

## Medford Food Co-op Board of Directors      October 15, 2018

**Present:** Pres. Kellie Hill, Vice Pres. Patty Casebolt, Sec. Debi Boen, Roger Noyes, Verne Underwood

**Absent:** Treas. Kristi Schoenbachler, Fran Batzer

**Staff Present:** GM Anne Carter

### REPORTS

The October, 2018 Medford Food Co-op Board of Directors (**MFC BOD**) meeting was called to order at 5:30 p.m. on 10/15/18.

Minutes of the 9/17/18 **MFC BOD** regular meeting were submitted; **Verne Underwood** moved to accept the minutes as submitted. **Roger Noyes** seconded the motion, which passed.

**GM Carter** submitted and presented her written report, with updates in the areas of finance, ownership, and public events. **MFC** added 16 new owners in September, and there were two owner share redemptions.

#### Relevant Financial Information

September, 2018 sales were at \$394K, a 4.2% increase over September, 2017, 93% of budget. COGS (Cost of Goods Sold) = \$247K, 91% of budget; Operating expenses - \$134K, 93% of budget; Net operating income = 131% of budget. Staff has continued to keep expenses low, and were able to achieve a net income of \$11K for the quarter.

#### Ownership-Level Issues

- Café update: The lead cook, Benjamin O’Neill, accepted the position of Café Manager and began working in that capacity on 10/7.
- Five Strategic Points of Difference Update - continues to be discussed in management team meetings. No new developments.
- NCG Fall Meeting Highlights
  - NCG CEO search underway with goal of hiring by end of this year
  - Moving To Higher Ground work in past year resulted in new consumer research conducted for co-ops; Improving the Customer Experience program piloted by 12 co-ops and now open to more participants; pursuing contracts with several POS providers to improve the retail technologies available to co-ops.
  - UNFI relationship update - new acquisition of SuperValu doesn’t affect current agreement but will have impact on future negotiations.
  - GM attended 6-hour intensive development workshop: Leading the Co-op’s Management Team

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

- KOBI is running a new ad focused on local products and our definition of local.
- October is Co-op Month - in addition to owner drive, we have weekly promotions (Flash Sales, Give-Aways), & Art Wall up in Café with reception on 3rd Friday, Oct 19, 4-6 pm
- Rogue Valley Food System Network (RVFSN) - Dean Williamson joined the RVFSN Council and he is also an AFC Board member. Nice to see AFC have stronger connection.
- RV Co-ops - AFC, RCU and Grange are working on project to promote awareness of the co-op business model.

#### Significant Operational Changes

- Interviewing for accounting clerk

### GM MONITORING REPORT

The October, 2018 GM Monitoring Report concerned Policy A Global (Ends) and Policy B1 (Financial Condition and Activities). **GM Carter** submitted reports detailing interpretation, operational definitions, and supporting data. As a “living” document, Policy A is neither in nor out of compliance. **GM Carter** was unable to report compliance with Policy B1, sub-policy 2, which concerns net income, EDITDAP (earnings before interest, taxes, depreciation, amortization, and patronage), and the CoCoFiSt benchmark. NCG has set a new national goal for co-ops in this area. Based solely on third quarter sales, **MFC** EDITDAP is out of compliance. **GM Carter** feels that this is due, in part, to the smoke in the area during most of the third quarter. Fourth quarter sales are traditionally strong, and **GM Carter** expects to be above EDITDAP by the end of the quarter. Directors assigned a “moderate” severity indicator to this out-of-compliance policy.

## POLICY REVIEW

Consult the table below for monthly policy review.

2018-2019 POLICY REVIEW				
POLICY	1 <sup>ST</sup> REVIEW	NOTES	2 <sup>ND</sup> REVIEW	NOTES
B4	3/19/18	Ok as-is		
D Global	3/19/18	Ok as-is		
D1	3/19/18	Ok as-is		
B5	4/16/18	Ok as-is		
D2	4/16/18	Ok as-is		
D3	4/16/18	Ok as-is		
C Global	5/21/18	Ok as-is		
C1	5/21/18	Ok as-is		
C2	5/21/18	Ok as-is		
B6	6/18/18	Ok as-is		
B9	7/16/18	Ok as-is		
D4	7/16/18	Ok as-is		
C3	8/20/18	Ok as-is		
C4	8/20/18	Ok as-is		
C5	8/20/18	Ok as-is		
B3	9/17/18	Ok as-is		
C6	10/15/18	Ok as-is		
C7	10/15/18	Ok as-is		
B7	11/19/18			
B2	12/17/18			
B Global	1/21/19			
B8	1/21/19			
C8	1/21/19			
A Global	2/18/19			
B1	2/18/19			

## OLD BUSINESS

### Resolution Amendments

- **Verne Underwood** moved to amend resolution 2015-0001 as submitted; **Patty Casebolt** seconded the motion, which passed. **Roger Noyes** moved to amend resolution 2016-0001 as submitted; **Patty Casebolt** seconded the motion, which passed.

### National Co-op Grocers 2017 Participation Report

- **GM Carter** led a discussion of the NCG 2017 Participation Report, which was distributed to directors via e-mail prior to the meeting.

### Financial Report and Talking Points

- These reports were tabled due to the absences of **Treasurer Kristi Schoenbachler** and **Fran Batzer**.

### Customer Survey

- **GM Carter** led a discussion of the 2018 Member Satisfaction Survey, recently conducted by the University of Wisconsin at River Falls; an extensive report and summary was distributed to directors via e-mail prior to the meeting. Discussion included areas of dissatisfaction, shopping pattern, and design priorities.

## NEW BUSINESS

### Banking Options

- After discussion, the following motions were made, seconded, and passed:
  1. Close Umpqua savings account; open appropriate accounts at People's Bank (Verne Underwood 1<sup>st</sup>/Roger Noyes, 2<sup>nd</sup>)
  2. Move \$200,000.00 from RFCU/MM to People's Bank. (Verne Underwood 1<sup>st</sup>/Roger Noyes 2<sup>nd</sup>)

### MFC BOD December

- Directors agreed to move December's meeting to the second Monday of the month (December 10). The meeting will still be in a conference room at Medical Eye Center. As it will not be our "usual" conference room, Directors are advised to wait in the upstairs lobby for an escort to the conference room.

### Executive Session

- At 7:30 p.m. MFC BOD moved into Executive Session.

## ADJOURNMENT

At 8:10 p.m., **Roger Noyes** moved to adjourn the meeting; **Patty Casebolt** seconded the motion, which passed. The next regular **MFC BOD** meeting is scheduled for Mon., November 19 at 5:30 p.m. The November meeting will be held in the conference room at Medical Eye Center (1333 E. Barnett, Medford). Owners are welcomed and encouraged to attend. Please see below for an Action List and a Motion Synopsis.

Respectfully Submitted,

Debi Boen

Debi Boen

MOTION LIST 10-15-18			
MOTION	1 <sup>st</sup>	2 <sup>nd</sup>	PASS/FAIL
Approve 9/17/18 minutes as submitted	Verne Underwood	Roger Noyes	Pass
Amend Res. 2015-0001 as submitted	Verne Underwood	Patty Casebolt	Pass
Amend Res. 2016-0001 as submitted	Roger Noyes	Patty Casebolt	Pass
Close Umpqua savings, open People's	Verne Underwood	Roger Noyes	Pass
Move \$200,000.00 from RFCU/MM to People's Bank	Verne Underwood	Roger Noyes	Pass
Adjourn	Roger Noyes	Patty Casebolt	Pass

ACTION LIST, OCTOBER 2018		
TARGET DATE	ACTION	RESPONSIBLE PARTY
ASAP	update official binder; write & distribute Oct. reg minutes, ES minutes; begin Nov. agenda; update tracking spreadsheets; update PG register; create policy review, e-mail asstd. reports to Directors; e-mail Halle	Debi
11/19/18	Monitoring Report: B7 (Board Commun.)	Anne
ASAP	Complete banking business	Anne