

Medford Food Co-op Board of Directors August 21, 2017

Present: Pres. Jim Sims, Vice Pres. Kellie Hill, Sec. Debi Boen, Treas. Kristi Schoenbachler, Robin Simpson

Absent: Fran Batzer, Patty Casebolt

Staff Present: GM Anne Carter, Chris Bradbeer

REPORTS

The August Medford Food Co-op Board of Directors (**MFC BOD**) meeting was called to order at 5:30 p.m. on 08/21/17.

Minutes of the 07/17/17 **MFC BOD** regular meeting were submitted; **Kristi Schoenbachler** moved to accept the minutes as submitted. **Kellie Hill** seconded the motion, which passed.

Financial reports submitted included Profit & Loss (May-July 2017), the Jan.-July 2017 Budget vs. Actuals, and the July 31, 2017 Balance Sheet. July sales were at \$416K, 98.6% of budget and a 4.5% increase over July, 2016. Operating expenses were at \$111K, or 102% of budget. Net operating income for July was \$28K, 83% of budget. **GM Carter** noted that a revised July-Dec. budget has been completed, to reflect the delay in the café opening. **GM Carter** also noted that each month, we are paying for the work that was completed that month on the café project. **Treasurer Kristi Schoenbachler** discussed the independent accountant's recent review report, detailing for Directors several notes that were included at the conclusion of the report. Both **Treasurer Schoenbachler** and **GM Carter** found the report to be satisfactory and accurate.

There were no "Owners' Forum" issues this month.

In the President's Report, **Pres. Jim Sims** was pleased to note that loan repayment and café development are both occurring without additional bank loans, and that **MFC** is about to successfully distribute its first patronage dividend to members-owners. He also noted that **MFC** was recently placed in the top 10 percent of over-producing co-ops

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 13 new owners in July, and there were 3 owner share redemptions. Additional updates:

Deli update:

- Sheetrock installed this week.
- Finalizing equipment purchases.
- Interviewing candidates for Lead Production Cook.

Update on Patronage Dividend Process:

- E-Patronage implementation successful; Sept. 1 is tentative date for the dividend to be available to owners.

Public Events affecting Perception of Co-op in Community

- 8/21-27 Oregon Wine Experience - Earlier this year, Halle joined the Children's Champion Committee that supports Asante in its position as a Children's Miracle Network hospital. The Oregon Wine Experience is their main fundraiser. We're an entry-level sponsor and will be sending several staff to events that week.
- Great buzz and anticipation for café.

Significant Operational Changes

- New positions in the café and openings in the store mean that we need to hire 7-8 new people before the end of Sept.

GM MONITORING REPORT

The August GM Monitoring Reports concerned Policy A (Global End) and Policy B1 (Financial Condition and Activities). **GM Carter** submitted reports detailing interpretation, operational definitions, and supporting data.

As a “living” document, Policy A is neither in nor out of compliance. Since the recent completion of an independent accountant’s review, **GM Carter** is able, for the first time since **MFC** implemented policy governance, to report compliance with B1; Directors celebrate this milestone, and agree that there is no need for Directors to assign a non-compliance severity level to the policy. Supplemental reports provided included April-June, 2017 P&L statement, June 30, 2017 balance sheet, and updated owner loan payment and sinking schedule.

No policy updates were due this month, but **GM Carter** noted that now that the patronage dividend process has been implemented, only one area of B4 remains out of compliance. She is also currently working with Brophy Schmor to revise the staff handbook (Policy B6).

OLD BUSINESS

The next meeting of the Financial Committee is scheduled for Mon., Oct. 9.

Directors were advised to be aware of e-mail communication regarding the next Board Social and/or café opening, as these events will likely take place before the next official meeting.

NEW BUSINESS

MFC’s new café manager **Chris Bradbeer** was present and was introduced to Directors. **Chris** discussed plans for the operation of the café (officially named “The Café”)

POLICY REVIEW

Consult the table below for monthly policy review.

2016-2017 POLICY REVIEW				
POLICY	1ST REVIEW	NOTES	2ND REVIEW	NOTES
B4	3/20/17	Add colon to #2	4/17/17	KH/JH motion; passed
D Global	3/20/17	Ok as-is		
D1	3/20/17	Ok as-is		
B5	4/17/17	Ok as-is		
D2	4/17/17	Ok as-is		
D3	4/17/17	Ok as-is		
C Global	*6/19/17	Change as recc, by CDS		KH/RS motion; passed
C1	*6/19/17	Change as recc, by CDS		KS/PC motion; passed
C2	*6/19/17	Change as recc, by CDS		RS/KS motion; passed
B6	6/19/17	Reword 1(b); elim. 1(b)1		PC/KH motion; passed
B9	7/17/17	Ok as is		
D4	7/17/17	Ok as is		
C3	8/21/17	Change as recc. by CDS		RS/KS motion; passed
C4	8/21/17	Change as recc. by CDS		KH/RS motion; passed
C5	8/21/17	Change as disc. @ mtg.		KH/RS motion; passed
B3	9/18/17			
C6	10/16/17			
C7	10/16/17			
B7	11/20/17			
B2	12/18/17			
B Global	1/15/18			

B8	1/15/18			
C8	1/15/18			
A Global	2/19/18			
B1	2/19/18			
B2	2/19/18			

ADJOURNMENT

The Board entered Executive Session at 7:28 p.m. At its conclusion at 7:45 p.m., **Kellie Hill** moved to adjourn the meeting; **Robin Simpson** seconded the motion, which passed. The next regular **MFC BOD** meeting is scheduled for Mon., September 18, at 5:30 p.m. at the law offices of **Pres. Jim Sims** (225 W. Main, Medford). Owners are welcomed and encouraged to attend. Please see below for an Action List and a Motion Synopsis.

Respectfully Submitted,

Debi Boen Debi Boen

MOTION LIST 8-21-17			
MOTION	1st	2nd	PASS/FAIL
Approve 7-17-17 reg. minutes as submitted	Kristi S.	Kellie Hill	Pass
Approve CDS-recc. changes to Policy C3	Robin Simpson	Kristi Schoenbachler	Pass
Approve CDS-recc. changes to Policy C4	Kellie Hill	Robin Simpson	Pass
Approve amended CDS changes to Policy C5	Kellie Hill	Robin Simpson	Pass
Adjourn	Kellie Hill	Robin Simpson	Pass

ACTION LIST, AUGUST 2017		
TARGET DATE	ACTION	RESPONSIBLE PARTY
ASAP	write & distribute reg. & ES minutes; begin Sept. agenda; update tracking spreadsheets; update MFC binder; update register; create policy reviews; revise recruitment list; write Board article for newsletter	Debi
9-18-17	Exec Session re timeline, recruitment	Full Board + Anne
9-18-17	Scheduled monitoring report B3	Anne
9-18-17	Scheduled policy updates B4, B6	Anne
9-18-17	Final approval board budget	Full Board
September (date TBA)	Café opening, Board Social	All
10-9-17	Quarterly Meeting	Financial Comm.
9-8-17	Executive Session Assignment	Jim/Anne