

Medford Food Co-op Board of Directors

May 19, 2014

Present: Pres. Jim Sims, Vice Pres. BJ Buxton, Secretary Debi Boen, Treasurer Justin Botillier, Fran Batzer, Kellie Hill, Ben Truwe

Absent:

Staff Present: GM Anne Carter

REPORTS

The May Medford Food Co-op Board of Directors (**MFC BOD**) meeting was called to order at 6:00 p.m.

Minutes of the April 21, 2014 **MFC BOD** meeting were submitted. **Kellie Hill** moved to approve the minutes as amended; **Justin Botillier** seconded the motion, which passed unanimously.

General Manager Anne Carter provided a **MFC** financial overview, providing the April 30, 2014 balance sheet, year-to-date (January-April) budget vs. actuals and profit & loss comparison reports, and a quarterly (January-March) profit & loss report. April sales show a 10.6% increase over April, 2013, which is 1.5% above budget. Expenses were at \$89K, or 99% of budget. The week ending 05-10-14 was the highest week of sales to date, with sales of \$79K.

The President's Report included discussion of our vision for the future, and touched on the points of loan repayment and store expansion and/or purchase. **Pres. Sims** and **GM Carter** will write, design, and produce an investor presentation as a vehicle to share the vision.

There was no Owner's Forum this meeting.

GM Carter submitted and presented her written report, with updates in the areas of finance, ownership, marketing, outreach, and operations. National Cooperative Grocers Association (**NCGA**) Development Advisor Paula Gilbertson has submitted a preliminary report regarding her April 1-2 visit and assessment of **MFC**, and is working with **GM Carter** to refine and complete her recommendations. **GM Carter** reported on the **NCGA** spring meeting, and also reported that **MFC's NCGA JLF** contribution was recently reduced to 8%. **JLF** (Joint Liability Fund) is an **NCGA** fund to which every member co-op pays in a certain percent of their monthly **UNFI** (United Natural Foods, Inc.) invoices. This fund is maintained because the **NCGA** purchasing contract with **UNFI** requires **NCGA** to cover unpaid invoices if a member co-op defaults or goes bankrupt. **MFC's** contribution was reduced from 50% to 8%; we will be refunded \$18,900.00. **NCGA** will also be contributing toward the cost of a new street sign, as **MFC** continues to work with the **NCGA** store branding staff. Recent outreach activities included Earth Day events in April, participating in Rogue Co-ops, and sampling at the store on Sat., May 10. Significant operational changes include new "enter" and "exit" signs at the store, as well as some staffing changes.

OLD BUSINESS

GM Carter discussed a tentative annual meeting agenda, which includes time for music, food, voting, photo ops, and speakers.

The Board and **GM Carter** continued to discuss the ways in which a corps of **MFC** volunteers might be recruited and utilized.

Presentation and discussion of a Board budget was tabled until June, as was the topic of pre-Policy Governance policies and resolutions.

NEW BUSINESS

The May GM Monitoring Report concerned Policy B1, Financial Condition. **GM Carter** reported non-compliance with the following sections of this policy:

- Solvency as measured by debt and equity ratio
- Independent review of financial records

Carter's written report details interpretation, operational definitions, and supporting data for 10 "sub-policies" of the Financial Condition policy. She noted that MFC will remain in non compliance of sub-policy #4 (debt-to-equity ratio) until the majority of loans are repaid. As for sub-policy #10, regarding an independent review or audit of **MFC's** financial systems, further research is required by both **Carter** and Board members to determine what is required by Generally Accepted Accounting Principles (GAAP), estimated costs, and budgeting.

ACTION LIST

<u>Target Date</u>	<u>Item</u>	<u>Director</u>
06-08-14	Annual meeting/Election	All
06-16-14	Coordinate with GM to prepare BOD Budget	Justin
06-16-14	E-mail pre-PG policies, resolutions, and recommendations to Board members to study before June vote	Debi

ADJOURNMENT

Fran Batzer moved to adjourn the meeting at 7:59 p.m.; **Kellie Hill** seconded the motion, which passed unanimously. The next regular **MFC BOD** meeting is scheduled for Mon., June 16, at 6:00 p.m. at the law offices of **Pres. Jim Sims** (225 W. Main, Medford). Members-owners, staff, and the public are welcomed and encouraged to attend; snacks available. The Finance Committee will meet before the June 16 full Board meeting.

Respectfully Submitted,

Debi Boen

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Secretary