

## MINUTES

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

Monday May 16, 2022

MFC Café – 945 S Riverside Ave, Medford, OR

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

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

#### Call to Order / Introductions

The May 16, 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 April 18, 2022 MFC BOD regular meeting were submitted. *Fran Batzer moved to accept the minutes as submitted; Peggy Leviton seconded the motion, which passed unanimously.*
- Minutes of the April 18, 2022 MFC BOD Executive Session were submitted. *Patty Casebolt moved to accept the minutes as submitted; Fran Batzer seconded the motion, which passed unanimously.*

#### GM MONTHLY REPORT

##### Relevant Financial Information

- April sales were \$469K, a 7% decrease over last April and 90% of original budget. Lost sales prior to Easter due to Pacific Pride fire on 4/12. Sales were \$4,800 (or 4%) lower that week compared to last year.
- Café Update: April sales = \$33K, 88% of budget, 7% of sales.
- COGS = \$309K, 91% of budget.
- Operating Expense = \$174K, 107% of budget. High due to \$8K paid to DC, \$2K in sponsorships, \$2,700 software fees. All of these expenses were included in the budget, but divided over 12 months.
- Net operating income = -\$14K, \$34K below budget.
- Days cash on hand as of 4/30/22 = 84
- April On-line Shopping = \$1,822.07, 12 transactions, \$151.84 basket size.

##### Ownership Level Issues

- In April, MFC added 59 new owners and had 1 owner share redemption.
- Annual Meeting: 32 owners attended. They all participated in small group discussions. Having the meeting at 1:00 pm was good timing.
- NCG Spring Meeting was in person. Theme was “Taking Principle 6 to the Next Level”. This is an initiative to build alignment among the food co-ops for common systems, processes, and business practices.

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

- Good Food Festival - Date was good. Boosted sales by 22% & customer transactions by 36%. Vendors were pleased with turnout & sales.
- Earth Day Events - The SOU Earth Day fest on 4/22 was well attended. Bear Creek Stewardship clean up on 4/23 was also well attended. We worked the area south of Barnett to avoid the oil contaminated area. We picked up more trash than usual. AFC's Earth Day event on 4/24 was not very busy.

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

- Security cameras: no update.
- Grocery/Purchasing Manager - We've had several qualified applicants and 2 interviews. Scan Coordinator - we have interviewed 3 people for this part time position. We should be able to fill this position within the week.

## GM MONITORING REPORT

**GM Policy B1: Financial Condition (Q1).** **GM Anne Carter** was not able to report compliance with sub policy #1 - adequate sales growth; and #5 - growth in owner shares. All submitted reports included detailed interpretation, operational definitions, and supporting data.

Sub policy #1 defines adequate sales growth of at least 3%, however the past two years brought unpredictably high sales compared to 2019 (17% higher in 2020 and 14.4% higher in 2021). Anne presented her report along with revised budget projections for the remainder of 2022 to establish a more realistic baseline. While there are some areas of concern Anne noted other 2022 Q1 metrics that are performing well such as EBITDAP.

Sub policy #5: Anne noted that it was likely Covid fatigue which led to the lack of growth in owner shares during Q1 2022. She's encouraged by the success of the April owner drive.

The Board expressed concerns about the financial condition of the Co-op. Directors discussed at length possible ways to tie sales growth metrics to inflation, along with other factors that influence the Co-op's financial conditions such as Café staffing and hours, labor costs, product pricing, expenses, and sourcing issues.

Roger Noyes moved to accept the updated 2022 B1 budget projections as presented; Matt Dorris seconded the motion which passed with six yes votes and two abstentions.

Kellie Hill moved to accept the GM Policy B1 Monitoring Report acknowledging noncompliance; Roger Noyes seconded the motion which passed unanimously.

## BOARD GOVERNANCE POLICY REVIEW

Policies are reviewed each month based on the schedule below.

| 2022-2023 MFC BOD<br>GOVERNANCE POLICY REVIEW SCHEDULE |                        |          |          |                        |       |
|--|------------------------|----------|----------|------------------------|-------|
| POLICY   | 1 <sup>ST</sup> REVIEW | NOTES    | POLICY   | 1 <sup>ST</sup> REVIEW | NOTES |
| B6   | March                  | OK as-is | C3       | August                 |       |
| D Global   | March                  | OK as-is | C4       | August                 |       |
| D1   | March                  | OK as-is | C5       | August                 |       |
| B5   | April                  | OK as-is | B3       | September              |       |
| D2   | April                  | OK as-is | C6       | October                |       |
| D3   | April                  | OK as-is | C7       | October                |       |
| C Global   | May                    | OK as-is | B7       | November               |       |
| C1   | May                    | OK as-is | B Global | December               |       |
| C2   | May                    | OK as-is | B8       | December               |       |
| B4   | June                   |          | B2       | January                |       |
| A Global   | July                   |          | C8       | January                |       |
| B9   | July                   |          | B1       | February               |       |
|  |                        |          | D4       | February               |       |

## OLD/RECURRING BUSINESS

### Committee Reports

- **Finance: Treasurer Roger Noyes** had nothing more to add to Anne's Q1 report above.
- **Owner Engagement:** On behalf of the committee, **Co-Chair Sarah Calhoun** asked Directors for feedback about the Annual Meeting. The committee described their definition of a successful meeting as overall owner engagement and building relationships. Directors liked how complementary it was to hold the AM and Good Food Festival together. Suggestions included creating a more forward and defined seating area and clarifying ways to allow Directors and staff to work together on the day of the event. Directors thanked the committee for their work and for a great event.

## Virtual CBL 101 – May 21, 2022, 8 – 11:30 am

**President Kellie Hill** strongly encouraged Directors—especially newer ones—to attend this training if they haven't taken it yet. Registrants receive a recording if they can't attend live.

### **NEW BUSINESS**

#### Approve Annual Meeting Minutes

Minutes from the May 1, 2022 Annual Meeting were submitted. *Fran Batzer moved to approve the 2022 Annual Meeting minutes as submitted ; Dan Smith seconded the motion which passed unanimously.*

#### July 23, 2022 Training with Todd

**President Hill** polled the Board for their interest in holding a training with Todd Wallace from Columinate on July 23, 2022. Suggested topics are Policy Governance deep-dive, Monitoring Reports, and Board Self Evaluation. Directors agreed that a half or two-thirds day of training would be valuable, especially on Board Self Evaluation.

#### Ask for Officer Positions

Board Officers will be elected at the June meeting and **President Hill** polled Directors for interest in holding an office. No new Directors expressed interest and all current officers are willing to continue in their positions.

#### Assign Newsletter Task

**Dan Smith** volunteered and will work with Anne to write a Board-related article for MFC's quarterly newsletter.

### **EXECUTIVE SESSION**

At 7:00 p.m. the Board moved into Executive Session.

### **ADJOURNMENT**

At 7:45 p.m., **Matt Dorris** moved to adjourn the meeting; **Sarah Calhoun** seconded the motion, which passed unanimously.

The next regular MFC BOD meeting is scheduled for Monday, June 20, 2022, at 5:30 p.m., in The Café. 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

| <b>MOTION SYNOPSIS</b>                          |                       |                       |                  |
|---|-----------------------|-----------------------|------------------|
| <b>MOTION</b>                                   | <b>1<sup>st</sup></b> | <b>2<sup>nd</sup></b> | <b>PASS/FAIL</b> |
| Approve 04/18/2022 regular minutes              | Fran Batzer           | Peggy Leviton         | Pass             |
| Approve 04/18/2022 ES minutes                   | Patty Casebolt        | Fran Batzer           | Pass             |
| Accept Updated 2022 Budget Projections          | Roger Noyes           | Matt Dorris           | Pass             |
| Accept GM Policy B1 acknowledging noncompliance | Kellie Hill           | Roger Noyes           | Pass             |
| Approve 2022 Annual Meeting minutes             | Fran Batzer           | Dan Smith             | Pass             |
| Adjourn   | Matt Dorris           | Sarah Calhoun         | 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.<br>Email draft minutes and tentative agenda to Directors.<br>Email approved minutes and tentative agenda to Halle. | Kathy             |
| 4 days prior to Board Meeting     | Email Anne's reports to Directors   | 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>              |   |                   |
| 05/16/2022                        | Update BOD on security camera system  | Anne              |
| 05/16/2022                        | Update Personnel Policies; Have attorney review   | Anne              |
| 10/17/2022                        | Resubmit GM Policy B5   | Anne              |

## COLUMINATE TRAININGS

|            |   |
|------------|---|
| 5/21/2022  | Virtual CBL 101                                       |
| 6/21/2022  | Board Elections Process                               |
| 7/16/2022  | Virtual CBL 101                                       |
| 7/27/2022  | Advanced Finance Topics: Audits                       |
| 8/10/2022  | Navigating the GM Evaluation & Compensation Processes |
| 8/17/2022  | Diversity: More Than a Number                         |
| 9/7/2022   | Effective Board Meeting Facilitation                  |
| 9/14/2022  | Trust & Betrayal in the Board/Manager Relationship    |
| 9/17/2022  | Virtual CBL 101                                       |
| 10/6/2022  | Explorations in Policy Governance Series              |
| 11/3/2022  | Financial Training for Directors                      |
| 11/19/2022 | Virtual CBL 101                                       |