



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

**Board Meeting Minutes**

January 12, 2022

APPROVED

**Directors attending via video conference:** Julie O'Dwyer, Ed Claassen, Annie Hoy, Melina Barker, Mark Gibbs, Lisa Beam, Larry Cooper.

**Others attending:** Emile Amarotico, General Manager; Abby Lazerow, Board Administrator; Tracy Kaiser, AFC Marketing Manager.

Facilitator: Melina Barker Timekeeper: Lisa Beam The meeting was called to order at 6:04 p.m. by Melina Barker.

	<b>ITEM DESCRIPTION</b>	<b>DISCUSSION</b>	<b>ACTION</b>
1.	<b>Positive Affirmation</b>	<ul style="list-style-type: none"><li>Emile Amarotico led the positive affirmation</li></ul>	
2.	<b>Land Acknowledgement</b>	<ul style="list-style-type: none"><li>Larry Cooper led the land acknowledgement.</li></ul>	
3.	<b>Owners Forum</b>	<ul style="list-style-type: none"><li>There were no owners present.</li></ul>	
4.	<b>Announcements and Opportunities</b>	<ul style="list-style-type: none"><li>The GM had emailed the Board a number of training opportunities and asked directors to contact him by Friday if they had interest in attending.</li></ul>	
5.	<b>Agenda Review</b>	<ul style="list-style-type: none"><li>Done.</li></ul>	Done.
6.	<b>Consent Agenda:</b> October 2021 -Board Finance Report, November 2021	<ul style="list-style-type: none"><li>The following Consent Agenda items were approved:<ul style="list-style-type: none"><li>- Board Meeting Minutes, 11-10-21 (Unapproved)</li><li>- Executive Session Minutes, 11-10-21 (Unapproved, Confidential)</li><li>- Board Finance Report, October 2021</li><li>- Board Finance Report, November 2021</li></ul></li></ul>	The Consent Agenda documents were approved.
7.	<b>Results: Board Action without A Meeting</b>	<ul style="list-style-type: none"><li>On December 31, 2021 the Board of Directors approved the request to hold an action without a meeting. The Board agreed to extend the exclusion of the \$2.00 per hour Hardship Pay Differential from labor cap calculations through February 2022. One director stood aside.</li></ul>	Read into the minutes.
8.	<b>Marketing Department</b>	<ul style="list-style-type: none"><li>Marketing Director Tracy Kaiser presented an overview of the next seven months</li></ul>	

	<b>Update</b>	<p>of 2022 Marketing events and 50<sup>th</sup> Anniversary plans.</p> <ul style="list-style-type: none"> <li>● Marketing has developed 8 versions of the 50<sup>th</sup> anniversary logos that will be used on all AFC materials this year. They are also available as footers for email.</li> <li>● On February 14, heart shaped shortbread cookies celebrating 50 years of love for our Co-op will be given away outside the store from 2 to 5 p.m. There will also be coupons offering \$2 off a hot beverage from the AFC kitchen.</li> <li>● A private label wine made in collaboration with Schmidt Winery will also be introduced in February.</li> <li>● A video celebrating the Co-op is being professionally produced.</li> <li>● There will be Owner Forum opportunities during the year for both children and adults to tell us what AFC's next 50 years could look like.</li> <li>● A permanent installation is being made outside the store to honor Brian Porter, a longtime member who often offered "Rainbow Baths" to patrons before they entered the store. The installation will include the translucent wheel of colors he used to filter sunlight in the recipients of the "Rainbow Bath."</li> <li>● There will be a large outdoor Earth Day event on the AFC campus in the spring.</li> <li>● A kid's education program called Coop Carrots is being developed.</li> <li>● The AFC 50<sup>th</sup> anniversary celebration will take place on June 3 from 5 to 8 p.m. in the back parking lot. Organic pizza, beer and wine will be served. There will be many fun giveaways and partnerships with brand ambassadors.</li> <li>● Board appreciated Tracy and her team's excellent work.</li> </ul>	
9.	<b>Future of EDI Committee as a Standing Board Committee</b>	<ul style="list-style-type: none"> <li>● Kamilah Long resigned from the Board and as chair of EDI committee in December.</li> <li>● The EDI Committee includes operational elements that impact every level of the organization. The Board proposed changing the sponsorship from a Board committee to an organization-wide committee, where a Board director is one of three co-chairs. The Board also suggested hiring a facilitator with lived experience and a background in EDI issues.</li> <li>● Melina Barker agreed to serve as the Board co-chair of the EDI Committee.</li> <li>● Melina and the Executive Committee will discuss compensation for the employee who serves in the co-chair role.</li> </ul>	
10.	<b>AFC Gives Update</b>	<ul style="list-style-type: none"> <li>● Community Works, the Change for Good partner for December 2021, raised \$6022.49.</li> <li>● The January CFG partner is Rogue Climate Action.</li> <li>● The AFC Gives Committee is preparing the 2022 application for Change for Good</li> </ul>	

		<p>partners. Owners will vote for their top organizations on the 2022 ballot.</p> <ul style="list-style-type: none"> <li>Community partners have received from \$3000 to \$7000. It is difficult to follow current sales trends because of Covid.</li> </ul>	
11.	<b>Suggested Bylaw Change; Reminder to Review Bylaws</b>	<ul style="list-style-type: none"> <li>The Executive Committee proposed amending Bylaw 3.1 to remove the line about delivering ballots in person at the annual meeting because all voting is now done online. The Board also proposed adding a sentence which said accommodations will be made for those who cannot vote online at the request of the owner.</li> <li>The Board Administrator will work with the Board Secretary to develop a new draft of the bylaw and bring it to the Board for review in February.</li> </ul>	
12.	<b>Meeting Break</b>	<ul style="list-style-type: none"> <li>A short meeting break was taken.</li> </ul>	
13.	<b>Board Finance Report</b>	<ul style="list-style-type: none"> <li>November sales monthly and YTD are mapping closely to 2020, off 3.6% to budget but flat in sales YTD compared to 2020. Gross margins are coming in close to actuals in 2020. Sales for the month were down 1.9%</li> <li>Sales were down 1% last year. Operating income is slightly higher YTD, better than budget.</li> <li>The Patronage Dividend continues to grow; as of November it was \$515,000.</li> <li>Daily customer counts are up slightly and up 4% compared to November last year. Customer counts are still down 26% from November of 2019 but increased basket sizes have offset lower customer counts.</li> <li>The percentage of owner sales is trending steadily from 70% to 76%.</li> <li>The \$7 million cash balance sheet is very sound and strong. Cash flow available for operations is \$830,000.</li> <li>The Treasurer presented the proposed 2022 budget, CapX budgets and Board budget. The Finance Committee spends much time reviewing the proposed budget. Actual sales in 2021 were \$31.3 million. Some sales increases were driven by inflation. True sales growth 1-2%. The budget is 2% higher than the original 2021 budget. Margins are similar to 2021.</li> <li>The labor expense is dependent on the impact of the pandemic. Currently two months of hardship pay is assumed in the 2002 budget.</li> <li>The new CAN program discounts are also incorporated in the budget.</li> <li>The CapX budget is under 1 million; for an organization of our size it is reasonable and modest. There is a small discretionary amount of \$40,000 which can be allocated without board approval.</li> <li>The Board budget for 2022 is approximately \$106,000, similar to last year.</li> <li>The Board approved the Board budget, CapX budget and AFC budget as</li> </ul>	

		presented.	
14.	<b>GM Report</b>	<ul style="list-style-type: none"> <li>• December was a strong holiday month and sales were back up.</li> <li>• The CAN program enrollment is rising. The Tech and Marketing Managers, along with Jenny from Owner Services did an excellent job putting that new program together.</li> <li>• Plans for an electric generator to help run systems when the power is down are being developed.</li> <li>• Remediation for air flow into the store during periods of smoke is being worked on.</li> <li>• HR is ready to test and collect vaccination records if required by OSHA.</li> <li>• The Executive Committee recently recommended AFC buy 40-50 rapid tests for employee use. N 95 masks are also available to employees.</li> <li>• Employees who have Covid symptoms have protected time with Oregon Sick, a doctor's note and a positive Covid test. Employees with any symptoms are sent home.</li> <li>• Employees received raises in their first January paychecks.</li> <li>• The GM was concerned about the timing of his vacation planned since last May. He is prepared to postpone or cancel his vacation if needed.</li> <li>• A 3<sup>rd</sup> party audited the Tech Department and they did very well. The POS system will soon have an automatic key to roundup at the register.</li> <li>• Kelly McNamara will be the interim Specialties and Grocery Manager. The best organization of specialties departments will be discussed. Possibly some specialties could be moved to another department.</li> <li>• In 2021, the new solar array provided 40% of the store's electric use. This may increase to 45%, beating the pro forma, if there are full months of operation in 2022. There were some lost days of production in 2021 because of the snow load and the inverters had to be restarted.</li> </ul>	
15.	<b>Number of Board Seats in 2022; Request for Board to Suggest Possible 2022 Board Candidates</b>	<ul style="list-style-type: none"> <li>• The Board unanimously approved holding four seats open for the 2022 election and actively recruiting for those seats, holding back one seat for a potential appointment if needed.</li> <li>• Board directors were asked to suggest potential owners who may be interested in running for the Board to the BDC. Potential candidates should be encouraged to attend a Board meeting and watch the annual meeting videos.</li> </ul>	

*The meeting was adjourned at 8:35 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.*