

Wild Oats Cooperative Inc.
Board of Directors Meeting Minutes -- Zoom video-conference
Thursday, February 23, 2023: 7:00- 9:00 PM

Board Members Present: Bob Allard, Jose Constantine, Tom Cragg, Sarah Jacobson, Jeff Strait, Peter Siegenthaler, and Lee Venolia. Michelle Juneau and Marc Freedman were absent

Managers: Netse Lytle, Tierney Beck (Finance Manager) and Amy Carey (Marketing)

Meeting convened at 7:00 PM

Member-Owner Comments

- No member-owners attended the meeting.

Board and Meeting Logistics

- The Meeting Agenda and Board calendar were reviewed.
- A few changes to the previously distributed draft January 2023 meeting minutes were pointed out. Lee Venolia moved, and Bob Allard seconded, a motion to accept the January 2023 meeting minutes, as amended. Motion carried by a vote of 5 in favor and two abstentions
- Tom Cragg reported that Peter Siegenthaler had agreed to serve as Board clerk. Bob Allard moved and Lee Venolia seconded, a motion to elect Peter Siegenthaler as clerk. Motion passed unanimously.
- Several minor changes to Board Policy -- G5 "Directors' Code of Conduct," discussed at the January 2023 meeting, were reviewed. Changes included formatting corrections, changing the timing for the Board's annual conflict of interest attestations, and adopting standard language for the Board's annual policy review. Peter Siegenthaler moved, and Jeff Strait seconded, a motion to accept the changes as presented to the Board. Motion passed unanimously.
- The timing of the 2023 Board retreat was discussed. Based on the discussion from the January 2023 meeting, and based on the Board facilitator's calendar, April 22, 2023 was tentatively selected. The meeting agenda and location remains to be determined.

Tom Cragg reminded the Board members that the new approach to the General Manager's reports, as discussed at the January 2023 meeting, was to read the reports thoroughly in advance of the meeting, and to bring comments and questions to the meeting for discussion. The General Manager will not present the management reports, but will be ready to answer the Board's questions and comments. It is hoped that this approach will reduce the time needed to review management's compliance with Board policies, while still devoting the appropriate time to the key issues facing the store and the General Manager. A key factor in making this approach is the timely distribution of reports to give Board members time to read and understand them.

Discussion of Management Report L3 – Financial Condition & Activities

- The L3 report summarized the store's financial results for the second quarter of Fiscal Year 2023
 - In the second quarter, the store had sales of \$1.6 million and net income of almost \$62,000.
 - While earnings and liquidity exceeded targets, sales and sales growth did not. Sales came in 3.1% below the same quarter in the previous fiscal year 2022.

DRAFT

- Several Board members made comments and asked questions concerning the L3 results. Topics discussed included possible reasons for the sales decline, the store's overall gross profit margin, personnel costs (which declined), store headcount, and health insurance costs. An increase in inventories was also noted. Netse Lytle responded to these comments and questions, and Tierney Beck the Finance Manager also provided information.
- Sarah Jacobson moved, and Jeff Strait seconded, a motion to accept the L3 report as presented. Motion passed unanimously.

Discussion of Management Report L8 – Emergency General Manager Succession

- The L8 report summarizes the plan for managing the store should the General Manager (Netse Lytle) unexpectedly become unable to perform his duties.
- Tierney Beck, the Finance Manager, has been identified as the interim designated GM (the "DGM"). The L8 report summarizes the steps being taken to ensure Tierney is sufficiently familiar with the Board and the GM responsibilities to take over store management with reasonable proficiency
- Tierney Beck indicated that she is willing to serve as the DGM, and would look to the entire Wild Oats team to support her. The Board assured her that if Netse Lytle were to become absent for an extended period, the Board would bring in additional management resources, as appropriate.

Board Committee Reports

- ARDEI Committee – Sarah Jacobson noted the upcoming ARDEI Committee event for member-owners to discuss -- food and belonging – a discussion of how food plays a role in a diverse community -- scheduled for March 1, 2023 at 6 pm. Board members are encouraged to attend.
- Environmental Committee – Netse Lytle reported that the environment committee expected to meet soon to discuss ideas received at a recent trip down to the Berkshire Food Co-op in Great Barrington.

Discussion on Question 1 from the Recent Board Survey

- Question 1 of the recent Board self-evaluation asked Board members to respond to the statement: "The Board has created and sustained a meaningful relationship with the larger community of member-owners." Survey responses to this question ranged widely, with two Board members disagreeing with this statement, five with a neutral response, and two in agreement.
- An open discussion was held on the topic of Board communications to member-owners, with the following points made:
 - This issue involves communications from the Board to member-owners (and not necessarily to people who do not shop at the store). It also does not cover marketing messages developed by the store.
 - Having regular communications, and holding events for member-owners, can create a stronger sense of connection and help the store achieve its "Ends"
 - In recent years, Board communications with the member-owners have been somewhat unsuccessful in terms of observed impact. Efforts made to engage a large group of member-owners, like for the December 2022 Annual Meeting, have been met with limited success. Given this, the general discussion question was: Is Board communication to member-owners important?
 - Several Board members responded by noting that a relationship between the Board and member-owners can be mutually beneficial. It can provide member-

DRAFT

owners with education, and it can provide the Board with feedback on its governance.

- Recognizing that most member-owners only engage with Wild Oats as shoppers and not as engaged owners, it was suggested that it may not be critical that Board communications actively engage a large audience as long as the Board can expand its base of communication to interested and engaged individuals.
- Promoting a sensitivity to the broader Wild Oats objectives also could be a goal. The “Round Up for Change” program is a good example of a Wild Oats program that the community at large might understand and appreciate
- The Board could communicate to member-owners (perhaps through shared social media), as another way of helping it get its message through. For example, a message from the Board could encourage participation in the shopper survey.
- It was generally agreed that paper communications, like in the past (i.e., newsletters), is not the medium to pursue
- Email communications might work, but “email overload” is a concern. Netse Lytle mentioned that communications from the Board could be considered on Mondays and Fridays without creating too much overload. He was not opposed to a regular flow of Board communications on such days.
- The Member Linkage Committee has recently discussed the possibility of setting up a regular once-per-quarter communication program to member-owners. These communications could be used to share a variety of topics, such as initiatives from the Environment Committee
- Events are also a very good means to get member-owners into the store now that the pandemic is mostly over. People want a place to go.
- Board members can also meet member-owners at the store, such as helping during owner appreciation days (e.g., bagging groceries), or by placing Board messages on the in-store TV
- As side-issues, the Board discussed also ways to attract non-shoppers, e.g., Williams College students and the broader non-member community who might want a shopping experience like that at Trader Joe’s

General Manager Comments

- The store received a state training grant which will be used to enhance employee skills
- The backroom produce floor repair will start soon. Only the back room area will be affected. The floor in the produce sales area will be addressed later
- Netse mentioned several personnel changes
- Lee Venolia brought up a concern about selling non-organic strawberries on sale. These items are OK to sell generally, but should they be put on sale? Netse asked the Board to be careful about speaking to the staff on these type of issues, but he agreed that this needed to be addressed.

MEETING CLOSING

- The next Board meeting is scheduled for March 23, 2023
- The meeting ended at approximately 8:30 pm

Minutes Prepared by: Tom Cragg