



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

Board Meeting Minutes
January 13, 2021
APPROVED

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

Facilitator: Steve Bowman Timekeeper: Julie O'Dwyer

The meeting was called to order at 6:01 p.m. by Steve Bowman.

	ITEM DESCRIPTION	DISCUSSION	ACTION
1.	Positive Affirmation	<ul style="list-style-type: none">• Steve Bowman led the positive affirmation.	
2.	Owners Forum	<ul style="list-style-type: none">• Owners Bob Kaplan, Catherine Ellison and Amey Broeker attended the meeting.	
3.	Announcements and Opportunities	<ul style="list-style-type: none">• A director is needed to attend the March 3 employee training.• A celebration of life will be held to honor Aiden Ellison on January 16.	
4.	Agenda Review	<ul style="list-style-type: none">• Done.	
5.	Consent Agenda	<ul style="list-style-type: none">• The following consent agenda items were unanimously approved: Board Meeting Minutes, November 11, 2020 (unapproved) Executive Session Minutes, November 11, 2020 (confidential, unapproved) Board Finance Report, October 2020 Board Finance Report, November 2020	The consent agenda was unanimously approved.
6.	Adoption of 2021 Board Priorities	<ul style="list-style-type: none">• Over the past several months, the Board has identified, discussed and clarified priorities to focus on in 2021. These priorities also connect meaningfully to the GM priorities. The suggested 2021 Board priorities are:	The Board formally approved the 2021 Board priorities.

		<ol style="list-style-type: none"> 1) Advance our space expansion initiative 2) Develop a comprehensive approach to advancing the experience of equity, diversity and inclusion throughout our organization 3) Enhance the greater community's perception of the Ashland Food Cooperative 4) Champion the development of our prepared food strategy 5) Continue to monitor and support community, Co-op and employee impacts from pandemic and other disruptions <ul style="list-style-type: none"> • The Board unanimously approved the 2021 Board priorities. 	
7.	Change for Good Update	<ul style="list-style-type: none"> • Change for Good is a new program that started in August 2020 and is a partnership with community non-profits, selected by the ownership. Funds raised to date: \$6516 - Siskiyou Wildlands (August). In September/October, \$21,329 - Alameda Fire Relief (September/October). \$7294 – Rogue Farm Corps to School (November to School. \$7300 – Maslow Project (December) • Rogue Valley Mentoring is off to a great start in January. • The next Change for Good application process will begin at the end of February. Community Grants will be awarded in the fall. • The Board appreciated the support of owners and shoppers who are making this program successful. 	
8.	ED&I Committee Update	<ul style="list-style-type: none"> • The Equity Diversity and Inclusion (ED&I) Committee was formed in 2020 to increase equity for employees and the organization. Kamilah Long has joined as Chair of the committee and will attend Board meetings as a non-voting member. She is receiving a stipend for her participation. • The Board is also funding a consultant, Gilda Montenegro-Fix, to the committee. Several BIPOC employees have been invited to become members of the committee. • The committee will formalize a charter, detailing how it will be organized and what its priorities will be. • An Affinity Group for staff members is being held on an ongoing basis. 	
9.	Board Finance	<ul style="list-style-type: none"> • The 2021 AFC budget was discussed at the January Finance 	

	Report; Preliminary AFC Budget	<p>Committee meeting. The budget will be further refined in February and brought to the Board for approval at the February Board meeting.</p> <ul style="list-style-type: none"> ● Financial performance remains sound. The Management Team has responded very well to the fires and pandemic. ● November sales are up by 2.9% over November 2019. Year to date sales are down just .3% to the pre-Covid budget. ● Shortfalls are driven by lower sales in Prepared Foods and Wellness, as well as the costs of Hero Pay and pandemic safety costs. It is anticipated pandemic related costs will continue and Hero Pay will be extended. ● The cost of labor as a percent of sales continues to go up for the foreseeable future. Despite all best efforts the labor cap needs to be increased from 22% to 22.95% to avoid a negative productivity bonus in budget projections. ● The YTD accrual for the patronage dividend is \$373,000, compared to \$548,000 in 2019. Average daily sales were \$92,000 versus \$84,000 in 2019. ● The PPP loans have impacted accounting. The patronage dividend should go up greatly in 2021 when the loan is officially forgiven. ● Looking at the annual reports for comparable organizations, many grocery stores had sales growths of 15%. Our smaller sales growth is a structural problem driven by our limited space. AFC will continue to be challenged to grow sales to keep pace with the cost of labor until we are able to resolve our space constraints. 	
10.	Board Budget	<ul style="list-style-type: none"> ● The 2021 Board budget Increased modestly above last year's budget. Due to Covid-19, numbers last year came in less than budgeted. ● Annie Hoy requested funds to attend the second part of the Abolitionist's Challenge. The Board agreed with this request. ● Directors are asked to add any budget changes in the next few days so they can be included in the budget. 	The Board agreed to fund a director attending the Abolitionist's Challenge program.
11.	GM Evaluation Update	<ul style="list-style-type: none"> ● One of the primary functions of the Board is formal evaluation of the General Manager. The GM's direct reports provide feedback to the Board and Emile in his role as supervisor. The evaluation is based on 	

		<p>overall job performance and performance related to the GM priorities. Feedback goes back directly to the GM and his compensation is determined.</p> <ul style="list-style-type: none"> ● The Board Administrator shared the evaluation schedule. 	
12.	GM Report	<ul style="list-style-type: none"> ● The average basket size was \$42 in November and \$47 in December. Holiday sales were up 6% in November and 2.6% in December. ● Electronic coupons are well utilized by owners. The store has extended the time to use 10% discount coupons and \$5.00 coupons over a two month period. ● In December, employees were informed Hero Pay would continue into January. They will be informed by the end of January whether Hero Pay will be extended until March 31. ● One employee had a positive Covid-19 test in early December. Another employee was in contact with a member of the security team who tested positive. The Response Team was convened to inform the public and employees. Nine employees who were in close contact for more than 15 minutes were quarantined. No one else became positive. The quarantine had a significant impact on the Front End department. To create greater distance, every other check lane was closed down. Shoppers are patient and understanding. The store is continuing to identify ways to physically distance employees or to stagger schedules. Prepared foods has moved some jobs in the bakery area to the prep kitchen on A street. Meat department schedules have also been staggered and one meat preparation workstation is now in the cooler. ● The GM has been working with consultants on a solution to correct the negative air pressure in the store. ● The GM is investigating an energy storage system to keep the coolers running if the power goes down. ● The PPP application is not yet submitted. The Finance Manager is working with a service provider to create the necessary reports. ● Emile will be leaving the E-Grocery team. Manager Zack Burrows and Store Manager Barry Haynes will oversee that program. ● The GM will join the E-Grocery strategic team to identify ways to make 	

		<p>the program cash-flow positive and more profitable. AFC may need to charge for the service. Currently AFC receives 150 E-Grocery orders per week. The Rotary Club has been carrying out the deliveries.</p> <ul style="list-style-type: none"> ● Manager Tracy Kaiser and Emile will attend an event sponsored by Ashland Climate Action. ● The GM and the Finance Manager are investigating the implications of ownership of solar power assets. Solar power could reduce the store's power bill by 1/3. The initial costs would be \$288,000. The store could save \$1 million in power costs over 25 years, minus the investment costs. 	

The meeting was adjourned at 7:19 p.m.

Minutes were prepared by Abby Lazerow, Board Administrator.