

Present: Pres. Kellie Hill, Vice Pres. Patty Casebolt, Sec. Debi Boen, Treas. Roger Noyes, Fran Batzer, Sarah Calhoun (via phone), Verne Underwood **Staff Present:** GM Anne Carter, BA Kathy Damas

Call to Order

The February 17, 2020 Medford Food Co-op Board of Directors (**MFC BOD**) meeting was called to order at 5:30 p.m.

Previous Meeting Minutes

Minutes of the January 13, 2020 **MFC BOD** regular meeting were submitted; **Fran Batzer** moved to accept the minutes as submitted. **Roger Noyes** seconded the motion, which passed.

Owner's Forum

There were no owners present.

GM REPORT

General Manager (GM) Carter submitted and presented her written report, with updates in the areas of finance, ownership, The Café, and public events. **MFC** added 20 new owners in January, and there were 3 owner share redemptions.

Relevant Financial Information

- January, 2020 sales were \$457K, a 3.4% increase over last January and 100% of budget. (Cost of Goods Sold) = \$296K, 100% of budget. Café sales = \$49K, 106% of budget, 11% of total sales, and 4% increase over last Jan. Operating expenses = \$157K, 101% of budget. Net operating income of \$3.7K, 92.5% of budget.

Ownership Level Issues

- Café equipment problems and needed repairs have taken time and are being resolved. Acoustics: Kellie sent measurements to an interior design friend and will receive suggestions and an estimate soon.

Public Events Affecting Perception of Co-op in Community

- Jan 24-26, 2020: The 1st annual Brine, Brew and Barrel Fermentation Festival at Inn at the Commons was well attended. **MFC** was a sponsor and provided produce for the Sat. workshops.
- Feb 7, 2020: JPR Wine Tasting Event - **MFC** had a booth and offered samples of chia pudding. It was well-received.
- **MFC** had another mention in the Sneak Preview, listing The Café as among the top 5 for favorite lunch spots in Medford.
- Most **MFC** Outreach efforts are currently focused on preparations for upcoming events.

Significant Operational Changes

- Nothing new to report.

GM MONITORING REPORTS

GM Carter reported that B1 is in compliance. She reviewed the report, which included fourth quarter Profit and Loss and Balance Sheets. She noted that in addition to reporting on the four key operational indicators (sales growth, net income, current ratio, and debt-to-equity ratio) that are reviewed each quarter, she included five operational indicators that help to gauge operational efficiency. These are indicators for which comparison data from other co-ops exists (margin minus labor, sales per labor hour, inventory turnover, EBITDAP, and growth in owner paid-in equity). **GM Carter** noted that strong fourth quarter sales improved two operational indicators significantly (Margin Minus Labor and Sales per Labor Hour) and slightly improved Inventory Turnover. She noted that while fourth quarter sales helped achieve sales growth and net income targets, it is important to watch trends carefully as summer approaches bringing historically slower sales.

GM Carter also noted that the fourth quarter Profit and Loss statement will be adjusted by the CPA's journal entries which will affect the final net income figure.

POLICY REVIEW

Consult the tables below for monthly policy review:

2019-2020 POLICY REVIEW				
POLICY	1ST REVIEW	NOTES	2ND 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	2/17/20	Ok as-is; keep acknowledgments separate
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	Ok as-is		
B Global	12/16/19	Ok as-is		
B8	12/16/19	Ok as-is		
B2	1/13/20	Ok as-is		
C8	1/13/20	Ok as-is		
B1	2/17/20	Ok as-is		

OLD/RECURRING BUSINESS

2021 Budget Projection

- **GM Carter** submitted and reviewed 2020-2021 Projections. GM Monitoring Report B2 (Planning & Budgeting) is now in compliance. **GM Carter** emphasized that summaries of multi-year projections are not working budgets. Many unknowns make projecting difficult; however, she factored in a loss of sales growth in 2021 due to Market of Choice's projected opening in late 2020. A brief discussion followed regarding potential cost-saving measures as well as increased expenses that are calculated in the projections.

Committee Process for Members

- **President Kellie Hill** presented a written Process for Committees to add Owners. Discussion followed regarding communication between interested parties and how this Process would be recorded. **President Hill** suggested adding this Committee Process language to the existing Board Policy C7 (Board Committee Principles) and tabling a vote until next month. **Verne Underwood** moved to review and vote on Board Policy C7, which will include adding the Committee Process for Members language to the Policy, in March, 2020, and again at the regularly scheduled time of October, 2020. **Patty Casebolt** seconded; the motion passed.

Codes of Conduct

- Co-chairs **Patty Casebolt** and **Sarah Calhoun** presented revised Proposed Codes of Conduct for **BOD** and for Committee Members. Discussion included process and storage of signed forms. **Secretary Debi Boen** suggested that current year signed forms be stored with a tracking table in the President's **MFC BOD** binder, then scanned for historical keeping after new forms are signed. The forms were renamed Acknowledgments to differentiate them from Policy C5 itself. Director **Patty Casebolt** made the suggested changes electronically and redistributed the documents to the **MFC BOD**.
 - **Verne Underwood** moved to approve the Acknowledgment of Board of Directors Code of Conduct as presented. **Fran Batzer** seconded; the motion passed.
 - **Roger Noyes** moved to approve the Acknowledgment of **MFC** Committee Member Code of Conduct as presented. **Verne Underwood** seconded; the motion passed.All **MFC Directors** will sign the Acknowledgment forms at the next **BOD** meeting.

Committee Updates: Finance, Owner Engagement, Bylaw Revision

- **Finance: Director/Chair Roger Noyes** reported that the Finance Committee reviews reports and holds general discussion. He added that 2021 projections are a way to discuss scenarios about finances with regard to present and future competitors in general.
- **Owner Engagement: Directors/Co-chairs Fran Batzer** and **Sarah Calhoun** reported that their meeting has been rescheduled to next month. They have been researching what other co-ops are doing in this regard, looking for activities that don't overlap with marketing. **GM Carter** clarified that this committee's focus is on activating current members long-term with opportunities for involvement. **President Hill** emphasized that an important function of this committee is to plan the Annual Meeting, which presents another opportunity to find ways for owners to engage together as a community.
- **Bylaw Revision: Director/Chair Verne Underwood** reported that they have a draft of updated bylaws prepared for the **MFC BOD** to begin reviewing, which committee member **President Hill** distributed. **Director Underwood** noted that due to the number and types of changes made, the updated bylaws would replace the existing version. These changes will be voted on by the membership at the annual meeting, with the committee highlighting substantive changes before then. **President Hill** will confirm the procedural steps for replacing the old bylaws with the new, once the updates are approved. She asked Directors to read the draft bylaws and bring notes to the next **BOD** meeting; the goal is to have the draft version approved by April, leaving time to discuss and answer questions with members.

NEW BUSINESS

Resolution Amendment

- **Secretary Boen** noted that this amendment is needed due to a name-change of a staff person who is a signatory on the Rogue Credit Union account. **GM Carter** will find out from the credit union what steps are required. Item tabled to March meeting.

Assign Newsletter Task

- After a brief discussion, Verne Underwood volunteered to write the newsletter article and submit it to Halle by March 14, 2020.

Reschedule March BOD Meeting

- The March, 2020 **MFC BOD** meeting was rescheduled to Wednesday, March 18th at 5:30 p.m.

Transfer of Records

- **Secretary Boen** reported that she has a large plastic bin full of **MFC** documents from the past 11 years, and requested permission to transfer these records to **GM Carter**, who will have them scanned into electronic form. **Verne Underwood** moved and **Patty Casebolt** seconded to approve this transfer of records. The motion passed.

Positive Change 2021-2022 Question

- **Secretary Boen** asked if enough Positive Change recipients had been identified for the year since the annual meeting had been moved to October. **President Hill** confirmed that there are 12 recipients for the 2020 calendar year.

Board Training Opportunities

- **President Hill** handed out a flyer with Columinate training opportunities. She suggested that Directors sign up for one or more of these online webinars and then report back to the **BOD**. These trainings are part of **MFC's** membership benefits with Columinate so have no additional cost.

EXECUTIVE SESSION

From 7:33-8:22 p.m., after dismissing **Director Batzer**, **MFC BOD** moved into an executive session.

ADJOURNMENT

At 8:22 p.m., **Patty Casebolt** moved to adjourn the meeting; **Verne Underwood** seconded the motion, which passed.

The next regular **MFC BOD** meeting is scheduled for Wed., March 18, 2020, at 5:30 p.m. at 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,

Kathy Damas Kathy Damas and Debi Boen Debi Boen

MOTION LIST 2/17/2020			
MOTION	1 st	2 nd	PASS/FAIL
Approve 1/13/20 regular minutes as submitted	Fran Batzer	Roger Noyes	Pass
Review Policy C7 with new committee add language in March and Oct., 2020	Verne Underwood	Patty Casebolt	Pass
Approve Acknowledgment of C of C – BOD	Verne Underwood	Fran Batzer	Pass
Approve Acknowledgment of C of C – Committee Members	Roger Noyes	Verne Underwood	Pass
Approve Transfer of Records	Verne Underwood	Patty Casebolt	Pass
Adjourn	Patty Casebolt	Verne Underwood	Pass

ACTION LIST
2/17/2020

TARGET DATE	ACTION	RESPONSIBLE PARTY
ASAP	Write & distribute Feb. minutes; update Policy Register; update tracking spreadsheets; create March policy review, e-mail assorted reports to Directors; e-mail Halle Feb. minutes. Before March meeting: begin tentative agenda (e-mail Halle).	Kathy, Debi
Prior to Board Meeting	Conduct meeting	Committees
3/18/2020	Create BOD C of C Acknowledgment signature tracking table	Kathy
3/18/2020	Sign & submit BOD C of C Acknowledgment forms	Board
3/18/2020	Read draft Bylaws updates and make notes	Board
3/18/2020	Bylaw updates; research procedure to replace old with new	Kellie
By 3/14/2020	Submit MFC newsletter article to Halle	Verne