

## MINUTES

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

Monday August 15, 2022

Windermere Real Estate Training Office, 1117 E Jackson St, Medford, OR

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

**Absent:** Vice President Patty Casebolt

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

#### Call to Order / Introductions

The August 15, 2022 Medford Food Co-op Board of Directors (MFC BOD) meeting was called to order at 5:31 p.m.

#### Owner's Forum

There were no additional owners present.

#### Previous Meeting Minutes

- Minutes of the August 15, 2022 MFC BOD regular meeting were submitted. **Dan Smith** moved to accept the minutes as submitted; **Matt Dorris** seconded the motion, which passed unanimously.
- MFC BOD Executive Session were submitted. **Matt Dorris** moved to accept the minutes as submitted; **Peggy Leviton** seconded the motion, which passed unanimously.

#### GM MONTHLY REPORT

##### Relevant Financial Information

- July sales were \$487K, a 6.5% decrease over last July and 100.7% of budget.
- Cafe Update: July sales = \$37K, 108% of budget, 7.6% of sales.
- COGS = \$325K, 104% of budget.
- Operating Expense = \$168K, 102% of budget.
- Net operating income = -\$6K, \$12K less than budgeted due to conservative estimate of COGS and \$3500 higher operating expenses.
- Days cash on hand as of 7/31/22 = 80.4
- July On-line Shopping = \$2044, 15 transactions, \$136 basket size.

##### Ownership Level Issues

- New Owners in July = 15
- Owner share redemptions in July = 0
- Planning for the Oct Owner Drive to include an owner appreciation gift and \$5 per new owner signed up incentive for staff.

##### Covid Update

- Nothing new to report.

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

- 7/17 Farm Tour - had good participation. Still compiling feedback from farmers, volunteers and participants.
- 8/4 Cookie Lab Pop-up at the store paired with Co-jenerate stickers. It went well & Cookie Lab owner is interested in doing it again. Another vendor noticed & asked to do a pop-up. Halle's working on that for Sept.
- 8/15-21 Oregon Wine Experience - the Co-op is among the many businesses that sponsor it. Halle & Jimmy volunteer for several events.

##### Significant Operational Change and Policy Compliance Updates

- Initiated a contract with Concierge Security Services for nightly security patrols. This is helping to reduce the number of people loitering around the store overnight.

## GM MONITORING REPORT

All submitted reports included detailed interpretation, operational definitions, and supporting data.

**GM Policy B4: Membership: Submit Patronage Dividend.** Although Wegner CPAs are close to finishing MFC's 2021 corporate tax return, they are still determining the Co-op's eligibility for an Employee Retention Credit (ERC) which would affect the Co-op's final taxable income. However, **GM Carter** informed the Board of three possible patronage dividend scenarios from the CPAs, noting that a final decision will not be made until the taxable income has been determined. The Board may need to conduct an email vote about the Patronage Dividend before the September Board meeting. **GM Carter** and the Finance Committee recommend Patronage Dividend Option #2 as presented by Wegner CPA's, pending the 2021 tax return's final numbers.

**GM Policy B1: Financial Condition (Q2).** **GM Carter** was unable to report compliance in sub-policy #1: adequate sales growth and sub-policy #2: EBITDAP lower than 4%.

Second quarter sales were much lower than expected in April and June, although higher in May. EBITDAP compliance is met if it is at least 4%; for 2022 Q2 it was 1.3%. **GM Carter** noted that there are gradual financial improvements appearing in the early weeks of Q3, and that the CORE staff regularly addresses ways to replace customers lost since 2019.

A lengthy discussion followed about declines and concerns, profitability vs. sales growth, inflation, and the Co-op's history of succeeding through other market challenges. The BOD grappled with how to fulfill their responsibility for ongoing financial success in the face of recent challenges and also the danger of waiting too long to expand into a larger space to boost profitability and customer loyalty.

**President Hill** recommended accepting this Q2 B1 report acknowledging that it is out of compliance. **GM Carter** expects both sub-policy #1 and #2 to be on target for compliance in Q3. Directors unanimously agreed to assign a 'Moderate' severity level to the noncompliance, with the stipulation that it will be changed to 'High' severity if the Q3 B1 report is also out of compliance in these sub-policies.

Directors also asked that the B1 reports be delivered in the month following the financial quarter end; **GM Carter** agreed to this request.

## BOARD GOVERNANCE POLICY REVIEW

Policies are reviewed each month based on the schedule below. **President Hill** suggested that to make these reviews more useful, she will compare current policies with a recently revised Policy Governance templates. She'll bring any policies with major differences to the Board for comparative review.

2022-2023 MFC BOD GOVERNANCE POLICY REVIEW SCHEDULE					
POLICY	1 <sup>ST</sup> REVIEW	NOTES	POLICY	1 <sup>ST</sup> REVIEW	NOTES
B6	March	OK as-is	C3	August	OK as-is
D Global	March	OK as-is	C4	August	OK as-is
D1	March	OK as-is	C5	August	OK as-is
B5	April	OK as-is	B3	September	
D2	April	OK as-is	C6	October	
D3	April	OK as-is	C7	October	
C Global	May	OK as-is	B7	November	
C1	May	OK as-is	B Global	December	
C2	May	OK as-is	B8	December	
B4	June	OK as-is	B2	January	
A Global	July	OK as-is	C8	January	
B9	July	OK as-is	B1	February	
			D4	February	

## OLD/RECURRING BUSINESS

### Committee Reports

- Finance: **Treasurer Roger Noyes** had nothing more to add to the earlier reports.
- Owner Engagement: **Co-Chair Sarah Calhoun** reported that the committee will be meeting next month and will update the Board then.
- New Director Onboarding (Ad Hoc): **Peggy Leviton** reported that the committee started by adding “Nominating and Elections” tasks to the Board calendar to prompt more regular discussion throughout the year. In the next 1-2 months they will create an onboarding protocol for the Board’s consideration.
- DEI: **Sarah Calhoun and Dan Smith** will be attending Columinate’s DEI training on August 17<sup>th</sup>. They will meet after that and will report to the Board next month.

### July 23, 2022 Training with Todd: Recap

**President Hill** polled the Board and received thoughts about the value of the training and if having a session like this in addition to the Board’s annual retreat is desirable.

### Board Retreat: October 29, 2022

Directors will meet with Todd for their annual retreat on Saturday, October 29<sup>th</sup> from 9am to 3pm, location TBD. As in past years it will likely include CORE staff for half of the day.

### Discuss Revising Resolutions 2014-0004 and 2014-0005

The history of these items was presented. Resolution 2014-0004 involves a disabled store discount that was voted on by the Board as a policy in 2011 and converted to a resolution in 2014, but has never been implemented. Directors discussed its lack of use and difficulty deciding who is deserving. In addition, it was noted that the new 10% quarterly owner discount is applicable to all.

**Roger Noyes** moved to rescind Resolution #2014-0004 for lack and difficulty of implementation; Sarah Calhoun seconded the motion, which passed unanimously.

Resolution 2014-0005 relates to a store discount for active Directors that was voted in by Directors in 2011 and converted to a Resolution in 2014. In 2021, a modified method for Director compensation was approved by a vote of owners at the annual owner. The Bylaw revisions adopted by the ownership in 2021 also cover this topic. (Article IV, Section 4.1.)

**Roger Noyes** moved to rescind Resolution #2014-0005 as it is overridden by the Bylaws; Sarah Calhoun seconded the motion, which passed unanimously.

## NEW BUSINESS

### Assign Blog Task

**President Hill** initiated a discussion about informing the ownership about the Board’s work on expansion, and how much or little detail to provide. She and **Dan Smith** will create a draft to share with the Board before having Halle post it on the MFC website.

### Meeting and Covid Parameters

The Directors agreed that meeting at Matt’s Windermere training center is a comfortable location. To be clear about meeting in person or not due to Covid concerns, Directors unanimously agreed to this parameter:

If the Jackson County Covid risk is High on the Wednesday prior to the BOD meeting, they will conduct the meeting over Zoom. When the risk is Moderate or Low, meetings will be held in person at the Windermere training center.

Directors will be informed of a Zoom meeting change no later than the Friday prior to the BOD meeting along with the Board packet information emailed by Kathy to all Directors.

## ADJOURNMENT

At 7:42 p.m., Sarah Calhoun moved to adjourn; Peggy Leviton seconded the motion, which passed unanimously.

The next regular MFC BOD meeting is scheduled for Monday, September 19, 2022, at 5:30 p.m., at the Windermere Real Estate training center, 1117 E Jackson St, Medford, OR. 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

<b>MOTION SYNOPSIS</b>			
<b>MOTION</b>	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>	<b>PASS/FAIL</b>
Approve 07/18/2022 regular minutes	Dan Smith	Matt Dorris	Pass
Approve 07/18/2022 ES minutes	Matt Dorris	Peggy Leviton	Pass
Rescind Resolution 2014-0004	Roger Noyes	Sarah Calhoun	Pass
Rescind Resolution 2014-0005	Roger Noyes	Peggy Leviton	Pass
Adjourn	Sarah Calhoun	Peggy Leviton	Pass

<b>ACTION / ONGOING PROJECT LIST</b>		
<b>TARGET DATE</b>	<b>ACTION</b>	<b>RESPONSIBLE PARTY</b>
<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 Directors the shared drive access link to the complete Board packet	Kathy
Prior to Board Meeting	Conduct Committee meetings (regular and ad hoc)	Committees
Ongoing	Attend Columinate webinars	BOD
Ongoing	Boost MFC on social media: Follow, like, comment, share	All
<b>NEW / CURRENT</b>		
TBD	Ad hoc Committee meetings as needed (DEI, New Director Onboarding)	Sarah / Dan / CORE
TBD	Create Board self-evaluation procedure proposal	Sarah / Kathy
9/19/2022	Reschedule BI GM reports; update Governance Calendar	Anne / Kathy
9/19/2022	Update Personnel Policies; Have attorney review	Anne
10/17/2022	Q2 Financial Graphs: Fix customers/day (expand scale) Check Liabilities data in Balance Sheet	Anne
10/17/2022	Create new Board member onboarding procedures/checklists	Peggy / Kathy
10/17/2022	Resubmit GM Policy B5	Anne
11/21/2022	Resubmit GM Policy B9; update GM Policy B9 language	Anne / Kathy
<b>COLUMINATE TRAININGS</b>		
9/7/2022	Effective Board Meeting Facilitation	
9/14/2022	Trust & Betrayal in the Board/Manager Relationship	
9/17/2022	Virtual CBL 101	
9/28/2022	Navigating Conflict on the Board (Part 1)	
10/5/2022	Navigating Conflict on the Board (Part 2)	
10/6/2022	Explorations in Policy Governance Series	
11/3/2022	Financial Training for Directors	
11/19/2022	Virtual CBL 101	