



Board of Directors Meeting MINUTES

Monday December 11, 2023

Windermere Real Estate Training Office, 1101 E Jackson St, Ste 102, Medford, OR

Present

Directors: President Kellie Hill, Vice President Patty Casebolt, Treasurer Roger Noyes, Matt Dorris, Peggy Leviton, Dan Smith

Absent: Secretary Alexis Gossage

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

PRELIMINARIES

Call to Order / Introductions

The December 11, 2023 Medford Food Co-op Board of Directors (MFC BOD) meeting was called to order at 5:30 p.m.

Owners' Forum

There were no additional owners present.

Agenda Changes

The corrected packet agenda was reviewed with no new changes.

Review / Approve Previous Meeting Minutes

- Minutes of the November 13, 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 November 13, 2023 MFC BOD Executive Session were submitted. **Peggy Leviton** moved to approve the minutes as submitted; **Dan Smith** seconded the motion, which passed unanimously.

REPORTS

Operations Update

Relevant Financial Information

- October sales were \$468K, a 0.9% increase over last Oct and 96.3% of budget.
- Café Update: Oct sales = \$39.5K, 101% of budget, 8.4% of sales.
- COGS = \$308K, 97% of budget.
- Operating Expense = \$163K, 95.8% of budget.
- Net operating income = -\$2,799.
- Days cash on hand as of 10/31/23 = 43.4. Note: moving over \$950K into short term CD's has significantly reduced the days cash on hand this year.
- In late November, **GM Carter** purchased a \$250K, 7-month CD at First Community CU. 3.76% annual yield.
- Thanksgiving Overview: sales during the week prior to Thanksgiving were 4% lower than the same period last year, customer count was down 3% and basket size was down 2%. All an indication that shoppers are spending cautiously.

Ownership Level Issues

- New Owners in November = 21.
- Owner share redemptions in November = 0

Public Events affecting Perception of Co-op in Community

- Bulk Flash Sale: Save 10% in the bulk department December 1st - December 4th.

- Save \$5 on Housemade Pies when pre-ordered for pick-up between Tuesday, Dec 19 - Sun Dec 24.
- Free Coffee in the Café: To show our appreciation for our shoppers during the busy holiday season, we're offering free 8 oz cups of drip coffee in the Café Monday, December 18th - Friday, December 22nd.
- Griffin Creek Flash Sale: Buy one, get one FREE on 12 oz bags of locally roasted coffees from Griffin Creek Coffee Roasters Friday, December 22nd – Sunday, December 24th.

Significant Operational Change and Policy Compliance Updates

- **CLOSING EARLY** on Christmas Eve: The store will close at 6pm on Sunday, December 24, 2023.
- **CLOSED** on Christmas Day: Both the store and the Café will be closed on Monday, December 25, 2023.
- **CLOSING EARLY** on New Year's Eve: The store will close at 6pm on Sunday, December 31, 2023.
- **OPENING LATE** on New Year's Day: The store will open at 10am on Monday, January 1, 2024.

Finance Committee Report

Treasurer Roger Noyes had no additional information to share that wouldn't be covered in the GM's B2 Monitoring Report.

GM Monitoring Reports

Submitted reports included Operational Definitions, detailed interpretation, and supporting data.

GM Policy B2: Planning & Budgeting. **GM Carter** was not able to report compliance sub-policy #1.a. – EBITDAP is less than 4% and sales growth is less than 3%.

After careful review and clarification of all B2 documents, the Board discussed the GM's accountability in 2024 for B2 policy compliance using NCG recommended benchmarks vs. the GM's budget which incorporates MFC's current realities. The quarterly BI Financial report compliance is currently based on the Board-accepted budget while noting NCG goals for comparison, which the Board wishes to continue seeing.

Roger Noyes moved to:

- acknowledge that while MFC's sales growth is not at the level desired, the GM B2 Planning & Budgeting monitoring report accurately reflects reality;
- request that **GM Carter** redefine B2's Operational Definitions and data points to align with the accepted MFC budget; and,
- accept the GM B2 Planning & Budgeting monitoring report format and the GM's assurance that the data is correct.

Peggy Leviton seconded the motion, which passed unanimously.

Committee Reports

Owner Engagement – Board Social Time Proposal: **Chair Dan Smith** proposed that Directors actively engage with owners four times per year, and provided information and tentative dates for each of these events. In addition to the Annual Meeting in early May and Board tabling at the October owner drive, the committee proposed two Board socials. These would be more intimate gatherings to foster deeper conversations.

Tentative 2024 Board / Owner Engagement event dates are:

April 16: Board Social, May 5: Annual Meeting, October 4, 7, & 10: Board Tabling, November 8 or 15: Board Social.

Noting the role that the late director Sarah Calhoun formerly filled, the Committee requested that Kathy coordinate Board sign-ups for these events.

OLD/RECURRING BUSINESS

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.

C5 – Directors' Code of Conduct (2nd Review)

President Hill suggested one correction.

Patty Casebolt moved to accept Policy C5 – Directors’ Code of Conduct – as corrected. **Dan Smith** seconded the motion, which passed unanimously.

B2 – Planning and Budgeting

Directors reviewed the policy and made language suggestions. They requested that an updated version with revisions be presented again in January.

Recruitment Update

Matt Dorris reported that Directors made their contact calls. All agreed it was a worthwhile effort and will keep these connections top of mind. Other recruitment efforts such as reusing Dan’s article and the video interview with Patty as blog posts will be made in coming months.

NEW BUSINESS

Review 2024 Governance Calendar: Schedule Annual Meeting & Tabling, Board Retreat & Training

Most of events were scheduled during the Owner Engagement Committee report above. Directors agreed to hold the Board Retreat on the last Saturday of October as in past years. **President Hill** assessed interest in Board Training; without a specific topic of interest, all agreed to not schedule a training in 2024. After a brief discussion, Director’s determined that Board Self-Evaluation would be scheduled again in 2025.

EXECUTIVE SESSION

The Board entered Executive Session at 7:07 p.m. The regular meeting was resumed at 7:20 p.m.

CLOSINGS

Review Decisions, Tasks, Assignments

Not needed.

Debrief / Evaluate Meeting

Director’s agreed that the meeting went well and appreciated meaningful topical conversations.

Next BOD Meeting

The next regular MFC BOD meeting is scheduled for Monday, January 8, 2024, at 5:30 p.m., at the Windermere Real Estate training center, 1101 E Jackson St, Ste 102, Medford, OR. Owners are welcomed and encouraged to attend. Please see below for this meeting’s Motion Synopsis and Action List.

Adjournment

Matt Dorris moved to adjourn; **Patty Casebolt** seconded the motion, which passed unanimously. The meeting was adjourned at 7:25 p.m.

Respectfully Submitted,

Kathy Damas

Administrative Assistant

| MOTION / APPROVAL SYNOPSIS | | | |
|-------------------------------------|-----------------------|-----------------------|---------------|
| MOTION | 1st | 2nd | RESULT |
| Approve 11/13/2023 BOD minutes | Matt Dorris | Roger Noyes | Pass |
| Approve 11/13/2023 ES minutes | Peggy Leviton | Dan Smith | Pass |
| Accept GM Monitoring Report: B2 | Roger Noyes | Peggy Leviton | Pass |
| Approve Policy Language Updates: C2 | Patty Casebolt | Dan Smith | Pass |
| Adjourn | Matt Dorris | Patty Casebolt | Pass |

2023 GOVERNANCE POLICY REVIEW SCHEDULE

| POLICY | REVIEW MONTH | RESULT | POLICY | REVIEW MONTH | RESULT |
|----------------------|--------------|---------------------|----------------------|--------------|-------------------------------|
| B5 | January | Approved changes | A Global | July | Accepted as-is |
| C8 | | Requested rewrite | B9 | | Approved changes |
| C8 – 2 nd | February | Approved changes | B1 | August | Approved changes |
| D4 + D5 (New) | | Approved both | C1 | | Approved changes |
| B6 | March | Approved changes | B3 | September | Accepted as-is |
| D Global | | Approved changes | C2 | | Requested rewrite |
| D1 | | Approved changes | C3 | | Approved changes |
| D2 | April | More info requested | C2 – 2 nd | October | Request to clarify definition |
| D3 | | Approved changes | C4 | | Approved changes |
| D2 – 2 nd | May | Approved changes | C2 – 3 rd | November | Approved changes |
| B4 | | Approved changes | C5 | | Requested rewrite |
| C Global | June | Accepted as-is | C5 – 2 nd | December | Approved changes |
| | | | B2 | | Requested rewrite |

2023 TASK LIST

| DATE ADDED | TARGET DATE | TASK <i>[Status]</i> | RESPONSIBLE PARTY |
|------------|-------------|--|----------------------|
| Sept 11 | Late Oct | Distribute Owner Survey – <i>[Decided not to send out in 2023 due to change in expansion project. Will focus on customer “CX program” in 2024 instead. - AC & KD, 12/2023]</i> | Halle / Anne / Staff |
| Feb 20 | Jan 8 | Create Manager/Staff/BOD DEI Committee <i>[In progress]</i> | Anne |
| Aug 14 | Jan 8 | Check in on need for financial Key Indicators dashboard | Alexis / Kellie |
| Dec 11 | 2024 - TBD | Coordinate BOD Owner Engagement event sign-ups | Kathy |
| July 17 | 2024 - TBD | Write blog article topic: BOD accomplishments, ongoing projects | TBD |

2023 COLUMINATE TRAININGS for DIRECTORS

See Columinate website for details.

| DATE | TITLE |
|--------|--------------------------------------|
| Jan 20 | Virtual CBL 101 |
| Feb 1 | Finance Training for Directors |
| Mar 13 | Effective Meeting Facilitation |
| Mar 27 | All About Financial Statement Audits |
| Apr 20 | Virtual CBL 101 |