

## MINUTES

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

Monday, May 17, 2021

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

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

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

#### Call to Order / Introductions

The May 17, 2021 Medford Food Co-op Board of Directors (MFC BOD) meeting was called to order at 5:30 p.m.

#### Previous Meeting Minutes

- Minutes of the April 19, 2021 MFC BOD regular meeting were submitted. ***Sarah Calhoun*** moved to accept the minutes as submitted; ***Fran Batzer*** seconded the motion, which passed unanimously.
- Minutes of the April 19, 2021 MFC BOD Executive Session were submitted. ***Barry Robino*** moved to accept the Executive Session minutes as submitted; ***Fran Batzer*** seconded the motion, which passed unanimously.
- Minutes of the May 11, 2021 MFC Annual Meeting were submitted. ***Peggy Leviton*** moved to accept the minutes as submitted; ***Matt Dorris*** seconded the motion, which passed unanimously.

#### Owner's Forum

There were no additional owners present.

#### GM MONTHLY REPORT

##### Relevant Financial Information

- April sales were \$505K, a 2% increase over last April and 99.5% of budget.
- COGS = \$334K, 103% of budget.
- Operating Expense = \$149K, 95.6% of budget.
- Net operating income = \$22K, 82.7% of budget.
- Days cash on hand as of 4/30/2021 = 64.8.
- April On-line Shopping = \$5,112.42, 40 transactions, \$128 basket size.

##### Ownership Level Issues

- In April, MFC added 25 new owners and had 1 owner share redemption.
- Café Update – April sales = \$37K, 103% of budget, 7.4% of sales.
- NCG's Spring Meeting was held online on 4/21-22. The theme was Diversity, Equity, and Inclusion (DEI) work in food co-ops and how NCG can support that. The CEO of NCG presented on the State of Our Food System, indicating that things will remain unsettled for the foreseeable future.

##### COVID Update

- On 5/13/2021, Governor Brown announced that the state of Oregon would follow the CDC's updated mask guidelines: fully vaccinated people are no longer required to wear masks in public. MFC is developing a response to those who want to shop without masks while waiting for guidelines for businesses are developed in coming weeks. The current policy is to require all to wear masks.

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

- May 4-8 the Board hosted 4 tabling activities at MFC to encourage owners to vote and attend the Annual Meeting.
- The Annual Meeting went well, especially as a Zoom meeting. There were 12 owners in attendance compared to 5 last year.

##### Significant Operational Changes and Policy Compliance Updates

- No new updates on security cameras.
- Spenser Nori was hired for the Media Coordinator position and began working part time last week.

## GM MONITORING REPORT

**GM Policy BI: Financial Condition & Activities.** **GM Carter** reported non-compliance with sub-policy #1: Adequate sales growth. All submitted reports included detailed interpretation, operational definitions, and supporting data.

**GM Carter** reported that the decline in sales growth (-1.5%) in Q1 was expected when compared to last year's unusually high Q1 sales due to March 2020 panic shopping. She expects to see these low sales growth comparisons to continue through Q2 and Q3 of 2021. All other financial metrics are performing per budget, some slightly better than expected.

After a brief discussion about applying for a second PPP loan, **GM Carter** agreed to look at that possibility, although MFC may not qualify. She is exploring an employee retention tax credit which may be more beneficial.

**Barry Robino** moved to accept the GM's Policy BI report, acknowledging that it is out of compliance; **Peggy Leviton** seconded the motion, which passed unanimously. A severity level of Low was assigned.

## BOARD GOVERNANCE POLICY REVIEW

Policies are reviewed each month based on the schedule below.

2021-2022 MFC BOD GOVERNANCE POLICY REVIEW SCHEDULE				
POLICY	1 <sup>ST</sup> REVIEW	NOTES	2 <sup>ND</sup> REVIEW	NOTES
B6	3/15/21	OK as-is		
D Global	3/15/21	OK as-is		
D1	3/15/21	OK as-is		
B5	4/19/21	OK as-is		
D2	4/19/21	OK as-is		
D3	4/19/21	OK as-is		
C Global	5/17/21	OK as-is		
C1	5/17/21	OK as-is		
C2	5/17/21	OK as-is		
B4	6/21/21			
A Global	7/15/21			
B9	7/15/21			
C3	8/16/21			
C4	8/16/21			
C5	8/16/21			
B3	9/20/21			
C6	10/18/21			
C7	10/18/21			
B7	11/15/21			
B Global	12/20/21			
B8	12/20/21			
B2	1/17/22			
C8	1/17/22			
B1	2/21/22			
D4	2/21/22			

## OLD/RECURRING BUSINESS

### Committee Reports

- **Finance:** No committee meeting was held. Quarterly financial information was provided by GM's BI report.

- **Owner Engagement:** No committee meeting was held. **President Hill** thanked **Sarah** for organizing the tabling events for the BOD to talk to shoppers about the co-op and encourage attendance at the Annual Meeting.

#### Patronage Dividend

- **GM Carter** reviewed answers provided by the CPA to the BOD's questions, particularly about the accounting of the now-forgiven PPP loan. Although the Recovery Act guidelines are still under development, the BOD came to general consensus that they had performed due diligence by questioning the potential tax implications of the three patronage dividend scenarios presented by the CPA. The recommended scenario (#1) maximizes retained equity and minimizes cash outlay, while also benefitting the many owners who supported MFC during a challenging year.

**Barry Robino** moved to accept the CPA's patronage dividend recommendation; **Matt Dorris** seconded the motion, which passed unanimously.

#### Board Training: Annual Board Retreat | Webinars

- The annual Board Retreat was described to the new board members and all agreed that late October would be a good time to hold it again this year. The location and final date are TBD.
- **President Hill** encouraged all to attend any Columinate webinars of interest. **Peggy** reported on her favorable impressions of the CBL 101 program she attended.

### **NEW BUSINESS**

#### Assign Newsletter Task

- **President Hill** and **Fran** will collaborate to write the Board's portion of an article for the 10<sup>th</sup> anniversary newsletter theme.

#### 10<sup>th</sup> Anniversary Planning

- A kick-off event will be held on Sunday, August 8, 2021, with other anniversary promotions to follow throughout the week. The Owner Engagement Committee will meet to begin planning the BOD's part of the event; **Dan** agreed to participate in the planning.

#### Board Meeting Day/Time Change

- The Directors discussed a possible change; none will be made at this time unless **Dan** is unable to shift a prior commitment.

#### Director Term Lengths

- **President Hill** explained that in order to create evenly staggered BOD term endings, two newly elected Directors would need to agree to limit their current term to one year and run for the BOD again next year. Choosing this option would not affect those two Director's ability to complete three full 3-year terms, if desired. Fran, Patty, Roger, Peggy, and Dan were asked to let her know their preference.

#### Officer Slate

- President Hill explained that the Executive Committee consists of four BOD officers (President, Vice President, Secretary, and Treasurer). This Committee does not meet outside of regular BOD monthly meetings. Directors are to let her know ASAP if they are interested in being considered for—or leaving—one of these positions.

### **ADJOURNMENT**

At 7:07 p.m., the Board moved into Executive Session.

The next regular MFC BOD meeting is scheduled for Monday, June 21, 2021, 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*

Board Administrative Assistant

## MOTION SYNOPSIS

MOTION	1 <sup>st</sup>	2 <sup>nd</sup>	PASS/FAIL
Approve 4/19/2021 regular minutes as submitted	Sarah Calhoun	Fran Batzer	Pass
Approve 4/19/2021 ES minutes as submitted	Barry Robino	Fran Batzer	Pass
Approve 4/19/2021 AM minutes as submitted	Peggy Leviton	Matt Dorris	Pass
Accept GM BI report acknowledging lack of compliance in adequate sales growth	Barry Robino	Peggy Leviton	Pass
Accept the patronage dividend recommendation made by the CPA	Barry Robino	Matt Dorris	Pass
Adjourn	Matt Dorris	Patty Casebolt	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. Email draft minutes and tentative agenda to Directors. Email approved minutes and tentative agenda to Halle.	Kathy
4 days prior to Board Meeting	Email reports to Directors	Anne
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>		
ASAP	Inform Kellie of interest in joining or leaving the Executive Committee	BOD
ASAP	Inform Anne of Stipend option preference	BOD
6/15/2021	Write Board article for newsletter	Kellie, Fran
6/21/2021	Research PPP info to see if MFC qualifies for a 2 <sup>nd</sup> loan	Anne
6/21/2021	Begin planning BOD's part in 10 <sup>th</sup> Anniversary kick-off event	Fran, Sarah, Dan, Anne
6/21/2021	Report if BOD meeting day/time change needed	Dan
6/21/2021	Let Kellie know term limit preference	Fran, Patty, Roger, Peggy, Dan
6/21/2021	Update BOD on asset distribution and security camera system	Anne
August	Have attorney review Personnel Policies	Anne