

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

Absent: Treasurer Justin Botillier, Vice Pres. Kellie Hill

Staff Present: GM Anne Carter

REPORTS

AMENDED

The August Medford Food Co-op Board of Directors (**MFC BOD**) meeting was called to order at 6:00 p.m. Minutes of the July 21, 2014 **MFC BOD** meeting were submitted. **Clint Driver** moved to approve the minutes as submitted; **Ben Truwe** seconded the motion, which passed unanimously.

General Manager Anne Carter provided a **MFC** financial overview, providing the July 31, 2014 balance sheet, and year-to-date (January-July) budget vs. actuals and profit & loss comparison reports, as well as a January-July previous year comparison report. July sales were at \$323K, a 19.5% increase over July, 2013, which is 11% above budget. Expenses were at \$90K, or 98.5% of budget. Net income for July was \$6.8K, much higher than expected, due to high sales.

In the President's Report, **Pres. Sims** led a discussion regarding the loan extension presentation. He reminded Directors that a "Finance 101" tutorial might need to be part of the presentation, in order to clarify how businesses, corporations, and/or non-profits traditionally raise funds. After a discussion of basic repayment terms, the Board agreed to offer the following:

1. Loan repayment terms may be honored as per the original agreement.
2. Loans may be gifted to the Co-op (in full or in part).
3. Loans may be extended (at up to 4% interest), for 3, 5, or 10 years.
 - a. Loans that are extended may receive annual interest payments, or
 - b. interest may be deferred for the length of the loan, and received as a lump-sum payment at loan termination.

Directors also discussed **GM Anne Carter's** proposed "investor letter", and supplemental information.

Pres. Sims will draft a new Promissory Note Extension Document, which he will then submit to SOU's Small Business Development Center for suggestions.

During the Owner's Forum, **GM Carter** relayed a member request to use the store as a ballot-gathering location, for a proposed ballot in the City of Medford election, regarding the banning of poly styrene ("styrofoam") vendor food containers. **Ben Truwe** moved that said ballot-gathering be allowed; **Fran Batzer** seconded the motion, which passed unanimously.

GM Carter submitted and presented her written report, with updates in the areas of finance, ownership, marketing, outreach, and operations. Rogue Valley co-ops are working on adding structure to the association of co-ops, so that they can work together more effectively. A "Get Healthy, Get Active" event, hosted by Rogue Federal Credit Union, was held at Lewis Park on August 2nd. **MFC** donated trail mix received from Glory Bee Foods as a donation). On August 27th there will be **MFC** presence at the Union Park Rededication Celebration. "Eat Local Week" (Sept. 12-21) events will include food samples at **MFC** from 1 to 4 p.m. daily; cooking skills demos using Access' mobile demo kitchen (date TBD); and a **MFC** booth at the Commons during the downtown Art & Sound celebration on Sept. 19 & 20. Potential accountant/controller employees are currently being screened. Also, the store has received some new stainless steel bulk containers for liquid bulk products. **GM Carter** also noted that at co-ops in other locations, there have been some protests against Eden Foods. After discussion, **MFC** staff and Directors have agreed to prepare a response regarding specific brand protests.

GM MONITORING REPORT

The August GM Monitoring Report concerned Policy B1, Financial Condition. **GM Carter** reported non-compliance with the following sections of this policy:

- Solvency as measured by debt and equity ratio
- Independent review of financial records

Carter's written report details interpretation, operational definitions, and supporting data for 10 "sub-policies" of the Financial Condition policy. She noted that MFC will remain in non-compliance of sub-policy #4 (debt-to-equity ratio) until the majority of loans are repaid. As for sub-policy #10, regarding an independent review or audit of **MFC's** financial systems, further research is required by both **Carter** and Board members to determine what is required by Generally Accepted Accounting Principles (GAAP), estimated costs, and budgeting.

A scheduled June update for Policy B5 (Consumers), and a scheduled August update for Policy B6 (Staff), have not yet been submitted.

OLD BUSINESS

The Exploratory Committee (**Pres. Jim Sims, Treasurer Justin Botillier, Fran Batzer, and GM Carter**) is scheduled to provide a quarterly report. **Carter** reports that this committee has been inactive while awaiting development of trends, and final loan extension decisions.

A brief discussion regarding board administrative support was tabled until further action is deemed necessary. Board Manuals and Policy Register documents were submitted to the Directors by **Secretary Debi Boen**.

NEW BUSINESS

Discussion of potential Ends policy workshop dates was tabled; Directors are encouraged to bring their personal calendars to the September meeting.

The report from National Cooperative Grocers Association (**NCGA**) Development Advisor Paula Gilbertson, who visited the store on April 1-2, has been e-mailed to Directors. After considering the report, CORE staff has agreed to focus on the following areas:

1. Improve organizational structure
2. Center store reset
3. Work with Board to develop Ends policies

Because **GM Carter** will be at the **NCGA** fall meeting on Sept. 15, the monthly board meeting has been rescheduled for Mon., Sept. 22 (same time, same location). **Secretary Boen** has volunteered to become the Board's Facebook voice, so that such changes (and other Board decisions) can be broadcast to the public in a timely manner.

ADJOURNMENT

Ben Truwe moved to adjourn the meeting at 7:50 p.m.; **Clint Driver** seconded the motion, which passed unanimously. The next regular **MFC BOD** meeting is scheduled for Mon., September 22, 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 September 22 full Board meeting.

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

Respectfully Submitted,

Debi Boen

Debi Boen

ACTION LIST		
TARGET DATE	ACTION	RESPONSIBLE PARTY
09-22-14	Prepare monitoring report: B3 (Asset Protection)	Anne
09-22-14	Prepare monitoring report updates for B5 (Consumers) and B6 (Staff)	Anne
09-22-14	Draft Promissory Note Ext. Document, submit to SBDC	Jim
09-22-14	Bring personal calendars to meeting	All Directors

MOTION LIST 08-18-14			
MOTION	1st	2nd	PASS/FAIL
Approve 07-21-14 minutes as submitted	Clint Driver	Ben Truwe	Pass (unanimous)
Allow poly-styrene signature-gathering at store	Ben Truwe	Fran Batzer	Pass (unanimous)
Adjourn	Ben Truwe	Clint Driver	Pass (unanimous)