

Medford Food Co-op Board of Directors May 18, 2020

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

Present: President Kellie Hill, Vice President Patty Casebolt, Secretary Debi Boen, Treasurer Roger Noyes, Fran Batzer, Sarah Calhoun, Verne Underwood

Staff Present: GM Anne Carter, BA Kathy Damas

Call to Order

The May 18, 2020 Medford Food Co-op Board of Directors (**MFC BOD**) meeting was called to order at 5:33 p.m.

Previous Meeting Minutes

Minutes of the April 20, 2020 **MFC BOD** regular meeting were submitted; **Fran Batzer** moved to accept the minutes as submitted. **Sarah Calhoun** 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, COVID19, public events, and significant operational changes.

Relevant Financial Information

- April sales were \$496K, an 11% increase over last April and 108.6% of budget.
- COGS = \$332K, 112% of budget.
- Operating Expense = \$157K, 101.5% of budget.
- Net operating income = \$6.5K, 109% of budget.
- April online sales = \$14,189, average basket = \$98.53.
- PPP Loan application was accepted. **MFC** will receive \$198,860.

Ownership Level Issues

- In April, **MFC** added 18 new owners and there was 1 share redemption.
- Café Update – April sales = \$17K, 36% of budget. March and April sales combined are 50% less than the same period last year.
- Crisis Communication Plan – The Plan has been updated; second draft is ready for review. Once an in-person training session can be scheduled, the Crisis Team will participate in reviewing **MFC's** response to COVID19. This will provide **MFC** with a case study to discuss what went well and what needs improvement. A Community Listening Team will be created to monitor talk radio and local news for stories on the Co-op during a crisis. **GM Carter** and Halle are developing guidelines for this group.

COVID19 Update

- Operational Procedures – In compliance with the governor's orders, all staff are required to wear face covering as of 5/15/20. **MFC** will encourage but not require customers to wear face coverings. **GM Carter** and staff are working out a process for limiting the number of customers in the store.
- Store and Café Hours – **MFC** plans to extend store hours to 7 am to 8 pm on May 25th. Café hours will remain 8 am to 6 pm.
- Café – Seating area will open 5/18 and will remain closed on weekends while weekday sales and traffic rebuilds.
- Employees – They appreciated the gift bags from the board! Outreach Committee is working on employee perks to offer several times a month. **MFC** will be closed on July 4th so all staff can have the day off. **MFC** will pay the wages of staff who are normally scheduled that day.
- Customer traffic is increasing.

Public Events Affecting Perception of Co-op in Community

- **MFC** will be expanding the \$3 Sandwiches on Wednesdays for different groups that serve the community: June will be for restaurant employees; July will be for teachers.

Significant Operational Change

- Operational changes were reported above in COVID19 update.

Policy Compliance Updates

- B8 Board Logistical Support is currently the only policy **GM Carter** is working on bringing into compliance by getting board meeting reports out on time.

GM MONITORING REPORTS

- **GM Carter** reported that B1 – Financial Condition and Activities – is in compliance. She noted that while the 1st quarter 2020 EBITDAP (earnings before interest, taxes, depreciation, amortization, and patronage) was in compliance at 4.14%, this is difficult to maintain without increasing margins. The debt to equity balance sheet ratios indicate that **MFC's** solvency is good. **GM Carter** reported that while it has been challenging to hit margin goals in all departments, increasing Café sales could help.
- **President Hill** asked the **BOD** to keep in mind the number of days **MFC** could sustain in case an emergency two-week store closure would be needed. **GM Carter** will begin noting this cash on hand/number of days in her monthly GM Report.
- **GM Carter** noted that the PPP (Payroll Protection Program) funds applied for have been approved but not yet received. These funds will allow the store to return to its normal hours and will be held in a separate account for tracking.

POLICY REVIEW

Governance Policies are reviewed each month based on the schedule below.

2019-2020 MFC BOD GOVERNANCE POLICY REVIEW SCHEDULE				
POLICY	1 ST REVIEW	NOTES	2 ND REVIEW	NOTES
B4	3/18/20	OK as-is		
D Global	3/18/20	OK as-is		
D1	3/18/20	OK as-is		
C7	3/18/20	Special Request Review: Accept as updated SC/VU		
B5	4/20/20	OK as-is		
D2	4/20/20	OK as-is		
D3	4/20/20	OK as-is		
D4	4/20/20	OK as-is		
C Global	5/18/20	OK as-is		
C1	5/18/20	OK as-is		
C2	5/18/20	OK as-is		
B6	6/15/20			
B9	7/20/20			
A Global	7/20/20			
C3	8/17/20			
C4	8/17/20			
C5	8/17/20			
B3	9/21/20			
C6	10/19/20			
C7	10/19/20			
B7	11/16/20			
B Global	12/21/20			
B8	12/21/20			
B2	1/18/21			
C8	1/18/21			
B1	2/15/21			

OLD/RECURRING BUSINESS

BOD Acknowledgment of Code of Conduct Forms

- **President Kellie Hill** sent all **BOD** members this form along with an envelope to mail the signed copy to **GM Carter**, who will have them scanned into the electronic records. **Kathy** will store the signed copies in the official **BOD** binder.

Bylaw Revision – Next Steps

- **President Kellie Hill** reported that attorney Robert Laskowski of Portland, OR, reviewed and commented on the Bylaw revisions. Brief discussion followed regarding his change to Section 4.5 Removal of a Director. **Kellie** will follow up with the attorney for clarification on this point. Regarding a summary document outlining the Bylaw revisions, **Verne Underwood** noted that he has not yet begun. He is waiting until all revisions are complete and would prefer to have the Bylaw Committee's historical input and assistance in creating this document.

Committee Updates: Finance, Owner Engagement, Bylaw Revision

- **Finance: Director/Chair Roger Noyes** referred to **GM Carter's** earlier report, adding that the financials are good considering what **MFC** has been through. He expressed hope for continued good financials in an uncertain future.
- **Owner Engagement: Directors/Co-chairs Fran Batzer** and **Sarah Calhoun** reported that they are continuing to gather information about two local venues. **Fran Batzer** attended a Columinate webinar about virtual meetings, and has discussed with **GM Carter** the option to upgrade **MFC's** Zoom online account to accommodate this possibility. Annual meeting ballots will need to be ready by mid-August for distribution in September.
- **Bylaw Revision: Director/Chair Verne Underwood** had nothing more to report.

Board Training Webinars

- **President Kellie Hill** asked for updates on which Columinate training webinars the **BOD** members are signed up for, and answered questions.

NEW BUSINESS

Annual Financial Review

- **Treasurer Roger Noyes** encouraged the **BOD** to read and understand the accountant's report. He noted it is not a full audit but this year-to-year summary is helpful in confirming that **MFC** runs a pretty tight ship. Discussion followed regarding benchmarks. **GM Carter** offered to provide the **BOD** a quarterly overview and comparison to budget to improve confidence. **Kellie Hill** suggested this could also be reviewed during the annual **BOD** retreat.

PPP eVote Ratification

- **Board Assistant Kathy Damas** conducted a verbal roll-call to confirm email votes which create Board Resolution 2020-001 as follows:

"In accordance with Section 5.6 of the Medford Food Co-op Bylaws, the following written consent constitutes the ratification of an email vote taken May 6, 2020.

Motion (Patty Casebolt): I move that the Medford Food Co-op Board of Directors designate Anne Carter, General Manager of Medford Food Co-op ("Co-op"), as the authorized representative to act on behalf of the Co-op to obtain federal relief funds through the Payroll Protection Program. We authorize Anne Carter to sign the corporate resolution and promissory note to secure loan number 1492992-34 at Rogue Credit Union. **Motion second; Sarah Calhoun.** The motion passed."

Accept Secretary Debi Boen's Resignation

- With deep gratitude and much reluctance, the **BOD** thanked **Secretary Debi Boen** for her 11 years of service to the **MFC BOD**. Her dedication and knowledge will be missed. **Debi Boen** moved and **Sarah Calhoun** seconded a motion to accept **Secretary Debi Boen's** resignation from the **MFC BOD**. The motion passed.

Interim Secretary

- **President Hill** explained that the Bylaws allow the **MFC** Secretary and Treasurer positions can be held by the same person. **Treasurer Roger Noyes** has agreed to serve as both until elections are held at the annual meeting in October. **Verne Underwood** moved to accept **Treasurer Roger Noyes** as Interim Secretary; **Fran Batzer** seconded. The motion passed.

Board Recruitment

- Brief discussion followed with general agreement for all to share ideas for candidates with each other via email for future follow up.

Retreat

- **President Hill** presented possible dates for the retreat, with consensus from Todd to move it back until after the election. Late October or early November dates were considered; she will find out Todd's availability.

Meeting Format

- After a brief discussion about safe locations and guidelines for meetings, the **BOD** agreed that the June meeting will be held via Zoom and to reassess for July at that time.

Mask Policy for Customers

- The current policy is to require masks for employees and to encourage (not require) customers to wear them. The **BOD** is aware of the current policy and supports it to assist staff and for the purposes of Board Holism.

Possible Meet with Owners

- **Patty Casebolt** asked the **BOD** to consider a virtual meet-and-greet to connect owners with what's happening. Timing, technicalities, and benefits of this idea were discussed. The Owner Engagement committee will pursue the details including asking a Columinate facilitator run the meeting. One or more meetings could be conducted as Q+A sessions prior to the annual meeting and election.

Assign Newsletter Task

- **President Kellie Hill** will write on the topic of "Who Owns Your Grocery Store" and **Verne Underwood** will include information about the bylaws and Q & A sessions in the next issue.

President Kellie Hill commended **GM Carter** and **MFC** staff for their hard work in this challenging time, and asked about compensation. GM Carter said staff received premium pay in late March and early April and base wage increases are being planned. **Kellie** emphasized the **BOD's** continued shows of support through store and Café purchases, communication with owners, and as voices in the community.

ADJOURNMENT

At 7:55 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 Monday, June 15, 2020, 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 Kathy Damas, Board Administrative Assistant

MOTION SYNOPSIS			
MOTION	1 st	2 nd	PASS/FAIL
Approve 4/20/2020 regular minutes as submitted	Fran Batzer	Sarah Calhoun	Pass
Designate GM Anne Carter as authorized rep. to apply for federal PPP relief funds	Patty Casebolt	Sarah Calhoun	Pass
Accept Secretary Debi Boen's resignation	Debi Boen	Sarah Calhoun	Pass
Accept Roger Noyes as Interim Board Secretary	Verne Underwood	Fran Batzer	Pass
Adjourn	Fran Batzer	Roger Noyes	Pass

ACTION LIST		
TARGET DATE	ACTION	RESPONSIBLE PARTY
ONGOING		
Within 1 week after Board Meeting	Write minutes; update reports and documents as needed. Email minutes, reports, and tentative agenda to Directors. Email approved minutes and tentative agenda to Halle.	Kathy
Days prior to Board Meeting	Email final agenda and reports to Directors.	Kathy
Prior to Board Meeting	Conduct Committee meetings	Committees
NEW/CURRENT		
ASAP	Mail signed C of C Acknowledgment forms to Anne	Board
ASAP	Clarify Bylaw question with attorney	Kellie
ASAP	Share recruitment ideas/ potential board members for follow up	Board / Kellie
6/1/2020	Begin Board budget to submit for approval at July meeting	Roger
6/15/2020	Begin including cash on hand (# of days) in GM Monthly Report	Anne
6/15/2020	Enter signed, scanned BOD C of C Acknowledgment forms into official binder	Kathy
6/15/2020	Bylaw updates; research procedure to replace old with new	Kellie
6/15/2020	Tentatively schedule Board Retreat with Todd for late October/early November	Kellie
6/15/2020	Write explanation of Bylaws revisions to facilitate owner understanding prior to vote.	Verne + Bylaw Committee
6/15/2020	Schedule 2-3 owner Q+A meetings prior to annual meeting (virtual or in-person); include dates in newsletter article	Owner Engagement Committee
Mid-August	Have annual meeting ballots prepared + Bylaw revision summary document	Owner Engagement Committee