

## Medford Food Co-op Board of Directors

**October 20, 2014**

**Present:** Pres. Jim Sims, Treasurer Justin Botillier, Secretary Debi Boen, Fran Batzer, Clint Driver, Ben Truwe

**Absent:** Vice Pres. Kellie Hill

**Staff Present:** GM Anne Carter, Jimmy Breedlove

### REPORTS

The October Medford Food Co-op Board of Directors (**MFC BOD**) meeting was called to order at 6:00 p.m. on 10-20-14.

Minutes of the September 22, 2014 **MFC BOD** meeting were submitted. **Ben Truwe** moved to approve the minutes as submitted; **Fran Batzer** seconded the motion; after discussion, the minutes (and the motion) were amended. The motion then passed unanimously.

**General Manager Anne Carter** provided a **MFC** financial overview, providing the September 30, 2014 balance sheet and a July-September quarterly profit & loss statement. September sales were at \$303K, a 12.7% increase over September, 2013, which is 4.3% above budget. Expenses were at \$91K, or 99.6% of budget. Net income for September was much higher than expected (\$12.9K), due to high sales.

The President's Report included a discussion of suggested "talking points" for the upcoming loan extension meetings.

There was no submission for an Owner's Forum at the September meeting.

**GM Carter** submitted and presented her written report, with updates in the areas of finance, ownership, marketing, outreach, and operations. October's membership drive has resulted in 32 new members-owners so far. The new **MFC** website is operational; design and content are still changing at this point. Installation of the new **MFC** street sign should occur soon (possibly as early as 10-24). New business cards, name tags, member-owner cards, cloth bags, signs, and forms will all carry the new **MFC** logo. A newsletter is due to be released later this week. Significant operational changes include the cross-training of four cashiers, and an upcoming (unpaid) two-week leave of absence for CORE staff **Ian Stoy**.

### GM MONITORING REPORT

The October GM Monitoring Report concerned Policy B1, Financial Condition and Activities. As noted during earlier B1 monitoring reports, **GM Carter** is unable to report compliance with this policy. Sub-policy 4 (solvency as measured by debt to equity ratio) has improved, but will remain out of compliance until the majority of loans are repaid, and/or an increasing membership and net income improve our solvency. Options are still being explored regarding how best to comply with sub-policy 10 (Independent review of financial records). New bookkeeper **Tracy Blake** will be reviewing current **MFC** practices regarding segregation of duties in money handling and accounting.

### OLD BUSINESS

**GM Carter** distributed extension packets to Directors. The packets include a copy of the recently mailed investor letter, contact information, and the promissory note extension document. **Pres. Sims** reminded Directors that when an investor agrees to extend a loan, the extension document should be attached to the original loan agreement. **Justin Botillier** moved that investors who gift \$2,000.00 or more of an original loan amount to **MFC** will be acknowledged and recognized as "sponsors". **Clint Driver** seconded the motion, which passed unanimously.

Directors reviewed current share redemption policy. **MFC** by-laws state that upon termination of ownership, a common share of an owner may be redeemed in the event that the Co-op has a yearly net profit (Section 7.4). Previous requests for redemption have been denied, as the Co-op was not yet showing a profit. In light of our current state of profit, **Ben Truwe** made the following motion: "Because the Co-op will have sufficient net profit this year, I move that, upon termination of ownership, a common owner share may be

redeemed for \$100.00 under the condition that the redemption of owner shares does not reduce total equity over three months' time." The motion was seconded by **Justin Botillier**, and passed via majority vote.

Directors also adopted the following Boycott Policy, which will be placed in the Appendix of the Policy Register, and available in the store: "The mission of the Co-op is to offer a variety of high-quality products and services with emphasis on natural, organic, and locally produced food. Medford Food Co-op will base its product choices on the above criteria, as well as successful sales data regarding each of those products. Medford Food Co-op will not "ban" any product based solely upon non-food-related criteria." (**Clint Driver** motion, **Fran Batzer** second; unanimously passed.)

**ADJOURNMENT**

**Clint Driver** moved to adjourn the meeting at 7:15 p.m.; **Ben Truwe** seconded the motion, which passed unanimously. The next regular **MFC BOD** meeting is scheduled for Mon., November 17, at 6:00 p.m. at the law offices of **Pres. Jim Sims** (225 W. Main, Medford). Members-owners, staff, and the public are welcomed and encouraged to attend; snacks available. The Finance Committee will meet before the November 17 full Board meeting.

Please see below for an Action List and a Motion Synopsis.

Respectfully Submitted,

*Debi Boen*

Debi Boen

<b>ACTION LIST</b>		
<b>TARGET DATE</b>	<b>ACTION</b>	<b>RESPONSIBLE PARTY</b>
11-17-14	Prepare monitoring report (B2, budgeting and A, Ends)	Anne
11-17-14	Contact Mary Shaw (CDC)	Jim
11-17-14	Updates, extension meetings	All

<b>MOTION LIST 10-20-14</b>			
<b>MOTION</b>	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>	<b>PASS/FAIL</b>
Approve 09-22-14 minutes as amended	Ben Truwe	Fran Batzer	Pass (unanimous)
Recognize "gift" investors as sponsors	Justin Botillier	Clint Driver	Pass (unanimous)
Share termination redemption	Ben Truwe	Justin Botillier	Pass (majority)
Adopt boycott policy	Clint Driver	Fran Batzer	Pass (unanimous)
Adjourn	Clint Driver	Ben Truwe	Pass (unanimous)