



Board Meeting Minutes

March 12, 2025

(Approved)

Directors attending: Mark Gibbs, Joanna Wnorowski, Jennifer Gibbs, Erica Thompson, Bob Kaplan, Ernesto Soto and Kathryn Kavanagh.

Others attending: Nick Hardee, General Manager: Abby Lazerow, Board Administrator.

Facilitator: Erica Thompson **Timekeeper:** Kathryn Kavanagh

The meeting was called to order by Erica Thompson at 6:05 p.m.

ITEM #	ITEM DESCRIPTION	DISCUSSION
1.	Land Acknowledgement	<ul style="list-style-type: none">Jennifer Gibbs led the land acknowledgement.
2.	Positive Affirmation	<ul style="list-style-type: none">Jennifer Gibbs led the positive affirmation.
3.	Owners Forum	<ul style="list-style-type: none">Owners Kathleen Hering, Joseph Kauth, Jon Griffin, Ethan Priel and Julia Sommer attended the meeting.Julie Sommer said the Co-op is fabulous.Kathleen Hering appreciated the new mental health wellness program for employees.Joseph Kauth would love to see a community program where people could gather to relax and feel comfortable, sponsored by the Co-op.
4.	Announcements and Opportunities	<ul style="list-style-type: none">Board candidate applications are due on March 27 by 9 p.m.

5.	Agenda Review	<ul style="list-style-type: none"> The meeting agenda was approved.
6.	Consent Agenda	<p>The following Consent Agenda documents were approved:</p> <ul style="list-style-type: none"> Board Meeting Minutes, 2-12-25 Executive Session Minutes, 2-12-25 Board Finance Report, 1-25
7.	Strategic Planning Facilitation Discussion	<ul style="list-style-type: none"> Mark, Bob and Jennifer have been speaking with professionals who could lead the strategic planning process, a joint project with the GM, Management Team and the Board of Directors. Ashland resident Cynthia Scherr, of Scherr Management Consulting, estimated the cost would be approximately \$40,000 for a 5-to-6-month project. She is available beginning in May. She has conducted strategic planning for non-profits and for profit companies of all sizes. Another professional interviewed had worked with Sacramento Food Co-op to lead strategic planning for their expansion project. However, that location closed within a year of building. They estimate the cost for a 6-to12 month time frame would be between \$40,00 and \$90,000. Columinate also has professionals to lead a strategic planning process. The Executive Committee will ask Cynthia Scherr to write a proposal.
8.	EDI Report	<ul style="list-style-type: none"> Committee Tri-Chair Erica Thompson reported the EDI committee met on March 12. The screening of the film <i>Farming While Black</i> was very successful and well-attended. There are several employee openings on the committee. Directors have an open invitation to attend the EDI Committee meeting, but their presence needs to be arranged in advance.
9.	Annual Meeting Planning Committee	<ul style="list-style-type: none"> Joanna Wnorowski reported the AFC Annual meeting is slated for October. A sub-committee was needed to help plan the content and location. Erica, Kat, Joanna, Abby and Nick agreed to be members of the sub-committee. Directors were interested in having the annual meeting during the day and on a weekend. Several potential locations were discussed.
10.	AFC Gives Report	<ul style="list-style-type: none"> Committee Chair Bob Kaplan reported the AFC Gives committee met last week. 50 applications for Change for Good partnerships were received. Committee members formed three teams to review

		<p>the applications. The committee will meet on April 11 to whittle the list down to 15 organizations. Owners will vote for their top ten choices.</p> <ul style="list-style-type: none"> • \$5,014.48 was raised in February for the Change for Good partner BASE.
11.	Board Finance Report	<ul style="list-style-type: none"> • Board Treasurer Mark Gibbs reported the Finance Committee met last week. The balance sheet is strong. Sales are up about 2% over budget. There were more labor hours than budgeted, and margins were higher than budgeted. • The FC discussed the Patronage Dividend and how much of that distribution should go back to owners. Eligible Patronage Dividend distributions are driven by sales. Sales in 2024 were approximately \$35,300,000; therefore, the potential allowable distribution to community members is \$904,000. A 20% distribution to owners is the legal minimum. • In 2024, the Board distributed 80%: \$692,000 was distributed and \$173,000 was retained. • Given AFC's reserves built over retaining earnings for many years, the Finance Committee recommended a 100% distribution of allowable dividends this year. It was noted that \$500,000 was paid to employees as profit-sharing. • The patronage dividend letter could indicate what percentage of an owner's yearly spends are represented in their check. • The Board of Directors unanimously approved a 100% eligible patronage dividend distribution for the year 2024.
12.	GM Report	<ul style="list-style-type: none"> • Nick Hardee presented the GM Report virtually. He was attending the Organicology Conference in Los Angeles. • A new wholesale manager position was created in the Marketing Department. The GM intends to offer our coffee, peaches and value-added goods in new venues. • The RoCo menu will be expanded on April 1. • Nick is exploring opportunities for a bulk buying program and is looking for a warehouse space to accommodate current and future programs. The warehouse would also host production, a bakery, value-added programs, roasting of coffee roasting and pick/up or delivery to businesses. • The GM created a new shrink program in 2024. Shrink (the waste that is not sold) is down 10% compared to 2023 and down 9% month to month. Reducing shrink adds to profitability, accountability and efficiency. Grocery shrink is down 27% and the Meat Department shrink is down 42%. The Board congratulated Nick about his work with shrink.

		<ul style="list-style-type: none"> • The HR Department is developing a mental health wellness program. A large percentage of employees were interested in this program. HR is working with people in the industry who can help build a program. The goal is to support staff and make a culture where employees stay for the long run.
13.	Action Items	<ul style="list-style-type: none"> • Erica, Kat, Nick, Joanna, Abby will form a sub-committee to plan the annual meeting. • The Board unanimously approved the 100% patronage dividend distribution • The Board will request a strategic planning facilitation proposal from Cynthia Scherr.

The meeting was adjourned at 7:20 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.