



Board Meeting Minutes
April 10, 2024

APPROVED

Directors attending: Kevin Bendaw, 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.

Facilitator: Ernesto Soto Timekeeper: Kevin Bendaw The meeting was called to order at 6:11 p.m. by Ernesto Soto.

ITEM #	ITEM DESCRIPTION	DISCUSSION
1.	Positive Affirmation	<ul style="list-style-type: none"> Joanna Wnorowski led the positive affirmation.
2.	Land Acknowledgement	<ul style="list-style-type: none"> Bob Kaplan led the land acknowledgement.
3.	Owners Forum	<ul style="list-style-type: none"> Owners Jen Gibbs, Becky Brown, Kathleen Kavanaugh, Christine Boyer, and Sustainability Manager Chris Byrne attended the meeting.
4.	Announcements and Opportunities	<ul style="list-style-type: none"> The Board annual retreat will be held on September 29; location TBD. The Ashland Community Food Bank needs egg cartons. They are also collecting bottles and cans. April 19 is Earth Day at SOU Farm.
5.	Agenda Review	<ul style="list-style-type: none"> Ernesto Soto reviewed the agenda.

6.	Consent Agenda:	<ul style="list-style-type: none"> ● Melissa requested for some sentences about donation buttons at the registers in the AFC Gives report in the March 2024 Board meeting minutes be removed. The Board approved the change. ● Directors were reminded to inform the Board Administrator and the Board Co-Presidents in advance of the Board meeting if there is a request to change the minutes. ● The following Consent Agenda documents were approved: <ul style="list-style-type: none"> -Board Meeting Minutes, March 13, 2024 (with changes) -Executive Committee Minutes, 4, 2024 -Board Finance Report, 2-2024 -Board Finance Report, 1-2024
7.	Forwarding of Board Candidates	<ul style="list-style-type: none"> ● BDC Chair Larry Cooper reported the Board Nominating Committee recently interviewed six Board candidates and recommended forwarding the candidacy of Becky Brown, Christine Boyer, Jen Gibbs, Conde Cox, Maria Martonffy, and Katherine Kavanaugh. The Board approved the forwarding of the candidates. ● The Marketing team will take a picture and record a video of each candidate. The last day for owners to vote will be June 10.
8.	Sustainability Report	<ul style="list-style-type: none"> ● Chris Byrne, who was recently hired as AFC's first Sustainability Manager, presented a report. AFC has been a pioneer in sustainability for many years; AFC's 2030 sustainability vision was created in 2007. There are very few co-ops doing what AFC is doing. ● AFC has 248 kw installed in solar arrays (on our campus and on the rooftop of "Oak Street Tank and Steel" on the other side of town through the city's "virtual net metering" program. In 2022, we generated 44% of our electricity, and in 2023 it was 50.7%. ● AFC is an EPA Green Power Partner and works with the Energy Trust of Oregon, which pays the store to hit energy conservation milestones against our consumption of natural gas (ETO's programs are only available to customers of investor owned utilities like Avista and

		<p>Pacific Power). ETO also finances \$10,000 in wages for AFC’s sustainability intern, when they are working on Energy Trust projects.</p> <ul style="list-style-type: none"> ● Last year AFC was recognized by Green Chill as the best small independent grocer in the nation for managing refrigerants. ● Chris attended a webinar to learn about a program to audit our products and to determine the carbon footprint and emissions of all the products we sell at AFC. We are good on “Scope 1” and “Scope 2” emissions and plan to begin focusing on “Scope 3” emissions (indirect results from our activities both upstream and downstream in our value chain). ● Nick applauded Chris for his excellent work, which will help AFC exceed its sustainability goals for 2030 and plan where we want to go in the future.
9.	AFC Gives Committee Change For Good Totals	<ul style="list-style-type: none"> ● AFC Gives chair Melissa Scudder reported that the committee just reviewed 46 applications from organizations wishing to be considered for the Change For Good (CFG) program. Committee members had the difficult job of narrowing the list down to 15 organizations. ● In March, \$7357.14 was raised for KS Wild through the CFG program. ● Melissa took a tour of the Ashland Community Food Bank, which procures over \$200,000 worth of food annually for our community without federal assistance. In May, the AFC Gives committee will discuss how to help ACFB. ● Larry thanked AFC Gives for being an important part of the culture of the Co-op.
10.	EDI Committee Update	<ul style="list-style-type: none"> ● The EDI Committee met on April 10. The committee Identified relevant holidays and celebrations. July 26 is National Disability Independence Day and committee members discussed how to acknowledge that day in the store. ● Committee goals, charter, and communications will be available for all employees on the BeeKeeper app. ● The committee is in the process of looking for a community member to join their committee.

11.	Bylaw 4.2 Proposal	<ul style="list-style-type: none"> ● Melissa Scudder proposed amending Bylaw 4.2 to require Board candidates to be an AFC owner for a minimum for one year before running for the Board of Directors. Kevin Bendaw seconded the proposal. ● The current bylaw requires a candidate to be an AFC owner at the time of application. Directors discussed the pros and cons of changing this bylaw. ● Two directors voted to approve the amendment and five directors were against changing the bylaw. Joanna Wnorowski abstained. ● Bylaw 4.2 will remain as currently written.
12.	Meeting Break	A 5-minute break was taken.
13.	Board Treasurer's Report and Patronage Dividend Discussion	<ul style="list-style-type: none"> ● Board Treasurer Larry Cooper discussed the language for the 2023 patronage dividend. The paragraph can be longer and more explanatory because the dividend is no longer sent as a check. ● Kevin suggested filming a short video from the Board of Directors announcing the dividend and sharing details of what it means. ● It is important to let owners know that next year AFC may need to retain a greater percentage of patronage dividends. ● Erica made some grammatical editing suggestions. ● The AFC Gives Committee will meet with the GM to see if owners could be encouraged to donate a portion of their patronage dividend to the Ashland Food Bank. ● The Board asked the Finance Committee to propose language including reference to the total amount of the patronage dividend to be distributed this year (\$692k). The Board will approve the patronage dividend language at the May Board meeting based on the recommendation from the Finance Committee. ● Larry Cooper reported AFC was reviewed, not audited in 2023, and that the auditor issued a "clean" opinion. The Finance Committee met with the CPA, minus the GM and the FM. ● AFC paid \$29,000 in additional state taxes. The majority of our sales are not subject to taxes, but Wellness and Prepared Foods (non-essential items are subject to tax.)

		<ul style="list-style-type: none">• AFC currently receives substantial interest income. If our cash balance is diminished, this income will also be diminished.
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14.	Board Device Policy	<ul style="list-style-type: none"> ● Kevin Bendaw proposed that AFC fund an allowance of between \$500 and \$1300, once a term, for a Board director to be able to maintain the ability to have a well operating computer device. Older computers that can no longer receive software updates risk hacking and security breaches. This would be an opportunity only for directors who could not afford to upgrade their existing computers. ● Most directors who do not need this allowance will not request it. ● There will be a formal process for any director who wants to take advantage of the subsidy. This allowance will be only for special circumstances, not just for joining the AFC Board. ● The discussion will be continued at the May 2024 meeting.
15.	Board Goals for 2024	<ul style="list-style-type: none"> ● Kevin Bendaw reported the Board goals for 2024-25 are: <ol style="list-style-type: none"> 1. Explore opportunities for Clear Creek property - SPSC 2. Explore linkages with local producers to increase local content a the Co-op – SPSC and Farmers’ Team 3. Explore new business opportunities adjacent to our Co-ops’ regular business - SPSC 4. Review and improve systems for the BOD, including communication and onboarding -BDC 5. Passing the baton for the future. Planning director/officer succession - BDC ● The Board agreed to hold “Become the best place to work in the Rogue Valley” as an aspirational goal.
17.	GM Report	<ul style="list-style-type: none"> ● GM Nick Hardee reported March sales increased 5.2% over the same month in 2023. This is a good sign for the year to come. ● AFC is looking for growth opportunities that are in alignment with our vision and mission. These include value-added programs, pre-ordering the Rolling Hills Peaches crop, increasing private labeling, baking in bread in-house and partnering with the Resistance Wine Company.

		<ul style="list-style-type: none"> ● Nick visited Rogue Food Unites' new facility. They are certified in every county in the state of Oregon to provide food relief in case of an emergency. They are freeze-drying provisions, which have a 27-year shelf life. There may be ways for AFC to partner or assist them. ● AFC will purchase seconds from Rolling Hills Peaches and we will integrate those into our prepared foods. ● AFC has partnered with Ashland Parks & Rec and has Adopted North Mountain Park. This is a two-year contract that will allow staff, board and owners to be involved with maintaining the park and its grounds. There will be 3-4 work parties per year starting in May. Employees who volunteer to assist with North Mountain Park cleanup will be paid for their volunteer hours. ● The Community Classroom is scheduling quality classes for the spring and summer. ● Managers are participating in leadership boot camp. In May, the Operations Team will be working with a Leadership Development Coach/Mentor to assist in honing the skills to become effective leaders and to work as a team. ● Nick is working with G2G Research to conduct a detailed market survey for Q2. ● NCG is subsidizing \$2000 for a shopper survey. Data collection will occur early in May and the data results will be available in July. ● The store is tracking shrink. Tiger Craig is running all the data points, making charts and graphs from Q1 on. A baseline shrink % of sales will be established and then goals will be set to further reduce shrink. ● The Product Standards Committee will be revisiting its focus on product standards to ensure AFC is in alignment with its mission to provide "quality products, emphasizing products which are locally produced, organically grown, and ecologically sound."
18.	Action Items	<ul style="list-style-type: none"> ● Directors agreed to hold the board retreat on September 29. ● Directors approved the Consent Agenda. The March Board meeting minutes will be amended, as per Melissa's request. ● The Board forwarded the six candidates who will be placed on the ballot for the 2024 election. ● The Board agreed to keep bylaw 4.2 as currently written.

		<ul style="list-style-type: none">● Abby will share owner volunteer information with Erica and Melissa for the EDI Committee.● The Board made some suggestions to the Patronage Dividend language. The Board will formally approve the language in May.● The Board device policy discussion was moved to the May meeting.● Directors approved the 2024 Board goals.● The AFC Gives Committee will meet with the GM and discuss ways to promote donations of patronage dividends to the Ashland Food Bank.
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The meeting was adjourned at 8:45 p.m.

Minutes were prepared by Abby Lazerow, Board Administrator.