



**Board Meeting Minutes**

March 13, 2024

**Directors attending:** Mark Gibbs, Joanna Wnorowski, Bob Kaplan, Melissa Scudder, Erica Thompson, Larry Cooper and Ernesto Soto. **Others attending :** Nick Hardee, General Manager, Abby Lazerow, Board Administrator. **Absent:** Kevin Bendaw.

Facilitator: Joanna Wnorowski Timekeeper: Ernesto Soto. The meeting was called to order at 6:05 p.m. by Joanna Wnorowski.

ITEM #	ITEM DESCRIPTION	DISCUSSION	ACTION
1.	<b>Positive Affirmation</b>	<ul style="list-style-type: none"> <li>Mark Gibbs led the positive affirmation.</li> </ul>	
2.	<b>Land Acknowledgement</b>	<ul style="list-style-type: none"> <li>Ernesto Soto led the land acknowledgement.</li> </ul>	
3.	<b>Owners Forum</b>	<ul style="list-style-type: none"> <li>Owners Kaitlyn Jones, Maria Martonffy, Christine Boyer, Becky Brown, Lawrence Nagel, Colleen Curran, and Amey Broeker attended the meeting. Owner employees Vaia Lenthold, Mel Gedde and Barry Haynes also attended.</li> <li>At the end of the meeting Amey Broeker, Executive Director of the Ashland Community Food Bank, thanked the AFC Gives Committee for working to support the community. She appreciated the cashiers asking about rounding up. She noted she has seen a decline in support for her organization at the register. It would be a significant hardship if the button for her organization was removed at the register unless AFC advertised other ways to donate to the Food Bank.</li> </ul>	

4.	<b>Announcements and Opportunities</b>	<ul style="list-style-type: none"> <li>• The Board (BoD) is looking for two Owner Volunteers to apply for membership on the AFC Gives Committee.</li> <li>• BoD Candidate applications are open until 3-27.</li> <li>• Joanna Wnorowski invited interested directors to join the 2024 Annual Meeting sub-committee.</li> </ul>	
5.	<b>Agenda Review</b>	<ul style="list-style-type: none"> <li>• Joanna Wnorowski reviewed the agenda.</li> </ul>	Done.
6.	<b>Consent Agenda</b>	<p>The BoD approved the Consent Agenda documents:</p> <ul style="list-style-type: none"> <li>• Board Meeting Minutes, 2-24 (unapproved)</li> <li>• Executive Committee Minutes, 2-24</li> <li>• Board Finance Report, 1-24</li> <li>• Board Finance Report, 12-23</li> <li>• AFC Gives Combined Charter and Manual, Revised 2-24.</li> </ul>	Approved.
7.	<b>Treasurer's Report</b>	<ul style="list-style-type: none"> <li>• AFC Finance Manager Mel Gedde shared a report about the patronage dividend. In 2023, the co-op's income (operating plus investments) was among the highest ever. Mel shared a graph that showed patronage dividend distributions from 2018 to 2023. In 2023, the amount corresponding to patronage dividends is \$865,000. In the past several years, because of the impacts of the pandemic, AFC has distributed 100% of the patronage dividend or 100% of the patronage dividend corresponding to operating income (i.e net of federal pandemic assistance).</li> <li>• Store profits were high in 2023 in part because of the delay in reaching agreement with the collective bargaining unit; higher wages starting in January 2024 have negatively affected profits. Payment of health benefit payments have been fluctuating. In</li> </ul>	

		<p>addition, this year some of our accumulated capital will be dispersed to make needed improvements in the current store.</p> <ul style="list-style-type: none"><li>• The Finance Committee met recently and recommended distributing between 60% to 100% of the patronage dividend. 75% would be the biggest distribution in dollars that we have ever had and 60% dispersed would be the second highest ever distributed. GM Nick Hardee also recommended distributing 60 to 70% to begin taking care of deferred maintenance and to have funds to help grow the business. He stressed that the proposed 2024 budget projects flat or negative growth.</li><li>• The Board would have liked to have more time to consider the dividend distribution. However, the Finance Manager needed an immediate decision because a final figure was needed for tax filing and for the auditors.</li><li>• Several directors recommended retaining 30%, while others recommended retaining 20%. Bob Kaplan made a motion to retain 20% of the patronage dividend distribution. The Board unanimously approved retaining 20% of the patronage dividend distribution.</li><li>• Larry Cooper, Board Treasurer, asked directors to authorize Mel Gedde to act on behalf of AFC for a Visa/MC class action suit. They have been overcharging fees for the last 10 years. Bob Kaplan made a motion to authorize Mel Gedde. The Board unanimously approved authorizing Mel Gedde to act on behalf of AFC for the class action suit.</li></ul>	
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8.	<b>Bylaw Change Updates</b>	<ul style="list-style-type: none"> <li>● The Board unanimously approved the proposed bylaw changes except for section 4.2. The Board will discuss article 4.2. in April 2024 and make a final decision on that item.</li> <li>● Melissa Scudder thought the Board should consider term limits for directors and asked that that be included in a future bylaw discussion.</li> </ul>	
9.	<b>AFC Gives Committee Update and Change For Good Totals; Buttons at the Register</b>	<ul style="list-style-type: none"> <li>● Melissa Scudder reported Rogue Climate, the Change for Good (CFG) organization for February, received \$6208.66. KS Wild is the CFG organization for March.</li> <li>● CFG and Community Grants recipients will be invited to attend an awards night on Thursday, October 17 at the Ashland Springs hotel.</li> <li>● The committee received 46 applications for CFG. The committee will review the applications in early April and forward 15 organizations for a vote by AFC owners.</li> <li>● Nick Hardee, Tracy Kaiser, Melissa Scudder and Betsy de Gress met to discuss the donation buttons at the register. The future of the buttons are still being discussed.</li> </ul>	
10.	<b>EDI Committee Update</b>	<ul style="list-style-type: none"> <li>● Erica Thompson reported the recent EDI Committee meeting was a fun and joyful meeting. Two members of the Marketing team attended to discuss linking EDI with holidays and store events. Currently they are planning for June Pride month and for Juneteenth.</li> <li>● Gina DuQuenne's recent talk was very successful.</li> <li>● The committee is developing its goals and is developing metrics to chart progress.</li> </ul>	
11.	<b>Meeting Break</b>	<ul style="list-style-type: none"> <li>● A five-minute break was taken.</li> </ul>	
12.	<b>Board Device Policy</b>	<ul style="list-style-type: none"> <li>● Directors agreed to move the device policy discussion to April 2024.</li> </ul>	

13.	<b>Board Goals for 2024</b>	<ul style="list-style-type: none"> <li>● Directors agreed to move the Board goals discussion to April 2024.</li> </ul>	
14.	<b>GM Report</b>	<ul style="list-style-type: none"> <li>● Sales in February were up over 5%, most likely because owners utilized their discounts in February.</li> <li>● Departments are looking for value-added growth opportunities, such as offering cut fruit.</li> <li>● AFC is partnering with the Resistance Wine Company to make their cheese and charcuterie boards.</li> <li>● The Adopt a Park program will be held on Saturday, May 4 at North Mountain Park. The program is limited to 20 people, 10 employees and 10 owners. Board directors will serve coffee and hot drinks.</li> <li>● The GM and HR are offering a leadership bootcamp, with the goal of all managers are on the same page. Topics include leave of absence laws, performance and behavioral documentation.</li> <li>● NCG is offering a \$2000 subsidy to complete a shopper survey. Our goal is to hear about the shoppers' overall experiences. We want to hear what is good as well as what is challenging for our shoppers.</li> <li>● A market analysis for Q2 will also be conducted.</li> <li>● Nick and managers are working on a store refresh. The Produce and the Wellness departments will have new shelves; the Meat Department will have a new meat band saw and Prepared Foods will have new induction pots and a bread box for house made loaves.</li> <li>● Nick has implemented a new shrink tracking system, which already identified \$20,000 in waste over the past two months.</li> <li>● Processes are being streamlined to save labor.</li> <li>● Product standards are being revisited to ensure we are adhering to our mission.</li> </ul>	

		<ul style="list-style-type: none"> <li>• Nick has hired Planet Forward to establish a clear roadmap that will track our progress to reach our 2030 sustainability goals.</li> </ul>	
15.	<b>Action Items</b>	<ul style="list-style-type: none"> <li>• The BoD approved a 80-20 patronage dividend distribution for 2023.</li> <li>• The BoD agreed to include all managers for the end of year 2024 GM evaluation.</li> <li>• The BoD will schedule a mid-year check-in with Nick.</li> <li>• All retiring directors will be asked to provide a written evaluation of the GM.</li> <li>• The BoD agreed to forward the bylaw changes to owners, with the exception of 4.2, which will be discussed in April.</li> <li>• The BoD authorized Mel Gedde to act on behalf of AFC for a Visa/MC class action suit.</li> </ul>	

The meeting was adjourned at 8:15 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.