



## Board Meeting Minutes

May 14, 2025

APPROVED

**Directors attending:** Mark Gibbs, Joanna Wnorowski, Erica Thompson, Bob Kaplan, Ernesto Soto and Kathryn Kavanagh.

**Attending virtually:** Jennifer Gibbs. **Others attending:** Nick Hardee, General Manager: Abby Lazerow, Board Administrator.

**Facilitator:** Kathryn Kavanagh **Timekeeper:** Mark Gibbs

The meeting was called to order by Kathryn Kavanagh at 6:02 p.m.

ITEM #	ITEM DESCRIPTION	DISCUSSION
1.	<b>Land Acknowledgement</b>	<ul style="list-style-type: none"><li>• Bob Kaplan led the land acknowledgement.</li></ul>
2.	<b>Positive Affirmation</b>	<ul style="list-style-type: none"><li>• Nick Hardee led the positive affirmation.</li></ul>
3.	<b>Owners Forum</b>	<ul style="list-style-type: none"><li>• Owners Evan Archerd, Elizabeth Walsh, Adam Martini, and Kathleen Hering attended the meeting.</li><li>• Kathleen appreciated observing Board meetings and liked the process with nominations. She suggested creating a nominating committee for Board officers.</li><li>• Adam Martini noted the Arcata co-op has a very similar feel to AFC and wondered if we compared notes.</li></ul>

4.	<b>Announcements and Opportunities</b>	<ul style="list-style-type: none"> <li>• There will be a plant sale at Eagle Mill Farm this coming weekend.</li> <li>• Chris Hardy will lead a talk about the Bellview Food Forest at the Bellview Grange.</li> <li>• The First S. Oregon Polish Festival will be held this coming weekend in Talent.</li> <li>• Ernesto Soto and Jen Gibbs will table outside the Co-op on June 6 from 4-6 p.m. and June 7 from 1-13 to help promote election engagement. Ernesto asked other directors to participate.</li> <li>• Kathryn Kavanagh will host a podcast about regeneration and biofilms on <i>The Food Safety Dish</i>.</li> </ul>
5.	<b>Agenda Review</b>	<ul style="list-style-type: none"> <li>• Kathryn Kavanagh reviewed the agenda.</li> </ul>
6.	<b>Consent Agenda</b>	<p>The following Consent Agenda documents were approved:</p> <ul style="list-style-type: none"> <li>• Board Meeting Minutes, 4-9-25</li> <li>• Executive Session Minutes, 4-9-25</li> <li>• Board Finance Report, 3-25</li> <li>• Board Actions, 2024</li> </ul>
7.	<b>Strategic Planning Update</b>	<ul style="list-style-type: none"> <li>• Nick Hardee reported that he worked with Tracy Fischer to compile all expansion discussions and information for the past 10 years. Each SPSC member is reviewing the information packet.</li> <li>• This week a signed document will be sent to the strategic planning facilitator, Cynthia Scherr.</li> <li>• There will be two Strategic Planning meetings in June and then once a month until October.</li> <li>• Directors should send their vacation and travel schedules to the Board Administrator.</li> </ul>

8.	<b>Board Officer Election Process</b>	<ul style="list-style-type: none"> <li>• Ernesto Soto, BDC Chair, reported the BDC and the Executive Committee discussed a potential officer election process. The current Board would anonymously nominate the Board officers in June. There would be no self-nominations.</li> <li>• It was appreciated that the proposal mixed the nominating and consensus process.</li> <li>• After a discussion, directors agreed directors could be nominated for more than one position. Anyone receiving at least two votes would be considered for the officer position.</li> <li>• Following a consensus discussion at the June work meeting, the President would be selected first, followed by the Vice President, Secretary and Treasurer positions. Once the President is selected, their name would be removed from consideration for other positions.</li> <li>• Abby will update the proposal and send it out to the Board.</li> </ul>
9.	<b>EDI Report</b>	<ul style="list-style-type: none"> <li>• Erica Thompson reported at the May EDI Committee meeting, members participated in an activity that Kathryn had proposed, called “Breaking Bread and Cultivating Community.” Members were given questions related to food to spark conversations and stories.</li> <li>• The committee is looking for an employee member. There will also be an open tri-chair position for a representative from the Board.</li> </ul>
10.	<b>AFC Gives Report</b>	<ul style="list-style-type: none"> <li>• Bob reported CFG donations totaled \$6,289.45 in April for ScienceWorks.</li> <li>• Bob asked the Board to approve the list of the CFG nominees. The Board unanimously approved the list of CFG nominees.</li> <li>• Bob asked the Board to approve \$4000 from the Twin Pines Fund to be given to Ashland/Talent St. Vincent de Paul. This organization provides financial support for emergencies for Ashland/Talent residents. The Board unanimously approved the proposal.</li> </ul>
11.	<b>Board Finance Report</b>	<ul style="list-style-type: none"> <li>• Mark Gibbs reported sales continue to be robust. Sales are up on key metrics year over year. Margins are slightly higher than budgeted, partially due to RoCo.</li> </ul>

		<ul style="list-style-type: none"> <li>• Customer counts were 2,523 which is up 2.5% to last March but still about 85% of the pre-pandemic counts. We have seen good increases since January of 2022, but we are still about 400 customers less per day than we were in 2019. Active owners (those who have shopped in the last 12 months) have increased by 2.4% since last March. Confusingly, new owner numbers are accelerating faster than new shopper numbers.</li> <li>• In Q1, 192,000 was accrued for the patronage dividend. Profit-sharing accrual is 43,000.</li> <li>• Capital Purchases are being offset by \$11,876 in proceeds from membership sales.</li> <li>• The partner at the CPA firm who has been overseeing AFC annual audits for many years is retiring at the end of this year. The firm has a specialty in food co-ops, but the Finance Committee is considering whether to reach out to local CPA firms to ask for a bid. The Finance Committee is reviewing their charter. They are considering extending owner volunteer term limits.</li> </ul>
12.	<b>GM Report</b>	<ul style="list-style-type: none"> <li>• Nick Hardee presented the GM report.</li> <li>• The AFC Annual Meeting will be held on October 4.</li> <li>• The GM is working with Mayorga coffee to provide green coffee beans for roasting. The company has a transparent supply chain from the farmer to business and is in line with our values. An automatic, ventless electric coffee roaster, which roasts based on the profile programmed into the machine, was recently purchased. The roaster is in alignment with AFC's sustainability goals, and coffee roasted in the machine will be certified organic. We will test whether the electric roaster can someday replace the gas roaster and reduce labor.</li> <li>• The Oregon Traceability Act will create challenges for being a certified organic retailer. If tracking lots is required, we will need to trace produce all the way back to the farm.</li> <li>• Nick recently visited the Bozeman Co-op and met with their GM and Prepared Foods Manager. They have 39,000 square feet of space, with everything under one roof. They utilized all materials native to that area in the construction of their Co-op. Their bulk area</li> </ul>

		<p>was large and beautiful. The Bozeman community and staff worked together to create their co-op. The Bozeman Co-op also has a smaller store with a bodega.</p> <ul style="list-style-type: none"> <li>• Nick is looking for a space to consolidate our roasters, bakeries and warehousing in one space and to increase production.</li> <li>• Nick recently attended the NCG conference. Much focus was on the economy. In 2024, Grocery spending reached 1.5 trillion. Inflation was 2.8%. Grocery prices are currently 25% more expensive than 2020. 2024 Purchases of natural foods in co-ops increased by 5.8% in 2024, compared to 5.1% in 2023.</li> <li>• Shrink is down 5.3% YTD. Systems accountability is in place.</li> <li>• New food offerings have been rolled out at RoCo. The last 8 days have shown positive sales growth. We are monitoring what is selling.</li> <li>• Rolling Hills peach production should be good this year because of increased water levels. We have also planted 40 fig trees.</li> <li>• AFC has never had \$3 million in sales in a single month until last year. In 2024, sales were over \$3 million for six months of 2024. April sales also reached over \$3 million. The AFC team is amazing.</li> </ul>
13.	<b>Action Items</b>	<ul style="list-style-type: none"> <li>• The May Consent Agenda documents were approved.</li> <li>• Abby will write a new version of the election process with the discussed changes.</li> <li>• The Board unanimously approved the list of 15 potential CFG organizations.</li> <li>• The Board unanimously approved the distribution of \$4000 from the Twin Pines fund to St. Vincent de Paul Ashland/Talent.</li> </ul>

The meeting was adjourned at 7:36 p.m. Minutes were prepared by Abby Lazerow, Board Administrator.