

MINUTES

Medford Food Co-op Board of Directors Meeting

Monday September 19, 2022

NOTE: Due to GM conference, meeting conducted online via Zoom

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

Absent: Fran Batzer

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

Call to Order / Introductions

The September 19, 2022 Medford Food Co-op Board of Directors (MFC BOD) meeting was called to order at 5:31 p.m.

Owner's Forum

There were no additional owners present.

Previous Meeting Minutes

- Minutes of the August 15, 2022 MFC BOD regular meeting were submitted. *Peggy Leviton moved to accept the minutes as submitted; Dan Smith seconded the motion, which passed unanimously.*

GM MONTHLY REPORT

Relevant Financial Information

- August sales were \$480K, a 4.7% decrease over last August and 99.2% of budget.
- Cafe Update: August sales = \$39.7K 115% of budget, 8.3% of sales.
- COGS = \$319K, 102% of budget.
- Operating Expense = \$169K, 103% of budget.
- Net operating income = -\$8.6K, \$15.4K lower than budget due to sales below projections and cost of goods estimated at 33.5% rather than 35%.
- Days cash on hand as of 08/31/22 = 83.16
- August On-line Shopping = \$1827.08, 15 transactions, \$121.81 basket size.
- Year-to-Date (YTD) Financial Summary - Our sales and operating expenses are close to projections. Getting our prices updated so that departments are achieving margins will improve our gross margin significantly.
- Current YTD sales = \$3,809,598. A 35% gross margin would be \$1,333,359.
- Current YTD margin = \$1,282,165, 33.6%
- Difference between the margins = \$51,194. Adding this to the net operating income would be \$64,281 vs. the current amount of \$13,087. It would be much closer to budget.
- Audit & Corporate Tax Return - both are nearly complete. We are eligible for \$514K in ERC. Should begin to receive the credits in 5-6 months. 2020 tax return will have to be amended, and we will owe additional taxes.

Ownership Level Issues

- New Owners in August = 18
- Owner share redemptions in August = 1
- Planning for the Oct Owner Drive to include an owner appreciation gift and \$5 per new owner signed up incentive for staff.
- Patronage Dividend to Owners - We plan to distribute this beginning in October.

Public Events affecting Perception of Co-op in Community

- 8/4 Cookie Lab Pop-up at the store paired with Cojenerate stickers. It went well & Cookie Lab owner is interested in doing it again. Another vendor noticed & asked to do a pop-up. Halle's working on that for Sept.
- 8/15-21 Oregon Wine Experience - the Co-op is among the many businesses that sponsor it. Halle & Jimmy volunteer for several events.

- 10% Owners' Coupon - 2nd month in 2022 with a 10% coupon. Slightly more owners used the coupon than in May. It seems to be encouraging owners to save up & do a larger shop.
- Tabling at Thursday Growers Market during the month of September.
- Upcoming Events: Sept 24 Bear Creek Stewardship and Multicultural Fair, Oct 1 Talent Harvest Festival.

Significant Operational Change and Policy Compliance Updates

- Expanded Kathy's Administrative Assistant job to include assisting Outreach especially with our donation programs.
- Customer Survey - After hearing recommendations from other co-op GM's and discussing the program with CORE managers, I believe that NCG's Customer Experience Program will offer the most benefit. I intend to include it in the 2023 budget. See NCG Customer CX Program document for more information.

GM MONITORING REPORT

All submitted reports included detailed interpretation, operational definitions, and supporting data.

GM Policy B7: Communication to the Board. *GM Carter* was unable to report compliance of sub-policy #1: submit monitoring reports that are untimely or inaccurate. Monitoring reports submitted during the previous 12 months have been acceptable and timely with two exceptions. January's GM report was provided to the board prior to the meeting but not within the three-day requirement. The July report (GM Succession) was not accepted by the Board; she will be resubmitting it in November.

President Hill recommended accepting this B7 report acknowledging that it is out of compliance. Directors unanimously agreed and assigned a 'Low' severity level to the noncompliance.

BOARD GOVERNANCE POLICY REVIEW

Policies are reviewed each month based on the schedule below. **President Hill** suggested that to make these reviews more useful, she will compare current policies with a recently revised Policy Governance templates. She'll bring policies with major differences to the Board for comparative review based on the available time allotted for each meeting.

2022-2023 MFC BOD GOVERNANCE POLICY REVIEW SCHEDULE					
POLICY	1 ST REVIEW	NOTES	POLICY	1 ST REVIEW	NOTES
B6	March	OK as-is	C3	August	OK as-is
D Global	March	OK as-is	C4	August	OK as-is
D1	March	OK as-is	C5	August	OK as-is
B5	April	OK as-is	B3	September	Accepted changes discussed
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	OK as-is	B2	January	
A Global	July	OK as-is	C8	January	
B9	July	OK as-is	B1	February	
			D4	February	

OLD/RECURRING BUSINESS

Committee Reports

- **Finance: Treasurer Roger Noyes** had nothing more to add to the GM's reports.
- **Owner Engagement: Committee member Anne Carter** reported that the committee discussed the Board's role in Outreach events. They concluded that Director's time is best spent for specific outreach purposes such as the October owner drive where their interactions with owners and shoppers are most useful. **Co-chair Sarah Calhoun** will arrange sign-ups for Directors to participate in this event.

- **New Director Onboarding (Ad Hoc):** **Peggy Leviton** reported that the committee met with Halle to discuss nominating/recruitment blog posts including content and scheduling ideas. Different topics will be covered in October, January, and February, and may include video interviews with Directors. **Dan Smith** will draft October's post with assistance from **Peggy Leviton**.
- **DEI:** **Sarah Calhoun and Dan Smith** attended Columinate's DEI training on August 17th. They will be reviewing articles, meeting, and bring ideas to discuss further to upcoming Board meetings.

NEW BUSINESS

Committee Charter Review

President Hill requested that all committees (not including those that are ad hoc) review their current charters and bring proposed updates to the October meeting.

Columinate Renewal

President Hill referred to the CBLD document noting early-bird pricing for continuing membership. GM Carter noted that this expense has been budgeted for, although the price increased by \$145. After a brief discussion, **Sarah Calhoun** moved to renew MFC's enrollment in Columinate; **Peggy Leviton** seconded the motion, which passed unanimously.

Ratify eVote re: Patronage Dividend

President Hill requested that **Administrative Assistant Kathy Damas** read the following into these minutes.

In accordance with Section 4.12 of the Medford Food Co-op Bylaws, reading the following action into the minutes affirms and makes this action effective.

Action: Ratify an email vote taken September 12, 2022 re: 2021 Patronage Dividend.

Peggy Leviton moved to allocate the entire amount of the patronage income to dividends with 20% to be paid to owners in cash or store credit and 80% to be retained by the Co-op. **Kellie Hill** seconded the motion, which passed with 7 yeases; one Director was out of communication for the email vote.

Board Self-Evaluation

President Hill led a discussion around three ways the Board could evaluate whether they are following their own policies. Since this task has not been done for several years, Directors most favored completing a full survey at one time, versus quarterly or monthly. They would then discuss the results during a dedicated time, either a separate meeting or part of the annual retreat. At that time they would determine frequency of future Board self-evaluations.

Board Retreat: October 29, 2022, 9am – 3pm

President Hill suggested a potential format for the meeting, which all Directors agreed with. The proposal is for CORE staff to be included during the first half of the retreat to participate in a discussion about expansion. After lunch the Board will meet with Ben Sandel from Columinate for a primer on capital campaigns. The retreat will be held at the office of **Matt Dorris** (Windermere Real Estate, Medford).

Executive Session

At 6:38 p.m. the Board moved into Executive Session, returning to the regular meeting at 6:52 p.m.

ADJOURNMENT

At 6:52 p.m., **Matt Dorris** moved to adjourn; **Peggy Leviton** seconded the motion, which passed unanimously.

The next regular MFC BOD meeting is scheduled for Monday, October 17, 2022, 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.

Respectfully Submitted,

Kathy Damas

Administrative Assistant

MOTION SYNOPSIS			
MOTION	1st	2nd	PASS/FAIL
Approve 08/15/2022 regular minutes	Peggy Leviton	Dan Smith	Pass
Renew Columinate enrollment	Sarah Calhoun	Peggy Leviton	Pass
Adjourn	Matt Dorris	Peggy Leviton	Pass

ACTION / ONGOING PROJECT LIST		
TARGET DATE	ACTION	RESPONSIBLE PARTY
ONGOING		
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
NEW / CURRENT		
TBD	Ad hoc Committee meetings as needed (DEI, New Director Onboarding)	Sarah / Dan / CORE Peggy / Kathy
TBD	Create Board self-evaluation procedure proposal	Kellie / Sarah / Kathy
10/15/2022	Draft new board member recruitment blog post	Dan / Peggy
10/17/2022	Send video link of interview re: being a board member	Patty
10/17/2022	Review charters, note suggested updates	All committees (not ad hoc)
10/17/2022	Update Personnel Policies; Have attorney review	Anne
10/17/2022	Q2 Financial Graphs: Fix customers/day (expand scale) Check Liabilities data in Balance Sheet	Anne
10/17/2022	Resubmit GM Policy B5	Anne
10/17/2022	Create new Board member onboarding procedures/checklists	Peggy / Kathy
11/21/2022	Resubmit GM Policy B9; update GM Policy B9 language	Anne / Kathy

COLUMINATE TRAININGS	
9/28/2022	Navigating Conflict on the Board (Part 1)
10/5/2022	Navigating Conflict on the Board (Part 2)
10/6/2022	Explorations in Policy Governance Series
11/3/2022	Financial Training for Directors
11/19/2022	Virtual CBL 101