



Board of Directors Meeting MINUTES

Monday March 20, 2023

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

Present

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

Staff: General Manager (GM) Anne Carter, Administrative Assistant Kathy Damas

Owner Guests: Alexis Gossage and Noah Pinck, applicants for Board membership

1. Call to Order / Introductions

The March 20, 2023 Medford Food Co-op Board of Directors (MFC BOD) meeting was called to order at 5:33 p.m.

President Hill led introductions between the Board, staff, and Board applicants Alexis Gossage and Noah Pinck.

2. Owners' Forum

There were no additional owners present.

3. Previous Meeting Minutes

- Minutes of the February 20, 2023 MFC BOD regular meeting were submitted. **Matt Dorris moved to approve the minutes as submitted; Roger Noyes seconded the motion, which passed unanimously.**
- Minutes of the February 20, 2023 MFC BOD executive session were submitted. **Peggy Leviton moved to approve the minutes as submitted; Matt Dorris seconded the motion, which passed unanimously.**

4. GM Monthly Report

Relevant Financial Information

- February sales were \$445K, a 1.3% increase over last February and 96.8% of budget.
- Cafe Update: February sales = \$32.5K 108% of budget, 7.3% of sales.
- COGS = \$296K, 97% of budget.
- Operating Expense = \$156K, 94% of budget.
- Net operating income = -\$7000. This was \$3K less than the projected loss of \$10K. We often have minimal or no net income in February due to 3 fewer days of sales.
- Days cash on hand as of 2/28/23 = 78.4
- On-line Shopping is a minor contribution to monthly sales and has not changed much in the past 9 months. It is still a nice service that a handful of customers use, but we are not planning to expand the program in the near future. I am going to remove it from this report.
- Margins Update – The Café menu and price changes were implemented on 3/7.

Ownership Level Issues

- New Owners in February = 13.
- Owner share redemptions in February = 0.
- The 10% off owner coupon in February helped boost sales. 1339 owners used the coupon & their average basket size was \$91.28. (Compared to average basket size of \$40.87 for all customers YTD.)

Public Events affecting Perception of Co-op in Community

- Feb 10 – JPR Annual Wine Tasting. We were there with samples from the Cafe. Good attendance. Unfortunately, our staff who were working the event both became sick with COVID 2 days later.
- March 7 – Great Start Eat Smart conference. We provided lunches for about 35 attendees.
- March 16 – Rogue Valley Food Summit hosted by the Rogue Valley Food System Network. Well attended by a wide variety of people and groups: non-profit organizations, Coordinated Care Organizations,

farmers, local food producers, OSU Extension and Ag representatives, and AFC & MFC. We provided a light breakfast for the 90 attendees.

- Upcoming Events and Promotions:
 - April 17-30 – Owner Drive. Our goal is 30 new owners during the 2 weeks. Staff incentive is \$5 per share sold and a pizza party if we achieve the goal. In addition to regular new owner perks, they'll also receive an MFC pint cup.
 - April 21 – SOU's Earth Day Extravaganza, 3:30-7:00 pm, at the SOU Farm.
 - April 22 – Bear Creek Stewardship Day, 9-12

Significant Operational Change and Policy Compliance Updates

- Nothing new to report.

5. GM Monitoring Reports

Submitted reports included Operational Definitions, detailed interpretation, and supporting data. Accompanying documents included MFC's Crisis Communication Plan.

GM Policy B3: Asset Protection. **GM Carter** reported compliance with all parts of this policy.

Discussion followed regarding the distribution of MFC's assets and ways to maximize value through current higher interest rates on Certificates of Deposit at various financial institutions. The Board asked **GM Carter** to report next month on changes she chooses to make to this distribution.

The BOD agreed they'd like **GM Carter** to maintain the current semi-annual reporting schedule of Policy B3.

Sarah Calhoun moved to accept the GM Policy B3 monitoring report format, data points as defined, and the GM's assurance that the data is correct. **Dan Smith** seconded the motion, which passed unanimously.

OLD/RECURRING BUSINESS

6. Board Governance Policy Review

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. See Governance Policy Review Schedule below the minutes.

Following a brief discussion, the following actions were taken.

- **B6 – Staff Treatment and Compensation**
Matt Dorris moved to approve Policy B6 as revised; **Roger Noyes** seconded the motion, which passed unanimously.
- **D Global – Global Board-Management Connection**
Sarah Calhoun moved to approve Policy D Global as revised; **Dan Smith** seconded the motion, which passed unanimously.
- **DI – Unity of Control**
Matt Dorris moved to approve Policy DI as revised; **Peggy Leviton** seconded the motion, which passed unanimously.

7. Committee Reports

- **Finance: Treasurer Roger Noyes** reiterated that the Committee had discussed concerns regarding MFC's deposits and the FDIC. They also began discussing which metrics MFC would need to meet before applying for a commercial loan.
- **Owner Engagement:** No meeting held recently; will report next month.
- **Ad Hoc DEI: Dan Smith** reported that the Committee will be meeting with **GM Carter** soon to coordinate with current staff DEI efforts in order to work on this topic in an organization-wide way.

8. Co-op Expansion Examples from Retreat

Matt Dorris reported input from two recently expanded co-ops and is waiting for more responses. So far he's learned that these co-ops wish they had started the financing process work sooner, that there was a staff adjustment period due to the increased physical space, and that NCG's floor space design work was very helpful. In addition, these two co-ops expected lower sales during expansion which did not happen.

NEW BUSINESS

9. Board Self-Monitoring Survey: D-Policies

President Hill noted that the D-Policy surveys are nearly complete.

10. Annual Meeting

MFC's Annual Meeting is scheduled for Sunday, May 17, 2023, time TBD.

11. Nominating/Elections Discussion

President Hill thanked Noah and Alexis for attending and excused them from the meeting. She will be meeting with each of them individually soon.

The Board agreed to recommend the two current applicants, Alexis Gossage and Noah Pinck, for the 2023 slate of Board candidates.

The Board chose to move their election of Officers task from the June to the May Board meeting. **President Hill** offered to serve a 2-year term to achieve the one-third staggered Board term goal as described in the Bylaws.

12. Approve Slate of Candidates

After a brief discussion, the Board recommended two incumbent candidates for re-election: Matt Dorris and Kellie Hill. As noted above, they also agreed to recommend the two current applicants, Alexis Gossage and Noah Pinck, for the 2023 slate of Board candidates. Incumbent Fran Batzer will not be running for election again at this time.

Sarah Calhoun moved to approve the 2023 slate of Board candidates: Matt Dorris (incumbent), Kellie Hill (incumbent), Alexis Gossage, and Noah Pinck. **Fran Batzer** seconded the motion, which passed unanimously.

13. Board Recruitment

Vice President/Secretary Calhoun initiated a discussion about the Board's process or strategy for replacing themselves, wondering what that strategy should be, who makes recruiting effort decisions, and suggested examining and formally documenting how the Board recruits in order to get better at it. Directors agreed to form a Board Recruitment Committee, which will be discussed further at the next regular Board meeting in April.

EXECUTIVE SESSION

14. Expansion Update

The Board entered Executive Session at 7:10 p.m.

15. GM Evaluation Presentation

16. GM Contract & Compensation Presentation

GM Carter and **Kathy Damas** were excused. **Secretary Calhoun** took the remaining notes for the Board's use.

17. Next BOD Meeting

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

18. ADJOURNMENT

The meeting was adjourned at 7:59 p.m.

Respectfully Submitted,

Kathy Damas

Administrative Assistant

MOTION SYNOPSIS			
MOTION	1st	2nd	RESULT
Approve 02/20/2022 regular minutes	Matt Dorris	Roger Noyes	Pass
Approve 02/20/2022 Executive Session minutes	Peggy Leviton	Matt Dorris	Pass
Accept GM B3 Monitoring Report	Sarah Calhoun	Dan Smith	Pass
Approve Policy B6 changes	Matt Dorris	Roger Noyes	Pass
Approve Policy D Global changes	Sarah Calhoun	Dan Smith	Pass
Approve Policy DI changes	Matt Dorris	Peggy Leviton	Pass
Approve 2023 Slate of BOD Candidates	Sarah Calhoun	Fran Batzer	Pass

2023 GOVERNANCE POLICY REVIEW SCHEDULE					
POLICY	REVIEW MONTH	RESULT	POLICY	REVIEW MONTH	RESULT
B5	January	Approved changes	A Global	July	
C8		Requested rewrite	B9		
C8	February	2 nd Review: Approved	C3	August	
D4 + D5 (New)		Approved both	C4		
B6	March	Approved changes	C5	September	
D Global		Approved changes	B1		
D1		Approved changes	B3		
D2	April		B2	October	
D3			C7		
C Global	May		B7	November	
C1			C6		
C2			B Global		December
B4	June		B8		

2023 ACTION / TASK LIST			
DATE ADDED	TARGET DATE	TASK [Status]	RESPONSIBLE PARTY
Mar 20	Apr 17	Report on asset distribution as directed by BOD in March	Anne
Mar 20	Apr 17	Speak with bank acquaintance regarding commercial loan qualifications	Kellie
Feb 20	Apr 17	Add Staff Handbook to BOD Drive	Anne / Kathy
Feb 20	Apr 17	Update Staff Handbook; Have NCG review <i>[In progress]</i>	Anne / Kathy
Feb 20	Apr 17	Add updated Staff Handbook to BOD Drive	Kathy
Jan 16	Mar 20	Complete survey of C & D-Policies <i>[In progress]</i>	BOD
Feb 20	May 15	Create Manager/Staff/BOD DEI Committee <i>[In progress]</i>	Anne

2023 COLUMINATE TRAININGS for DIRECTORS

See Columinate website for details.

DATE	TITLE
Apr 6	Diversity: More Than a Number
Apr 11	All About Financial Statement Audits
Apr 15	CBL 101
Apr 29	Co-op Café 2023: Leading into our values with resilience
May 9	Effective Board Meeting Facilitation
May 10	Governing with Intention & Focus: Agenda Planning/ Blazing the Path Forward
May 18	Navigating the GM Compensation & Evaluation Process
May 24	Governing with Intention & Focus: Architectural Support/ Strengthening the Board's Backbone"
July 15	CBL 101
Sep 12, 19, 26	Explorations in Policy Governance Series
Oct 21	CBL 101