



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

Board Meeting Minutes

June 8, 2022

APPROVED

Directors attending: Julie O'Dwyer, Ed Claassen, Annie Hoy, Melina Barker, Mark Gibbs, Lisa Beam, Larry Cooper. **Others attending:** Incoming directors Bob Kaplan, Erica Thompson, and Joanna Wnorowski; Emile Amarotico, General Manager; Abby Lazerow, Board Administrator.

Facilitator: Melina Barker Timekeeper: Ed Claassen

ITEM #	ITEM DESCRIPTION	DISCUSSION	ACTION
1.	Positive Affirmation	<ul style="list-style-type: none">• Mark Gibbs led the positive affirmation.	
2.	Land Acknowledgement	<ul style="list-style-type: none">• Emile Amarotico led the land acknowledgement.	
3.	Owners Forum	<ul style="list-style-type: none">• Owners Amey Broeker, Carol Carlson, David Duarte, Jon Griffin and Maya Seligman attended the meeting.	
4.	Announcements and Opportunities	<ul style="list-style-type: none">• Directors are invited to watch the CCMA (Consumer Cooperative Management Association) presentations on June 9, 10 and 11.	
5.	Welcome to Incoming Directors	<ul style="list-style-type: none">• Ed Claassen gave a warm welcome to the four incoming directors.	
6.	Agenda Review	<ul style="list-style-type: none">• The November Change for Good agenda item was moved up in sequence so one director could be present to vote.	Done.
7.	Consent Agenda	<ul style="list-style-type: none">• The following Consent Agenda items were approved:<ul style="list-style-type: none">• Board Meeting Minutes, 5-11-22 (Unapproved)• Executive Session Minutes, 5-11-22 (Unapproved, Confidential)• Board Finance Report, 4-22	The Consent Agenda items were unanimously approved.

8.	November Change for Good	<ul style="list-style-type: none"> ● Melina Barker forwarded a proposal from the AFC Gives Committee to set aside the November Change for Good program to benefit a local Native American organization and to support regional tribal culture and needs. November brings in great profits to grocery stores and also can be painful for Native people who see Thanksgiving as a celebration of stolen land, broken promises, and extreme violence. ● The Board unanimously approved this proposal. ● Initially, the ACF Gives Committee will reach out to individual organizations to offer this opportunity with the future goal of receiving applications from Native American organizations as part of the Change for Good program. 	The Board unanimously agreed to set aside the November CFG program to benefit a local Native American organization.
9.	Board Response to Employee Requests to Continue the Hardship Premium	<ul style="list-style-type: none"> ● Many employees recently registered their concerns about eliminating hardship pay. Board President Ed Claassen read the following letter from the AFC Board of Directors that was posted in the employee log book: “ The AFC Board would like to express its appreciation to all the employees who wrote to us and who attended our May Board meeting. We appreciated the straight forward clarity of your statements. We are indeed grateful for all that you have each contributed to maintaining our business during a very challenging time, and it seems clear that as we emerge from the worst of the pandemic, we now face the twin challenges of inflation and understaffing. The hardship premium was established in the early days of the pandemic to recognize both the stress and the risk that each of you was taking on in the performance of your jobs. We heard and understand that although much of the stress caused by the pandemic has now receded, the loss of the hardship pay of \$2 per hour is making it difficult to absorb the cost-of-living increases you are currently experiencing in nearly every aspect of your lives. You also emphasized the demands you are experiencing daily as a result of the store’s inability to achieve and maintain a fully staffed workforce. The hardship premium was initiated by the General Manager, and at his request, the Board agreed and has continued to exclude it from the labor costs used to calculate the productivity 	

		<p>bonus. We understand that had this not been done, any opportunity to earn a productivity bonus and profit sharing would have been unlikely. We also note that the General Manager initiated a general wage increase effective at the beginning of this year. While the Board is not directly involved in decisions regarding wages, it is certainly part of our guiding mission to “provide a workplace that fosters opportunities for participation, empowerment and growth in an environment of mutual respect and cooperation”. [Adopted by the Board in July, 2006]</p> <p>It is from this perspective that we have asked the General Manager to consider extending the current \$1 per hour premium, still excluded from productivity bonus calculations, to allow an opportunity for management and AFCEA to consider how to address these challenges.”</p> <ul style="list-style-type: none"> • The GM received much appreciation and positive responses from employees about the letter. 	
10.	AFC Gives Update	<ul style="list-style-type: none"> • Last month \$3735 was raised for Rogue Valley Farm to School. This amount is half of the amount raised during their first time as Change for Good partners. 23% of shoppers participated last year and 10% this year. • The AFC Gives committee is considering capping the number of years in a row that organizations may receive funds in order to support more organizations. 	
11.	Board Finance Report	<ul style="list-style-type: none"> • The Finance Committee has been discussing revisions and improvements to the investment policy including potentially higher risk investments that are in alignment with the AFC mission. The Finance Manager shared a draft policy and summary sheet that defines four investment tiers. • With Bob Kaplan’s election to the Board, the Finance Committee will be recruiting a new owner member. They will review the list of owners who applied last year. • Average daily sales are up 2.7% compared to April 2021 with \$2.6 million in sales for the month. Sales YTD are \$10.3 million, down about 5% YTD to budget. • The average basket size is \$37.50, 25% lower than 2020 and 36% higher than 2019. Customer counts were 2319 per day, 25% 	

		<p>below pre-pandemic figures in 2019.</p> <ul style="list-style-type: none"> • Total labor costs were \$81000 over budget. Benefit costs were \$107,000 over budget for the month and \$100,000 over last April. • The balance sheet is good, with \$7 million in cash and no debt. • At the recent FC meeting Joe Reyes, Produce Manager and a member of the FC, suggested exploring investing in a local producer or producer opportunity, creating an AFC loan to create a partnership to help the producer scale up. 	
12.	GM Report	<ul style="list-style-type: none"> • Sales trends are stable. May sales were .6% over last year and June sales to date have been .8%. • Health benefits expenses have increased, representing 4.1% of this year's budget and 1% higher than budgeted. There were several catastrophic illnesses related to Covid. AFC's employee health insurance is self-funded and quotes for purchasing insurance on the open market were 20% higher several years ago. • The GM is continuing to investigate ways to improve indoor air quality. • Participation in the CAN (Community Access through Nutrition) program is slowly increasing. Currently 92 members receive a 5% discount, representing \$136,000 in purchases. • The CAN project team is looking into ways to help remove the financial challenges of becoming an owner. They proposed that new owners eligible for the CAN program may make small initial payments on their ownership shares and use their patronage dividend each year to help pay off their \$100 share. • The team also plans to reach out to DHS and to people receiving the SNAP card to let them know about the CAN program. 	

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