

## MINUTES

### Medford Food Co-op Board of Directors Meeting

Monday January 17, 2022

NOTE: Due to COVID-19, meeting conducted online via Zoom

**Present:** President Kellie Hill, Vice President Patty Casebolt, Secretary Sarah Calhoun, Treasurer Roger Noyes, Fran Batzer, Matt Dorris, Peggy Leviton, Barry Robino, Dan Smith

**Staff Present:** General Manager Anne Carter, Board Administrative Assistant Kathy Damas

**Invited Guest:** Todd Wallace, Columinate

#### Call to Order / Introductions

The January 17, 2022 Medford Food Co-op Board of Directors (MFC BOD) meeting was called to order at 5:32 p.m.

#### Owner's Forum

There were no additional owners present.

#### Previous Meeting Minutes

- Minutes of the December 20, 2021 MFC BOD regular meeting were submitted. **Matt Dorris** moved to accept the minutes as submitted; **Fran Batzer** seconded the motion, which passed unanimously.
- Minutes of the December 20, 2021 MFC BOD Executive Session were submitted. **Peggy Leviton** moved to accept the minutes as submitted; **Roger Noyes** seconded the motion, which passed unanimously.

#### GM MONTHLY REPORT

##### Relevant Financial Information

- December sales were \$505K, a 8.9% decrease over last December and 94% of budget.
- Café Update – December sales = \$34K, 75% of budget, 6.7% of sales.
- COGS = \$336K, 104% of budget.
- Operating Expense = \$197K, 115.7% of budget. (Looks high due to extra year-end expenses; actual = 99%.)
- Net operating income = -\$28K, -68.5% of budget. (Looks low due to extra year-end expenses; actual = 6.7% for quarter.)
- Days cash on hand as of 12/31/2021 = 77.3.
- December On-line Shopping = \$3,625, 18 transactions, \$201 basket size (estimates).
- December sales were decent, but customers were price-conscious. That, along with high use of promos and discounts, contributed to not hitting projected sales. Product out-of-stocks affected several departments, especially cooler, frozen, and bakery.

##### Ownership Level Issues

- In December, MFC added 31 new owners and had 1 owner share redemption.

##### COVID Update

- Due to increasing infection rates, the current mask enforcement was not changed. MFC adopted the CDC & OHA guidelines of a 5 day quarantine, allowing a return to work on the 6<sup>th</sup> day with a negative COVID test.

##### Public Events Affecting Perception of Co-op in Community

- Holiday Promotions went well. The Gift Card promo was widely advertised and we sold just over \$48,800 in gift cards in December. The 20% off local products boosted sales of those items.
- MFC wants to improve the value of being a Co-op owner and has plans in place for expanded owner benefits beyond the \$5 monthly coupon.

##### Significant Operational Change and Policy Compliance Updates

- Security cameras: No update.
- Wellness Dept. Lead, Laura, has resigned. Her replacement has been hired and will start next week.

## GM MONITORING REPORT

**GM Policy B2: Planning & Budgeting.** **GM Carter** reported non-compliance with sub-policy I.a. EBITDAP is less than 4%. All submitted reports included detailed interpretation, operational definitions, and supporting data. She explained that EBITDAP came in at 3.7%, a shortfall of \$20,000, due to increased personnel expenses. Increases to hourly worker's pay contributed to this expense but will also help MFC remain competitive and improve employee retention, which will pay off in future years.

**GM Carter** highlighted other 2022 budget assumptions and line-item changes such as including an audit as requested by the Board. After discussing various details of the 2022 budget and 2022-2023 Profit & Loss Statements, **Matt Dorris** moved to accept the GM Monitoring Report B2 acknowledging noncompliance; **Dan Smith** seconded the motion, which passed unanimously.

## BOARD GOVERNANCE POLICY REVIEW

Policies are reviewed each month based on the schedule below.

2021-2022 MFC BOD GOVERNANCE POLICY REVIEW SCHEDULE				
POLICY	1 <sup>ST</sup> REVIEW	NOTES	2 <sup>ND</sup> REVIEW	NOTES
B6	3/15/21	OK as-is		
D Global	3/15/21	OK as-is		
D1	3/15/21	OK as-is		
B5	4/19/21	OK as-is		
D2	4/19/21	OK as-is		
D3	4/19/21	OK as-is		
C Global	5/17/21	OK as-is		
C1	5/17/21	OK as-is		
C2	5/17/21	OK as-is		
B4	6/21/21	OK as-is		
A Global	7/15/21	OK as-is		
B9	7/15/21	OK as-is		
C3	8/24/21	OK as-is		
C4	8/24/21	OK as-is		
C5	8/24/21	OK as-is		
B3	9/20/21	OK as-is		
C6	10/18/21	OK as-is		
C7	10/18/21	OK as-is		
B7	11/15/21	OK as-is		
B Global	12/20/21	OK as-is		
B8	12/20/21	OK as-is		
B2	1/17/22	OK as-is		
C8	1/17/22	OK as-is		
B1	2/21/22			
D4	2/21/22			

## OLD/RECURRING BUSINESS

### Committee Reports

- **Finance: Treasurer Roger Noyes** reported that the Committee reviewed the 2022 budget and had nothing more to add to the B2 Planning and Budgeting Report just given.
- **Owner Engagement: Co-Chair Calhoun** had no report as the Committee did not meet this month.

### Board Training Webinars

**President Hill** encouraged Directors to review the Columinate website for upcoming opportunities.

## NEW BUSINESS

### Ensuring Future Success

**President Hill** welcomed Todd Wallace of Columinate, who was invited to facilitate a discussion with the Board about what success looks like from an expansion point of view. At Todd's request, President Hill explained that the purpose was to get the board comfortable with a common vision of expansion going forward.

After clarifying the history of some source documents provided to pre-read, Todd gave Directors questions to discuss in small group breakout rooms then report back. After briefly considering what items in the source documents stood out and why, Directors reported appreciation of the co-op's successful 10-year history and the diverse desires of owners from an expansion, noting the unlikelihood of pleasing everyone.

Next, Directors considered the question, "What does a successful expansion scenario look like for the co-op and why?" Answer highlights included: The co-op must hit financial targets AND community service targets (both are important); Success looks like our 10-year trend achieved through community support and employee dedication; Improved quality of life in Medford; Efficiency – buying power, stocking, loading, aesthetics, etc.; and, Good food – expand on success of the Café and stay competitive.

A related question was: "A successful expansion scenario for the co-op allows MFC to: (blank)". Success would allow MFC to: Meet its Ends; Meet owners needs; Expand services; Retain management; Be profitable; Be known as THE best shopping option in Medford; Be the choice employer; and, Increase diversity. Anne shared that she uses the concept of 'relevance' to capture all of these sometimes-competing goals.

**President Hill** noted in final thoughts that the Board seems to be in relatively close alignment in their vision. This discussion provides parameters since MFC is asking a lot of the future expansion, and this also helps the Board to ask the right questions.

## EXECUTIVE SESSION

At 7:30 p.m. the Board moved into Executive Session.

## RETURN TO REGULAR MEETING

At 7:38 p.m. the Board resumed the regular meeting. The next BOD meeting was rescheduled for Monday, February 28, 2022, at 5:30 p.m. on Zoom.

After a brief discussion and acknowledging recent challenges, **President Hill** offered the Directors assistance to **GM Carter** in whatever capacity would be helpful to her. Anne thanked the Board and will consider ways she could utilize their help.

## ADJOURNMENT

At 7:46 p.m., **Dan Smith** moved to adjourn and **Matt Dorris** seconded; the motion passed unanimously.

The next regular MFC BOD meeting is scheduled for Monday, February 28, 2022, at 5:30 p.m., via Zoom. Owners are welcomed and encouraged to attend. Please see below for this meeting's Motion Synopsis and Action List.

Respectfully Submitted,

*Kathy Damas*

Board Administrative Assistant

## MOTION SYNOPSIS

MOTION	1 <sup>st</sup>	2 <sup>nd</sup>	PASS/FAIL
Approve 12/20/2021 regular minutes	Matt Dorris	Fran Batzer	Pass
Approve 12/20/2021 ES minutes	Peggy Leviton	Roger Noyes	Pass
Accept GM Monitoring Report: B2 (noncompliant)	Matt Dorris	Dan Smith	Pass
Adjourn	Dan Smith	Matt Dorris	Pass

## ACTION / ONGOING PROJECT LIST

TARGET DATE	ACTION	RESPONSIBLE PARTY
<b>ONGOING</b>		
Within 1 week after Board Meeting	Write minutes; update reports and documents as needed. Email draft minutes and tentative agenda to Directors. Email approved minutes and tentative agenda to Halle.	Kathy
4 days prior to Board Meeting	Email reports to Directors	Anne / Kathy
4 days prior to Board Meeting	Email access link to board packet to Directors	Kathy
Prior to Board Meeting	Conduct Committee meetings	Committees
Ongoing	Attend Columinate webinars	BOD
Ongoing	Boost MFC on social media: Follow, like, comment, share	All
<b>NEW / CURRENT</b>		
02/28/2022	Update BOD on security camera system	Anne
02/28/2022	Open account at additional credit union	Anne / Kellie
03/21/2022	Update Personnel Policies; Have attorney review	Anne
<b>FYI: UPCOMING COLUMINATE TRAININGS</b>		
1/23/2022	Board President's Round Table	
1/31/2022	Board Processes: Intentional & Focused	
2/7/2022	Financial Training for Directors – Q1 2022	
3/14/2022	Explorations in Governance Series– Q1 2022	
3/19/2022	Virtual CBL 101	