



Board Meeting Minutes

April 9, 2025

Approved

Directors attending: Mark Gibbs, Joanna Wnorowski, Jennifer Gibbs, Erica Thompson, Bob Kaplan, Ernesto Soto and Kathryn Kavanagh. **Others attending:** Nick Hardee, General Manager: Abby Lazerow, Board Administrator.

Facilitator: Jen Gibbs **Timekeeper:** Bob Kaplan
The meeting was called to order at 6:00 p.m. by Jennifer Gibbs.

ITEM #	ITEM DESCRIPTION	DISCUSSION
1.	Land Acknowledgement	<ul style="list-style-type: none">Ernesto Soto led the land acknowledgement.
2.	Positive Affirmation	<ul style="list-style-type: none">Kathryn Kavanagh led the positive affirmation.
3.	Owners Forum	<ul style="list-style-type: none">Owner Kathleen Hering likes to attend Co-op Board meetings to hear what is going on behind the scenes. She likes seeing signage at the store that describes how eggs are raised.Owner Joseph Kauth asked if paper bags were made of 100% recycled materials. He also would like to see more community support and mental health support in Ashland.Owner David Eliason is interested in local food. He was curious about how AFC's board meetings are run.
4.	Announcements and Opportunities:	<ul style="list-style-type: none">Jen Gibbs reminded directors to update their respective committee charters.

	Reminder to Update Committee Charters	<ul style="list-style-type: none"> • The Ashland Schools Foundation is hosting several outreach parties at AFC in late April. • Rogue Food Unites has developed a 20-minute documentary which will be shown at the Meese Auditorium on Friday at 6 p.m.
5.	Agenda Review	<ul style="list-style-type: none"> • Jen Gibbs reviewed the agenda.
6.	Consent Agenda: .	<p>The following Consent Agenda documents were unanimously approved:</p> <ul style="list-style-type: none"> • Board Meeting Minutes, 3-12-25 • Executive Session Minutes, 3-12-25 • Board Finance Report, 2-25
7.	Strategic Planning Facilitation Discussion	<ul style="list-style-type: none"> • Jennifer Gibbs reported Cynthia Scherr submitted a proposal to facilitate a strategic planning process for the Co-op. The process would include developing a 3-to-5-year plan, articulating a vision for the future, consulting with stakeholders, setting clear priorities, creating a strategic direction, and action items and progress measures. The process may start in May or June, with a target completion date of October 31, and may require 8 to 9.5 full-day meetings. • GM Nick Hardee and Jen Gibbs will meet to develop the contract. They will inquire about the contract provision regarding the consultant's retention and ownership of data. • Involvement of the Management Team will be determined; it could be limited because AFC managers have scheduling and time limitations.
8.	EDI Report	<ul style="list-style-type: none"> • Erica Thompson reported the EDI Committee welcomed their new member, Wellness Manager Bryan Crane. The committee is looking for two new staff members to join. • The committee has confirmed their charter and 2025 goals.
9.	AFC Gives Report	<ul style="list-style-type: none"> • AFC Gives Committee Chair Bob Kaplan reported \$7320.16 was raised for the Parker House Project. The April CFG recipient is ScienceWorks.

		<ul style="list-style-type: none"> • The GM is investigating a potential program at the register that would allow shoppers to enter their roundups on a keypad.
10.	Annual Meeting Planning Committee	<ul style="list-style-type: none"> • Board President Joanna Wnorowski reported that the AFC annual meeting will take place on October 4 at Resistance Winery. The space holds more people than our classroom. We will be purchasing their wine and offering our own food and beverages. There may be music before and a DJ afterwards. • The AFC 55th birthday will take place in 2027 and there will be a large celebration at that time.
11.	Board Finance Report	<ul style="list-style-type: none"> • Board Treasurer Mark Gibbs reported the Finance Committee met last week and reviewed the financial package. • Snow in February impacted sales. • Compared to last year, sales were up \$79,626 or 3.0% for February, driving a 2.3% increase in margin. Sales were up 1.5% from AFC and the sales from RoCo drove the other 1.5% growth. • At the end of February, the co-op had 13,709 owners. . 8,476 of them have shopped at least once in the past 12 months. These numbers are a few hundred more than the same month in the previous year • The Finance Committee meets annually with the CPA firm Wegner, based in Wisconsin. Their review this year was not a full audit; full audits are done every four years unless the GM or Finance Manager (FM) is new. AFC received a clean CPA auditor opinion letter, a great testament to the FM, his team and managers. The auditor's letter will be posted on the AFC website once the report is completed. • Wegner works with many other co-ops, and compared AFC to co-ops of similar size. Our leverage statistics and financial metrics stack up very well. Our labor cost ratios are at the high end of this peer group. We have good wages and benefits relative to peers. AFC is an outlier because we distribute a high patronage dividend. • The 2024 Patronage Dividend distribution will be available at the register on June 2. The amount each owner receives represents 3.3% of total purchases.

		<ul style="list-style-type: none"> • Nick noted that sales growth for co-ops in 2024 was the highest in history. Median growth was 5.8%. • Jen Gibbs motioned to approve the 2024 Patronage Dividend letter to owners. Erica seconded the motion. Nick will forward the letter to the Finance Manager.
12.	GM Goals	<ul style="list-style-type: none"> • GM Nick Hardee provided a list of his goals for 2025. The 2025 GM goals, focused on growth, operational efficiency, and employee well-being are 1) Develop a 5-Year Strategic Plan; 2) Grow Wholesale Opportunities; 3) Store expansion; 4) Production Facility and 5) Create the AFC Wellness Program. • A goal will be added about expanding communications with the Board and throughout the organization. • Bob Kaplan asked about wholesale plans. The GM plans to expand on businesses we already sell to. The RoCo brand will be brought soon to AFC and beyond. RoCo coffee will be the first sustainable roasted coffee in the Rogue Valley, roasted with an electric roaster. • The production side of Prepared Foods (PFD) is expanding and offers many opportunities. PFD is wholesaling to RoCo and RoCo is wholesaling to PFD. • A wholesale bread program is being developed. The Co-op is planting figs at Rolling Hills and will be putting those on the market in a few years. The peaches will be sold to a number of markets and the seconds will be used for salsas and pies. There will be more opportunities for the community to purchase from the Co-op at an affordable price. • Nick is also developing a production facility and a business-to-business wholesale program, which will allow customers to purchase items in bulk and at a discounted rate. Deliveries may also be possible. • There will be new offerings at RoCo by April 28. • Nick will be visiting the co-op in Bozeman, Montana, which has conducted a 39,000 square foot expansion with a wholesale production facility.

13.	GM Report	<ul style="list-style-type: none"> • Nick Hardee is working with the Prepared Food manager and the RoCo manager to develop a menu that was not offered elsewhere in town. • New items, effective April 28, will include two soups, four different sandwiches for easy, on-the-go meals, salads for grab n' go, and fruit bars. Future offerings will include cookies, burritos, breakfast sandwiches and fresh pressed juices. All items are in alignment with AFC standards and prices. • Directors suggested offering a feedback survey for new RoCo food items. • The Rolling Hills Farm manager will be a paid employee of AFC, hired to run the Rolling Hills LLC. Other employees will be contracted out, hired through the farm manager's LLC with their own insurance. Moving forward, Nick is looking into the future of farming and what that means from a labor standpoint. He would like to support laborers with benefits, health insurance, and 401Ks; this is not currently offered in the farming world. He is discussing this idea with HR and attorneys to see if he can make this happen. • Kathryn appreciated that the GM is trying to change agricultural culture. It is important to pull Rolling Hills farmers into the AFC's wellness program. Farmers' mental health is important; nationally they have higher suicide rate. • Kathryn suggested future field trips for SOU and high school people to Rolling Hills. It is important to have incubator programs for future farmers. Only 1.2% of Oregon farmers are 25 and younger.
14.	Action Items	<ul style="list-style-type: none"> • The Consent Agenda documents were unanimously approved • The Board approved the 2024 Patronage Dividend letter to owners. Nick will forward the approved Patronage Dividend letter to the Finance Manager. • Nick will add an additional 2025 GM goal about communications. • Nick and Jen will meet to review and develop the contract with Cynthia Scherr. The contract will be shared with the Board before signing.

The meeting was adjourned at 7:31 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.