

Wild Oats Cooperative Inc.
Board of Directors Meeting Minutes -- Zoom video-conference
Thursday, October 19, 2023: 7:00- 9:00 PM

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

Managers: Netse Lytle

Meeting convened at 7:00 PM

Member-Owner Comments

- Susan Abrams, candidate for election to the Board at the upcoming Annual Meeting, attended the meeting to observe

Board and Meeting Logistics

- Tom Cragg reviewed with the Board the meeting agenda and the Board calendar
- Michelle Juneau led a general discussion on the logistics for the upcoming Wild Oats Annual Meeting scheduled for Tuesday, October 24 at 7 pm at the Williams Inn. Netse Lytle indicated all of the arrangements were in hand.

Management Report – L5 Asset Protection

- Netse Lytle responded to questions with regard to the L5 report
 - Jeff Strait asked about the adequacy of the \$1 million liability coverage for the store. Netse indicated that the store's insurance providers feel comfortable with the current insurance levels. Netse Lytle will check on the cost for increased coverage (perhaps \$2 million).
 - Sarah Jacobson suggested that asset protection policies should be reviewed to include store maintenance
 - Tom Cragg mentioned the added insurance Mountain One Bank maintains, over and above FDIC insurance, for the store's cash deposits
- Marc Freedman moved and Sarah Jacobson seconded a motion to accept the L3 report as presented. Motion passed 7-0.

Discussion on Building Improvements

- Netse Lytle reviewed a short-term timeline for launching a building improvement plan
- The store completed a customer address and transaction survey (CAT) that the store's marketing consultant, G2G, asked us to complete as the first step in a marketing area evaluation
 - The survey asked customers to respond to a two question survey 1) how much did you spend and 2) what is your exact address. Netse Lytle indicated that people were enthusiastic in responding to the survey
- The timeline calls for reports of marketing and financial evaluations in early 2024 based on the work of G2G and the board's Columinate consultant
- Jeff Strait suggested that we find someone who can explain to us the limitations of the property owned by Wild Oats (flood plain limits, parking, etc.). Marc Freedman suggested that someone at town hall should be able to answer these questions.

- Sarah Jacobson asked about longer-term timeline items, such as ground breaking dates, etc. Netse indicated that until the evaluations are available, things are too uncertain.
- Netse stressed that many of the improvements desired will focus on back-office areas, such as bringing the kitchen up to the first floor, etc. Added sales space may not be a large part of the planned improvements, but the evaluations will help determine that.
- The cost and advisability of including an elevator in the improvement plan, especially if the store uses multiple floors for regular activities was discussed. This is an accessibility and a town building code matter

Peer Co-op Financial Comparisons

- Netse Lytle briefly reviewed a set of financial statistics that are available through National Cooperative Grocers (NCG) for other top performing co-ops of similar size to Wild Oats
- Netse pointed out where Wild Oats compared with regard to sales growth, gross margin, personnel cost, etc. Netse noted that statistics on the median performing co-ops was missing. Sarah Jacobson expressed concern about the lack of sales growth at Wild Oats when seeing the results of top performers within the peer group. Netse mentioned that at a recent conference he attended that sales growth is a major concern at many co-ops. In this regard, Netse mentioned that sales growth in recent weeks has improved at Wild Oats
- Jeff Strait pointed out that Wild Oats performed well with regard to personnel costs compared to the best performing peer co-ops. He also reminded the Board that the cash measures do not include the store's cash investments in federal treasuries.
- Netse mentioned that the store's NCG contact, Brittany Baird, is most willing to come and talk about peer comparisons with the Wild Oats board. Netse will try to arrange for Brittany to talk to the board
- Sarah Jacobson asked whether the store was maintaining adequate cash reserves (as compared to the best performing co-ops). Jeff Strait noted that the store's cash reserve figures do not reflect the store's investments which are kept in highly liquid treasury bonds

Liquor License Board Resolution

- Netse Lytle explained the need for a resolution authorizing the board president to sign the annual liquor license application. Sarah Jacobson moved and Michelle Juneau seconded a motion to authorize the board president to sign the required documents. Motion passed 7-0

Tom Cragg pointed out that this was the last board meeting for Jose Constantine and Lee Venolia. Jose served almost three years on the board. Lee served a total of almost nine years.

MEETING CLOSING

- The next Board meeting is scheduled for November 16, 2023
- The meeting ended at approximately 8:00 pm

Action Items Resulting from the Meeting:

1. Netse Lytle – Check on the cost for increased liability insurance
2. Netse Lytle – Talk with Brittany Baird about how Wild Oats compared with peer co-ops
3. Netse Lytle – Talk with Town Hall about flood plain and site limitations for building expansion

Minutes Prepared by: Tom Cragg