foods Department. Distribution percentages may need to be shifted this year to bring the Patronage amount more in line with actual earned dividends. • Average daily sales were \$87,700 per day compared to \$85,500 in 2019. The average number of shoppers per day was 1853 compared to 2820 in 2019. However, the average basket size is larger at \$47 versus 	<p>The Board unanimously agreed to take the PPP forgiveness in 2020.</p>

		<p>\$30 per basket. Margins are ticking up slightly to 38.1%.</p> <ul style="list-style-type: none"> • AFC's balance sheet is strong, with no debt, investments over \$4 million and over \$2 million in cash. • The board unanimously agreed to designate the PPP Loan forgiveness funds as grant income in 2020. 	
10.	2021 Board Budget and AFC Budget	<ul style="list-style-type: none"> • Hero pay will be extended through March 31 of this year, and possibly through June 30. There may be extra costs for safety protocols as the year progresses. • It is hoped sales in Prepared Foods will increase. • As a result of PPP funds, there have been funds available to significantly invest in the solar farm and the micro grid. • The Board budget includes a provision for anticipated increased expenses in stipends, training and consultants. • The Board unanimously agreed to approve the 2021 AFC and Board budgets as presented. 	The Board unanimously agreed to approve the 2021 AFC and Board budgets as presented.
11.	GM Report	<ul style="list-style-type: none"> • January sales were strong, partly due to the availability of the 10% owner discount coupon. • 34 employees answered a survey about receiving a vaccination. 18 were inclined to receive it, 4 were moderately inclined, 8 were undecided and 4 were not inclined. Vaccinations will not be mandatory for employees. AFC will work with Jackson County Health to provide information about where, when and how employees may receive vaccinations. • Emile is still gathering information for the The Access for Healthy Food initiative. • Managers Barry Haynes and Joe Reyes will join the ED&I Committee to provide more operations perspective and understanding. • E-grocery delivery by Rotary will sunset at the end of February. Emile is looking into possible partnerships with other food delivery services. • An inventory of all electrical services used by each department is being carried out. An analysis of their loads will be developed, with the goal of determining needs for a comprehensive generator and battery system to use if power is disrupted. • HR Manager Sharon Van Duker is retiring after serving AFC for 16 years. There is currently an active search for a new manager. • A goal developed during a strategic planning session was to help local 	

		producers and farmers become more viable. Based on a recent SW Oregon Food Hub Feasibility Assessment it has become clear that local producers are not looking for more services but primarily just to be able to make a reasonable profit margin. Local purveyors will be asked what price they need to be successful versus what the market would call for. OSU's Small Farms program is interested in creating an additional survey of producers; farmers might be more likely to respond to a joint survey from OSU and AFC.	

The meeting was adjourned at 7:15 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.