

Present: Pres. Jim Sims, Sec. Debi Boen, Treas. Kristi Schoenbachler, Fran Batzer, Patty Casebolt

Absent: Vice Pres. Kellie Hill

Guest Present: Robin Simpson

Staff Present: GM Anne Carter

REPORTS

The October Medford Food Co-op Board of Directors (**MFC BOD**) meeting was called to order at 5:30 p.m. on 10-17-16.

Minutes of the 09-19-16 **MFC BOD** meeting were submitted; **Patty Casebolt** moved to accept the minutes as submitted. **Kristi Schoenbachler** seconded the motion, which passed.

Two eVotes took place through e-mail Sept. 28-30, 2016. In the first, **Debi Boen** moved that the **MFC BOD** approve a down payment of \$18,830.00 to Curtis Restaurant Equipment for the café expansion project. The motion was seconded by **Kellie Hill**, passed unanimously and ratified at the 10-17-16 **MFC BOD** meeting. In the 2nd eVote motion, **Debi Boen** moved that **General Manager Anne Carter** be authorized to sign the Curtis Restaurant Equipment job contract for the **Medford Food Co-op** café expansion project. The motion was seconded by **Kellie Hill**, passed unanimously and ratified at the 10-17-16 **MFC BOD** meeting.

Financial reports submitted included Profit & Loss (July-September 2016), the Jan.-September 2016 Budget vs. Actuals, and the September 30, 2016 Balance Sheet. September sales were at \$356K, 101% of budget and a 7.4% increase over September, 2015. Expenses were at \$108K, or 91.6% of budget. Net operating income for September was \$31k; this is significantly over the projected loss of \$1K, but is a result of the large cost of goods sold adjustment after physical inventory and higher-than-expected September sales. **Treasurer Kristi Schoenbachler** noted that the financial committee has considered the café expansion project carefully, and is satisfied with the plans in place to pay for this expansion. **President Jim Sims** also remains confident that such an expansion is a great idea. Our current membership base is invested in the concept, and the café will attract new customers to the store as well.

During the Owners' Forum section of the **MFC BOD** meeting, guest **Robin Simpson** was welcomed and encouraged to share any concerns or questions that occurred to her during the course of the meeting.

GM Carter submitted and presented her written report, with updates in the areas of finance, ownership, public events and significant operational and staff changes. **MFC** added 20 new owners in September, and there were 3 owner share redemptions. Additional updates:

Deli update:

- Sewer line was blocked so new line will be installed. Cost = \$3306.
- Will watch for liquidation to try to pick up some used equipment and furniture (Sacramento Natural Foods Co-op recently closed).
- Met with structural engineer, architect & Curtis Equipment to finalize specifications.
- Construction permits not yet applied for so that pushes start of construction up another month.
- Food specialist from ODA reviewed plans and has no major concerns with kitchen & equipment plans
- Changed awning above entrance
- Linda McCann, NCG Deli Retail Specialist, reviewed kitchen layout & offered some suggestions for improvements.

NCG Fall Meeting Update:

- **GM Carter** and **Front End Manager Jimmy Breedlove** attended. "Courageous Leadership" was the theme. Three top priorities for food co-ops: more competitive pricing, more accessible product offerings, improve productivity without sacrificing service.

Public Events Affecting Perception of Co-op in Community:

- October Owner Drive is off to good start: 25 new owners in first week!
- 5th Anniversary Celebration on Oct. 8: beautiful day, decent turn-out, good comments from attendees and vendors. About 95 people attended, counting Board and staff.

Significant Operational Changes:

- Created new Floor Supervisor position to ensure that smooth floor operations result in an optimum customer experience. Expect to promote a current cashier to this role.

GM MONITORING REPORT

The October GM Monitoring Reports concerned Policy B1 (Financial Condition and Activities). **GM Carter** submitted reports detailing interpretation, operational definitions, and supporting data. Although **GM Carter** was still unable to report compliance with Policy B1, she is on-track with a Board-approved 3-year plan to accomplish compliance (a Year 1 audit assessment was completed; a review is slated for Year 2-2016 (will be scheduled by Wegner CPAs in early 2017), with a full audit during Year 3-2017 (or later) .**GM Carter** responded to questions from the Directors, providing additional detail. Directors agreed to assign a “Low” severity indicators to non-compliance with this policy. **GM Carter** was also asked to look into establishing a line of credit at our new bank (Rogue Credit Union).

An update to policy B4 (Membership Rights and Responsibilities) was due regarding **GM Carter’s** progress in preparing for a patronage dividend system. Original target date for completion of this system was the end of December, 2016; after discussion, Directors agreed that with the advent of the café expansion project, this target date should be “pushed back” to the next regularly scheduled B4 monitoring report, which will be March of 2017.

OLD BUSINESS

A report from the Nominating Committee regarding a recruitment timeline was tabled until the November meeting.

In September, **Patty Casebolt** and **Kellie Hill** attended a **CBLD** (Cooperative Board Leadership Development) workshop held in Sacramento and conducted by **CDS Consulting**. **Hill** was absent from the October **MFC BOD** meeting, but **Casebolt** reported that she enjoyed the opportunity and learned a lot during the experience. She especially appreciated the visual approach used to learning how to interpret financial information.

GM Carter reported that two additional market survey proposals have been received. She will study them and report back to the Board with her recommendation at the November meeting.

NEW BUSINESS

A proposal was received from **Reager Street LLC** regarding renting and rocking an approximate 16,422 square foot area adjacent to the **Medford Food Co-op** back lot. This could allow for delivery truck drive-through as well as 20 non-paved parking spots. Directors requested more information regarding this arrangement (i.e., who is responsible for taxes, fence replacement, and a gate?). **Carter** will approach **Reager Street** to clarify details. Directors are to expect e-mail updates as more information is gathered.

Directors discussed Resolutions 2010-0001 and 2010-0003, and agreed that amendments would be necessary during this time of expansion. **Secretary Boen** will research established procedures regarding resolution amendment and submit amended resolutions for approval at the November meeting.

POLICY REVIEW

Consult the table below for monthly policy review.

2016-2017 POLICY REVIEW

POLICY	1 ST REVIEW	NOTES	2 ND REVIEW	NOTES
A	8/15/16	Ok as-is	n/a	n/a
B1	8/15/16	Ok as-is	n/a	n/a
B3	9/19/16	OK as-is	n/a	n/a
B4	10/17/16	OK as-is	n/a	n/a
B6	6/20/16	reconsider @ July mtg; check emp. Handbook for grievance policy	7/18/16	Policy ok as written; <u>adjust store handbook as needed by 12/19/16 (motion Kellie Hill, 2nd Patty Casebolt; Pass)</u>
B9	7/18/16	Ok as-is	n/a	n/a
C Global	6/20/16	Ok as-is	n/a	n/a
C1	6/20/16	ok; add reference to vision statement when approved	8/22/16	<u>Approved as sub w/continual page updates (motion Patty Casebolt, 2nd Kellie Hill; Pass)</u>
C2	7/18/16	Delete highlights, extraneous notes	8/22/16	No vote required
C3	8/15/16	Ok as-is	n/a	n/a
C4	9/19/16	Ok as-is	n/a	n/a
C5	10/17/16	OK as-is	n/a	n/a

ADJOURNMENT

Kristi Schoenbachler moved to adjourn the meeting at 7:27 p.m.; *Fran Batzer* seconded the motion, which passed. The next regular **MFC BOD** meeting is scheduled for Mon., Nov. 21, at 5:30 p.m. at the law offices of **Pres. Jim Sims** (225 W. Main, Medford). The Finance Committee will meet before the Nov. 20 full Board meeting. Owners are welcomed and encouraged to attend both meetings. Please see below for an Action List and a Motion Synopsis.

Respectfully Submitted,

Debi Boen

Debi Boen

ACTION LIST, OCT. 2016

TARGET DATE	ACTION	RESPONSIBLE PARTY
ASAP	write & distribute minutes; begin Nov. agenda; update tracking spreadsheets; update MFC binder; update register, prepare res. amendments	Debi

11-21-16	report nominating/recruitment timeline project	Patty, Anne
11-21-16	Scheduled monitoring reports B7 Comm. to the Board	Anne
ASAP	Clarify Reager Street offer	Anne
11-21-16	Market study recommendation	Anne
12-19-16	Rework employee handbook, grievance policy	Anne
Prior to 11-21-16	Meet to discuss financials	Anne, Kristi

MOTION LIST 10-17-16			
MOTION	1st	2nd	PASS/FAIL
Approve 09-19-16 minutes as submitted	Patty Casebolt	Kristi Schoenbachler	Pass U
Adjourn	Kristi Schoenbachler	Fran Batzer	Pass U

eVOTES RATIFIED AT 10-17-16 MEETING			
MOTION	1st	2nd	PASS/FAIL
Authorize Anne Carter to sign Curtis Rest. Equip. job contract (café expansion)	Debi Boen	Kellie Hill	Pass U
Approve down payment of \$18,830.00 to Curtis Rest. Equip. for café expansion project	Debi Boen	Kellie Hill	Pass U