



**Annual Owner Meeting and Good Food Festival**  
**May 7, 2023, 1:00 p.m.**  
Medford Food Co-op and The Café

To view the meeting recording, you may access it here: <https://www.medfordfood.coop/elections>

### **Welcome & Introductions**

Kellie Hill, Medford Food Co-op (MFC) Board of Directors President, opened the meeting by introducing Directors and staff. There were 30 people present including Directors and staff members.

Kellie thanked the CORE management staff, acknowledging that they, along with General Manager (GM) Anne Carter, do all the work that keeps MFC operating smoothly. CORE staff include Jimmy Breedlove, Purchasing Manager; Drea McDermott; Halle Riddlebarger, Marketing & Outreach Manager; Steve Swader, Produce & Facilities Manager, and Andrea Warfield, Café Manager. Kellie thanked Anne for keeping the store and staff going through another challenging year.

### **Board Report**

#### Special Thanks

President Hill gave special thanks to outgoing Director Fran Batzer, who began her service as a Director in 2013. Fran was also co-chair of the Owner Engagement committee and will continue to volunteer with them.

#### Election Results

A total of 445 owners voted in this year's electronic election. Last year 467 owners voted. All nine Board seats are now filled with the election of new Directors Alexis Gossage and Noah Pinck. Incumbent Directors Kellie Hill and Matt Dorris were re-elected to represent the ownership.

In addition to the Board members elected, the organizations voted in as the 2024 Positive Change recipients include:

- Pollinator Project Rogue Valley
- Rogue Valley Farm to School
- Children's Advocacy Center of Jackson County
- Rogue Riverkeeper
- ACCESS
- Rogue Valley Food System Network
- Rogue Valley Growers and Crafters Market
- SMART Reading
- Rogue Climate
- Klamath Bird Observatory
- SOU Native American Student Union

#### Cooperative Community Fund

The MFC's Cooperative Community Fund is part of a national campaign to "give where you live." The fund is a permanent endowment with the interest donated annually to a local non-profit. The Board selects one of the organizations from this year's Positive Change recipients to receive the interest. This year the Board chose to donate the interest amount of \$749.59 to Rogue Farm Corp.

#### Unredeemed Patronage Dividends

After the redemption deadline and reaching out to notify as many owners as possible, the Board voted to donate the remaining \$3,375 to MFC's Cooperative Community Fund.

## Board Work

In 2022 the Board spent a lot of time with consultants regarding expansion. Directors worked on a common vision which would continue MFC's 10-year trend of success. A successful expansion scenario would meet MFC's Ends, owner needs, expand services, retain management, be profitable, be known as THE best shopping option in Medford, be the choice employer, and increase diversity. While MFC is asking a lot of a potential expansion, the Board seeks to ask the right questions while tending to their fiduciary duties.

The Board began working on the topic of Diversity, Equity, and Inclusion (DEI), which President Hill noted will be an ongoing process. New processes were developed for onboarding new Directors, and communicating with owners, which now happens through MFC's blog. The Board is also in the midst of a self-evaluation process to ensure their work is accomplishing what they set out to achieve.

## **Rogue Valley Food System Network**

General Manager Anne Carter introduced Alison Hensley Sexauer, Executive Director of Rogue Valley Food System Network (RVFSN). Alison noted that MFC is an active partner with this dynamic larger network, whose mission is to foster connections to promote equitable food access, ecologically sound agricultural practices and economic vitality. Alison highlighted RVFSN's work and events, including their annual fundraiser Brews, Bluegrass and BBQ on June 3, 2023, and the Rogue Valley Farm Tour on July 16, 2023.

## **Co-op Business Report**

Anne Carter, General Manager, gave her report, highlighting Co-op accomplishments and financial information for the past year. The full 2022 Annual Report may be viewed at <https://medfordfood.coop/owner-resources>

Anne noted that 2022 was a challenging year for many small, independent grocery stores, like MFC, across the U.S. The Co-op didn't escape the struggle to make ends meet in the face of rising prices and declining sales as consumers turned to discount grocers and decreased their purchases of organic products.

The Co-op's sales last year were 5.4% lower than in 2021. We projected a sales decline of 3.6%, but we did not expect rising prices and decreased consumer spending to continue the entire year. Gross margin fell resulting in a gross profit of 92.5% of budget. Reducing expenses to 96% of budget allowed us to achieve a net operating income of \$44,111.

At the end of 2022, we received a one-time Employee Retention Credit of \$514,884 for retaining our employees during mandated operational restrictions in 2020 and 2021. This credit will require revisions of previous tax returns and payment of additional taxes yet to be determined.

The Co-op's performance fell below our projections in 2022; however, we adapted, limited the impact on our cash flow and balance sheet, and are confident that sales and profitability will improve in 2023.

Other 2022 highlights:

- The Co-op purchased from 107 local food producers and sold \$764,311 worth of local products.
- Co-op ownership benefits our customers! 238 new owners – 6.9% increase in benefits - \$23,462 distributed in patronage dividends.
- Contributions to Community: MFC donated 28,870 pounds of food and \$26,174 through the Positive Change program.
- Double Up Food Bucks (DUFb) – 76% increase in enrollment last year, \$63,650 given in DUFb benefits.
- Committed Staff – Operating the store and the Café would not be possible without the management team's commitment to the Co-op and to supporting each other.

Noting that owners are critical for the Co-op's success, Anne outlined numerous ways owners can help MFC, such as shopping at the Co-op, attending events, volunteering, sharing supportive social media posts and word of mouth.

## **Expansion Update**

Kellie and Anne provided basic preliminary plans and information to clarify news about a potential expansion. A recent article in the Medford Alert may have given the impression that expansion plans are further along than they are, and for a much larger store. After years of searching for a suitable expansion site, the Board wondered if the current location could work, given its favorable geographic location, and began working with MFC's landlord, Russ Batzer.

Preliminary designs have been submitted to the city to explore the feasibility of the current location, and most importantly, at what cost. These designs envision improvements such as an almost doubled retail space, improved entrance/exit from Riverside, a Café integrated into the store, receiving docks, and more. It's early in the process with no guarantees that expansion on-site will be approved or affordable. More answers should be available in the next few months.

After answering questions, Kellie thanked everyone for their attendance and adjourned the meeting at 2:05 p.m.

Respectfully Submitted,

*Kathy Damas*

Kathy Damas, Administrative Assistant