

Medford Food Co-op Board of Directors October 15, 2019

Present: Pres. Kellie Hill, Vice Pres. Patty Casebolt, Treas. Roger Noyes, Sec. Debi Boen, Fran Batzer Sarah Calhoun, Verne Underwood
Staff Present: GM Anne Carter

REPORTS

The October, 2019 Medford Food Co-op Board of Directors (**MFC BOD**) meeting was called to order at 5:30 p.m. on 10/15/19.

Minutes of the 09/16/19 **MFC BOD** regular meeting were submitted; **Patty Casebolt** moved to accept the minutes as submitted. **Roger Noyes** seconded the motion, which passed.

GM Carter submitted and presented her written report, with updates in the areas of finance, ownership, and public events. **MFC** added 29 new owners in Sept., and there were two owner share redemptions.

Relevant Financial Information

- Sept., 2019 sales were at \$412K, a 4.4% increase over Sept., 2018, 98% of budget. COGS (Cost of Goods Sold) = \$286K, 105% of budget. Café sales = \$42K, 105% of budget, 10% of total sales. Operating expenses = \$131K, 86% of budget. Net operating income of \$4.8K, 118% of budget.

Ownership Level Issues

- Café update: Sept. sales have increased steadily with the majority of sales from mid-morning through lunch. Café also catered several lunches and breakfasts in Sept. Staffing has been stable; currently interviewing for a full-time cook.
- Point of sale update: purchased and installed scale/labelers for packing room and Café.
- Store reset: finished with the exception of a few details to work out.
- GM attended NCG Fall Meeting in Minneapolis. Highlights:
 - New CFO of NCG introduced
 - Investigating secondary supplier for purchasing program. Renewed support and expansion for Field Day brand (essentially the Co-op's private label). Core Sets to launch in 2020.
 - Evaluating Retail Technology presentation by PCC's VP of Info Tech.
 - Attended two-day workshop on Change Capable Leadership.
 - 2020 Theme: Future Proofing – Acting Now for Long-Term Success

Public Events Affecting Perception of Co-op in Community

- 9/18 Erickson Employee Wellness Fair
- 9/20 Bear Creek Stewardship Day, Multicultural Day, CBLD Board training
- 10/5 Co-op Café in Portland
- 10/7 Channel 12 evening news spot on **MFC** Sustainable Silverware program

Significant Operational Changes

- Nothing new to report

GM MONITORING REPORT

The October, 2019 GM Monitoring Report concerned Policy B1 (Financial Condition and Activities). **GM Carter** submitted reports detailing interpretation, operational definitions, and supporting data, including a copy of the 3rd Quarter Profit & Loss and Balance sheets). **GM Carter** was unable to report compliance with this policy. The following sub policies are out of compliance: 1) Adequate sales growth; and 2) Adequate EDITDAP and net income. The 3rd Quarter compliance projected during the 08/19/19 Policy B1 Monitoring Report did not occur; however, the 3rd Quarter ended with a significantly improved status. Furthermore, **GM Carter** expects compliance in this area during the 4th Quarter, which will reflect holiday sales. After discussion, Directors agreed to assign a "Moderate" severity level of concern to this report. The next update on this policy is due 02/18/20.

A full Policy B3 (Asset Protection) Policy Update is due in December. Proposals are currently being accepted from PR firms.

POLICY REVIEW

Consult the tables below for monthly policy review:

2019-2020 POLICY REVIEW

| POLICY | 1 ST REVIEW | NOTES | 2 ND REVIEW | NOTES |
|-----------|------------------------|------------------------------------|------------------------|----------|
| B4 | 3/18/19 | Ok as-is | | |
| D Global | 3/18/19 | Ok as-is | | |
| D1 | 3/18/19 | Ok as-is | | |
| B5 | 4/15/19 | Ok as-is | | |
| D2 | 4/15/19 | Ok as-is | | |
| D3 | 4/15/19 | Ok as-is | | |
| C Global | 5/20/19 | Ok as-is | | |
| C1 | 5/20/19 | Ok as-is | | |
| C2 | 5/20/19 | Ok as-is | | |
| B6 | 6/17/19 | Ok as-is | | |
| B9 | 7/15/19 | Ok as-is | | |
| A Global | 7/15/19 | Ok as-is | | |
| D4 | 4/15/19 | Correct as submitted; PC/VU | 7/15/19 | Ok as-is |
| C3 | 8/19/19 | Ok as-is | | |
| C4 | 8/19/19 | Ok as-is | | |
| C5 | 8/19/19 | Patty/Sarah to rewrite | 11/19/19 | |
| B3 | 9/16/19 | Ok as-is | | |
| C6 | 10/21/19 | Ok as-is | | |
| C7 | 10/21/19 | Ok as-is | | |
| B7 | 11/18/19 | | | |
| B Global | 12/16/19 | | | |
| B8 | 12/16/19 | | | |
| B2 | 1/20/20 | | | |
| C8 | 1/20/20 | | | |
| B1 | 2/17/20 | | | |

OLD/RECURRING BUSINESS

Committee Discussion

- Directors continued discussion of current and proposed standing and adhoc committees. **Treasurer Roger Noyes** discussed Finance Committee charter revisions, and **President Kellie Hill** discussed Annual Meeting Committee charter revisions. Director input was solicited. Both charter revisions will be complete and submitted for approval at the 11/19/19 meeting. Directors agreed that the Management Evaluation and Contract & Compensation committee charters will stand as-is, and the Nominating committee charter will be tabled until the Jan. 2020 meeting.

BOD Goals for Next Year

- Directors agreed that they desire for the **MFC BOD** to take a larger role in engaging owners and the community. Ways to accomplish this include more board presence at outreach events, and addressing acoustics in the Café (which would make the Café more accessible for Board and other small group meetings). **Fran Batzer** will compile a list of noise deadening options and be prepared to discuss them at the 11/19/19 meeting.

Board Assistant / Secretary

- **Sandra Ball**, **MFC** Bookkeeper, is no longer available to accept the position of Board Assistant. **GM Carter** will continue the search.

Bylaws Revision Update

- **GM Carter** and **Patty Casebolt** will join **Verne Underwood** in this project. This adhoc committee is instructed to address clarity of the member/owner designation currently used by **MFC**.

Code of Conduct (Policy C5) Update

- **Sarah Calhoun** and **Patty Casebolt** were scheduled to present a Policy C5 update at the October meeting. The revision was not yet complete, and the update was tabled until the 11/19/19 meeting.

John Steinman event

- **MFC BOD** was reminded of the John Steinman event at the store on 11/20/19, and the Board's role in this event was discussed.

Recent Trainings

- Directors who were able to attend either the 9/26 CBLD training in Sacramento or the 10/5 Co-op Café in Portland reported their experiences to the full board. Those who attended the CBLD training were also able to bring back some materials. **Vice President Casebolt** suggested that we look into the possibility of hosting a CBLD training in the future.

EXECUTIVE SESSION

- From 7:41-7:47 p.m., **MFC BOD** moved into a brief executive session.

ADJOURNMENT

At 7:56 p.m., **Fran Batzer** moved to adjourn the meeting; **Roger Noyes** seconded the motion, which passed. The next regular **MFC BOD** meeting is scheduled for Tues., Nov. 19 at 5:30 p.m. The Nov. meeting will be held in the conference room at Medical Eye Center (1333 E. Barnett, 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 10-15-19 | | | |
|---------------------------------------|-----------------------|-----------------------|------------------|
| MOTION | 1st | 2nd | PASS/FAIL |
| Approve 09/16/19 minutes as submitted | Patty Casebolt | Roger Noyes | Pass |
| Adjourn | Fran Batzer | Roger Noyes | Pass |

| ACTION LIST, OCTOBER 2019 | | |
|----------------------------------|---|--------------------------|
| TARGET DATE | ACTION | RESPONSIBLE PARTY |
| ASAP | Write & distribute Oct. minutes; update Policy Register; update tracking spreadsheets; create Nov. policy review, e-mail asstd. reports to Directors; e-mail Halle Sept. minutes. Before Nov. meeting: begin tentative agenda (e-mail Halle). | Debi |
| Prior to Board Meeting | Meeting | Fin. Comm. |
| 11-19-19 | Monitoring Report: B7 Comm. to the Board | Anne |
| 11-19-19 | Policy reviews: B7 | All |
| 11-19-19 | Submit for approval: Annual Comm Charter | Kellie |
| 11-19-19 | Submit for approval: Finance Comm Charter | Roger |
| 11-19-19 | Submit for approval: Policy C5 (Code of Conduct) | Patty, Sarah |
| 11-19-19 | Café acoustics options | Fran |