

# MINUTES

## Medford Food Co-op Board of Directors Meeting

Monday December 19, 2022

Windermere Real Estate Training Office, 1117 E Jackson St, Medford, OR

### Present

**Directors:** President Kellie Hill, Treasurer Roger Noyes, Fran Batzer, Matt Dorris, Peggy Leviton

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

**Absent:** Vice President Patty Casebolt, Secretary Sarah Calhoun, Dan Smith

### 1. Call to Order / Introductions

The December 19, 2022 Medford Food Co-op Board of Directors (MFC BOD) meeting was called to order at 5:34 p.m.

### 2. Owner's Forum

There were no additional owners present.

### 3. Previous Meeting Minutes

Minutes of the November 21, 2022 MFC BOD regular meeting were submitted. **Roger Noyes** *moved to accept the minutes as submitted; Peggy Leviton* *seconded the motion, which passed unanimously.*

### 4. GM Monthly Report

#### Relevant Financial Information

- November sales were \$495K, a 3.4% decrease over last November and 102% of budget.
- Cafe Update: November sales = \$34K 99% of budget, 6.9% of sales.
- COGS = \$331K, 105.6% of budget.
- Operating Expense = \$166K, 97.6% of budget.
- Net operating income = -\$2.2K.
- Days cash on hand as of 11/30/22 = 81.4
- November On-line Shopping = \$2,386.68, 25 transactions, \$95.47 basket size

#### Ownership Level Issues

- New Owners in November = 20.
- Owner share redemptions in November = 0
- Only \$5,681 left in outstanding patronage payable

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

- Thanksgiving Sales were generally good. While sales were 2.3% lower than last year, that's closer than we have been most of 2022. Jimmy summarized that in general, unit sales were down across departments with inflation/price adjustments helping to keep dollars up. Exceptions included the Café and Bulk sales. Turkey sales were similar to last year. More pies were sold this year, with bumps from house-made and Heidi's pumpkin.
- December Promotions:
  - \$100 gift cards for \$90
  - Bulk Flash Sale, Dec 1-4, 10% bulk products
  - Winter Good Food Festival, 12/16-17 - Enjoy 10% off all local products (excludes house-made items) and free food & beverage tastings from some of our favorite local vendors.
  - Save \$5 on pre-ordered house-made pies. Order pies by 12/16 for pick up 12/19-24.
  - Free Coffee in the Cafe, 12/19-23.

#### Significant Operational Change and Policy Compliance Updates

- Nothing new to report.

## 5. GM Monitoring Reports

All submitted reports included detailed interpretation, operational definitions, and supporting data. Accompanying documents included the Business Plan for 2022-2024, 2023 Budget, and 2023-2024 Pro Forma.

**GM Policy B2: Business Planning and Financial Budgeting.** **GM Carter** was not able to report compliance with sub-policy 1.a. EBITDAP is less than 4% and sales growth is less than 3%.

Discussion followed regarding the 2023 information presented, such as current metrics and strategies for improvement, challenges and assumptions including ongoing inflation, and potential operating changes if key financial indicators are not met by Q2 2023.

Directors expressed concern about using NCG's recommended targets vs. the budget that the Board approves and feels is realistic when holding GM Carter accountable.

*The MFC BOD unanimously agreed to the following, acknowledging that Policy B2 is out of compliance, and*

- *Requested that **GM Carter** change the Operational Definitions of policy B1 to align with MFC's budget assumptions, while continuing to acknowledge NCG's targets; and,*
- *Acknowledged that the 2023 compliance of policy B1 will be based on the budget accepted by the BOD.*

## 6. Board Governance Policy Review

Policies have been reviewed each month based on the schedule below. Beginning in September 2022, policies will be reviewed in comparison with the recently revised Policy Governance template from CBLD. Policies with major differences will be reviewed based on the available time allotted for each meeting.

2022 MFC BOD GOVERNANCE POLICY REVIEW SCHEDULE					
POLICY	1 <sup>ST</sup> REVIEW	NOTES	POLICY	1 <sup>ST</sup> REVIEW	NOTES
B2	January	OK as-is	B4	June	OK as-is
C8	January	OK as-is	A Global	July	OK as-is
B1	February	OK as-is	B9	July	OK as-is
D4	February	OK as-is	C3	August	OK as-is
B6	March	OK as-is	C4	August	OK as-is
D Global	March	OK as-is	C5	August	OK as-is
D1	March	OK as-is	<i>Began revising policies compared to CBLD template</i>		
B5	April	OK as-is	B3	September	Accepted changes discussed
D2	April	OK as-is	C7	October	Accepted changes discussed
D3	April	OK as-is	C6	November	Accepted changes discussed
C Global	May	OK as-is	B Global	December	Accepted changes presented
C1	May	OK as-is	B8	December	Accepted changes presented
C2	May	OK as-is			

## OLD/RECURRING BUSINESS

### 7. Committee Reports

- **Finance: Treasurer Roger Noyes** had no additional information to report and there were no questions about the financial statements. Committee member **Peggy Leviton** noted that short-term (13-14 month) CDs are currently paying higher interest rates than money market accounts. After Board discussion and considering MFC's various financial accounts and balances, Peggy Leviton moved to approve GM Carter moving approximately \$500K into short-term, higher interest rate CDs. Roger Noyes seconded the motion, which passed unanimously.

- Owner Engagement: **Committee Co-Chair Fran Batzer** deferred reporting until next month.
- Nominating: **Kellie Hill** reported that two of three potential candidates have declined. The third has not yet attended a Board meeting. Directors discussed having copies of the Board application available at tabling events.
- Ad Hoc DEI: **Dan Smith** and **Sarah Calhoun** were both absent.
- Ad Hoc Expansion FAQs: This committee will be meeting later in the week.

**NEW BUSINESS**

**8. Review 2023 Governance & Planning Calendars**

The traditional Governance Calendar was presented along with a variation called a Planning Calendar. Potential Annual Meeting dates of May 7<sup>th</sup> or 21<sup>st</sup> were discussed.

**9. Retreat Follow Up**

**President Hill** received a list of food co-ops that have recently expanded from Todd at Columinate. **Matt Dorris** and **Fran Batzer** volunteered to contact and learn more from these co-ops.

**10. Attendance Options**

**President Hill** invited conversation about future meetings continuing to be held in person, on Zoom, or a hybrid format. Consensus was reached that the hybrid option is not desirable, preferring to meet in person unless virus outbreaks indicate that Zoom would be appropriate.

**11. Newsletter Article**

As discussed at a previous meeting, **President Hill** noted that the scheduled topic for Board recruitment is what it's like to be a Board member. **Sarah Calhoun** has volunteered to write this article.

**EXECUTIVE SESSION**

**12. Expansion Update**

The Board entered Executive Session at 7:11 p.m., and returned to the regular meeting at 7:15 p.m.

**13. Next BOD Meeting**

The next regular MFC BOD meeting is scheduled for Monday, January 16, 2023, at 5:30 p.m., at the Windermere Real Estate training center, 1117 E Jackson St, Medford, OR. Owners are welcomed and encouraged to attend. Please see below for this meeting's Motion Synopsis and Action List.

**14. ADJOURNMENT**

At 7:15 p.m., **Matt Dorris** moved to adjourn; **Fran Batzer** seconded the motion, which passed unanimously.

Respectfully Submitted,

**Kathy Damas**  
Administrative Assistant

<b>MOTION SYNOPSIS</b>			
<b>MOTION</b>	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>	<b>PASS/FAIL</b>
Approve 11/21/2022 regular minutes	Roger Noyes	Peggy Leviton	Pass
Approve GM Carter moving approx.. \$500K to short-term, higher interest CDs	Peggy Leviton	Roger Noyes	Pass
Adjourn	Matt Dorris	Fran Batzer	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 Directors the shared drive access link to the complete Board packet	Kathy
Prior to Board Meeting	Conduct Committee meetings (regular and ad hoc)	Committees
Ongoing	Attend Columinate webinars	BOD
Ongoing	Boost MFC on social media: Follow, like, comment, share	All
<b>NEW / CURRENT</b>		
TBD	DEI and Expansion FAQ ad hoc Committee meetings as needed	Sarah / Dan Kellie / Sarah
As needed	Update Gov Policies accepted by BOD; replace in Manual	Kathy
1/16/2023	Update Personnel Policies; Have attorney review	Anne
TBD	Contact/learn more from recently expanded co-ops	Matt / Fran

## COLUMINATE TRAININGS

1/17/2023	Board/Manager Relationship
1/21/2023	Virtual CBL 101
1/26/2023	Trends in Board Compensation
1/31/2023	Navigating Conflict on the Board (2-parts)
2/13/2023	Explorations in Governance
3/6/2023	Finance Training for Directors