



**ASHLAND
FOOD CO+OP**
— BOARD OF DIRECTORS —

Board Meeting Minutes

January 11, 2023

Approved

Directors attending: Julie O'Dwyer, Ed Claassen, Mark Gibbs, Joanna Wnorowski, Bob Kaplan, Melissa Scudder, Erica Thompson, Larry Cooper.

Others attending: Barry Haynes, Interim General Manager; Abby Lazerow, Board Administrator; Mel Gedde, Finance Manager; Emile Amarotico.

Facilitator: Bob Kaplan Timekeeper: Erica Thompson

The meeting was called to order at 6:03 p.m. by Bob Kaplan.

| ITEM # | ITEM DESCRIPTION | PERSON | ACTION |
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| 1. | Positive Affirmation | <ul style="list-style-type: none">Joanna Wnorowski led the positive affirmation. | |
| 2. | Land Acknowledgement | <ul style="list-style-type: none">Melissa Scudder led the land acknowledgement. | |
| 3. | Owners Forum | <ul style="list-style-type: none">Owners Amey Broeker, Jane Hogan and Jaclyn Dierking attended the meeting.Amey Broeker thanked Barry Haynes for joining as Interim General Manager and expressed her admiration for Emile Amarotico as GM during periods of turmoil.Jane Hogan reported her 18 year-old son who has cerebral palsy was denied entry to the store during the pandemic because he could only wear a face shield. He is a quadriplegic and cannot breathe or speak with a cloth mask on. She said he should not have been denied entry and she felt it was important to express her disappointment and frustration with AFC's decision during that time which went against the Americans with Disabilities Act. | |
| 4. | Announcements and Opportunities | <ul style="list-style-type: none">Board director elections will take place in May. There are three open seats on the Board.CCMA will be held in Sacramento, June 8-10. Directors should inform the BDC by March 1 if they are interested in attending the conference. | |

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| 5. | Agenda Review | <ul style="list-style-type: none"> • Bob Kaplan reviewed the meeting agenda. | Done. |
| 6. | Consent Agenda: | <p>The following Consent Agenda documents were approved:</p> <ul style="list-style-type: none"> • Board Meeting Minutes, 11-9-22 (Unapproved) • Executive Session Minutes, 11-9-22 (Unapproved, confidential) • Board Finance Report, 10-22 • Board Finance Report, 11-22 | The Consent Agenda documents were unanimously approved. |
| 7. | EDI Committee Update | <ul style="list-style-type: none"> • Directors Melissa Scudder and Erica Thompson reported Martin Woodward is the new committee facilitator and he is running positive and efficient meetings. The committee is updating their charter, determining who is part of the committee. • A representative from the Ashland High School affinity group Truth to Power at AHS made a presentation to the committee. The group is seeking long-term sustainable funding. The committee has recommended moving the Truth to Power request to the AFC Gives Committee. • The AFC website is being translated into Spanish. • A new vendor application is being developed. The application may help to identify and support BIPOC suppliers. | |
| 8. | AFC Gives Update | <ul style="list-style-type: none"> • In November, Vesper Meadows earned \$5942.74 through the Change for Good program. Truth to Power earned \$6380 in December. To date, the Ashland Food Angels has earned \$1426.49. | |
| 9. | Board Retreat | <ul style="list-style-type: none"> • The Board retreat will be held on January 22 from 9 to 2 p.m.in the Co-op classroom. The Board will focus on 2023 Board goals, communication and team building. Julie will send out a revised agenda. | |
| 10. | Discontinuation of Insurance Policy for GM | <ul style="list-style-type: none"> • The Board Treasurer reported the GM insurance policy will be discontinued. • The Board approved this measure. | Approved. |
| 11. | Board Finance Report: Board Budget, AFC Operational Budget | <ul style="list-style-type: none"> • Finance Manager Mel Gedde presented the 2023 Operating budget. • The numbers of shoppers are down, similar to pre-pandemic time periods. The challenge of the operations budget is how to cover increasing costs with flat sales. • Labor expenses have been higher due to higher benefits costs. AFC's stop loss insurance premium will increase as well. • This year's budget shows a decrease in operating expenses and safety costs but an increase in administrative costs. Additional expenses include funds for promotions, consulting and conferences and trade shows. Cyber insurance is a new budget item. • The budget will account for six 10% shopping discounts for owners per year. | . |

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| | | <ul style="list-style-type: none"> ● The CapX budget helps to guide spending. Some capital projects will be carried forward to the time there will be a new store or footprint. The Interim GM and Finance Manager will prioritize items that need replacing. ● The Patronage Dividend, which represents AFC's net income paid out to owners, is \$367,000 YTD, down more than 30% from last year. ● Wages have increased by \$438,000. The proposed AFCEA contract will increase wages by \$1 per hour. There is a 6% increase in hours budgeted. Wages are down this year because some positions have not yet been filled. ● The balance sheet remains strong, with \$6.5 million in cash and investments. ● Board Treasurer Mark Gibbs presented the Board budget. The budget has been increased to include training opportunities and conference attendance. ● Larry Cooper moved that the Board approve the 2023 Operations budget and the 2023 Board budget. ● The Board voted to approve the 2023 Board budget. ● The Board voted to approve the 2023 AFC Operations budget. ● Banks require board resolution to change authority for the GM to bank. Larry Cooper moved the Board revoke banking authority for Emile Amarotico and approve banking authority for Barry Haynes. The Board unanimously approved the letters of authority. ● The Board appreciated Mel's presentation. | |
| 12. | GM Report | <ul style="list-style-type: none"> ● Interim GM Barry Haynes reported sales have followed upward trends in October, November and December. Actual holiday weeks were not positive over 2022 Thanksgiving and Christmas sales, most likely because of inflation. ● 2022 sales are 1.2% over 2021 sales. ● During the holidays employees were invited to play a game called Co-opacopia, where employees shared store products they enjoyed online. Each week a participating employee won a Co-op gift card. At the end of the program, one of the weekly winners won eight hours of paid time. ● The employee holiday party was excellent. ● Four business names were registered in Oregon and trademarked in case of regional expansion. ● Emile and Barry have partnered on all GM meetings to transition Barry into the Interim GM role. ● The AFCEA contract is close to agreement. ● A contact-free biometric clock has been installed for employee time-keeping. | |

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| | | <p>The clock does not store any identifiable information. A non-biometric option is also available for employees.</p> <ul style="list-style-type: none"> • The Project WHEN survey for employees has been extended another week. So far 50 surveys have been completed. All responses are anonymous. • There will be a reset of the center store soon. An NCG specialist will be consulting with the Grocery Manager. • The CAN (Community Accessible Nutrition) team increased the discount from 5 to 10%. Additionally, the patronage dividend can be deferred annually to owner equity to help those who don't have the \$100 investment. • The Interim GM and the Board President are looking at prospective partners for expansion, including construction management, design and architects. Scope is being clearly defined so roles are not overlapped. This information, including cost estimates, will be presented to the Strategic Planning Steering Committee in February. | |
| 13. | Farewell to GM Emile Amarotico | <ul style="list-style-type: none"> • Emile said he had the privilege of spending time with an engaged and active Board and a great team of managers and staff for ten years. • Directors appreciated Emile's receptivity, knowledge and perspectives. He was always responsive and open to hear different points of view. He cared deeply about the community and the organization. Emile has been an excellent partner and manager. Emile has taken AFC to a place where it is in a position to strategically expand. | |
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The meeting was adjourned at 8:14 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.