

**Wild Oats Cooperative Inc.**  
**Board of Directors Meeting Minutes -- Zoom video-conference**  
**Thursday, September 21, 2023: 7:00- 9:00 PM**

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

**Managers:** Netse Lytle

**Meeting convened at 7:00 PM**

**Member-Owner Comments**

- Barb Dohaney, member-owner and former Board member, attended the meeting for a few minutes at the start of the meeting in order to participate in the Annual Meeting discussion

**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. Michelle reviewed the annual meeting agenda, the food ordered, a trivia game (raffle) planned for the end of the meeting, the board election, and the need for volunteers for the trivia game
- Tom Cragg reviewed the candidates who have agreed to run for election to the Board. A general discussion was held to discuss the value and challenges of contested elections for Board openings. The need for added diversity was also discussed.
  - The process for selecting and communicating board candidates to the member-owners was discussed
- Tom Cragg noted a few revisions to the August 2023 draft minutes. Sarah Jacobson moved and Bob Allard seconded a motion to accept the minutes, as amended. Motion passed 7 to zero with two abstentions

**Management Report – Ends Policies**

- Netse Lytle responded to questions with regard to the Ends Policies report
  - Jeff Strait asked about and Netse Lytle explained the details and complexities of the price comparison included in the Ends Report between Wild Oats and Stop and Shop
  - Jeff Strait pointed out some concerns with the numbers shown for full-time equivalents (FTEs) and wage figures. Netse Lytle offered to prepare some additional details on FTEs and wages.
  - Sarah Jacobson suggested and Netse Lytle agreed that the operational definition for the Ends related to the number of employees should be FTEs going forward
  - Several Board members praised the new color coding of produce labels in the store and suggested improvements (in particular, more color differentiation)
  - Michelle Juneau expressed concern about the percentages for “organic” and “local” percentages as not meeting the Ends. Michelle also noted the lack of comparison statistics to show a trend. Sarah Jacobson also suggested that benchmarks might be helpful. Netse Lytle offered to prepare some past statistics to provide a comparison and trend. He also indicated that NCG might have benchmarks to use.

- Peter Siegenthaler suggested that “organic” and “local no spray” could be considered equivalent for the Ends statistics. Netse Lytle noted that the “organic” stats only reflected products that have been “certified” as organic and did not include “local no spray.”
- Sarah Jacobson asked for (and Peter Siegenthaler concurred) better approaches for the survey results, e.g., reporting the number of “agree” and “strongly agree” rather than using the mean
- Michelle Juneau asked Netse to comment on the generally low “responsiveness to customer feedback” score reported in the report. Netse noted that this is a tricky area to monitor but he felt that improvements have been made in this area since the last survey.
- Sarah Jacobson suggested a review of the operational definitions to assess their relevancy. Netse agreed with Sarah’s suggestion and noted that the definitions used in the End Report were those used by the previous store general manager.
- Marc Freedman moved and Michelle Juneau seconded a motion to accept the report as presented. Motion passed 9-0.

### **General Manager Timeline for Building Improvements**

- Netse Lytle began a discussion of a timeline for building improvements
- After some general discussion of the consumer address and transaction (CAT) survey that is a key starting point for the marketing study that supports the building improvement evaluation, Netse’s began walking the board through the key elements of the timeline. Unfortunately, his Zoom connection was interrupted during his presentation. Although the connection was eventually restored after several minutes, not knowing when Netse would return, the board proceeded on to the next agenda item. This topic will be taken up again at the October board meeting

### **Discussion of Member-Owner Dividends**

- The board reviewed information provided by the store’s auditors to support the board’s determination of patronage dividends available to member-owners, based on fiscal year 2023 financial results
- The board debated various issues related to the patronage dividends for fiscal 2023. These issues included the total amount of earning to assign to member-owners as dividends, the level of cash payout to make, and the minimum payout. The tradeoff between providing the member-owners with a larger cash payout versus reserving cash in the store’s accounts to use for store purposes (such as building improvements) was discussed
- After considerable discussion, Jeff Strait moved that the board declare a patronage dividend at the maximum amount noted by the auditors with a cash payout of 40% and a three dollar minimum payout. Peter Siegenthaler seconded the motion. Motion passed by a vote of 5-4.

### **Discussion on Steps to be Taken to Account for Lapsed Members**

- Netse Lytle asked the board for a reaction to various issues related to lapsed members (individuals who have not shopped at the store for a set number of years). If member-owners have moved or died, the store might decide to dissolve the membership and reflect this in its financial accounts, resulting in a non-cash financial gain.
- Sarah Jacobson and Michelle Juneau noted a number of situations that could cause a member-owner to “disappear” and then return after a number of years. Sarah also noted the

opportunity that a disappearance offered to gain marketing information from the member-owner. Sarah expressed concern about keeping lapsed members on the rolls as not reflecting the true situation.

- Jeff Strait suggested that the store establish a set policy for this issue and called for an annual or bi-annual purging of missing member-owners
- Tom Cragg suggested that we ask the store's auditors for their opinion on how other co-ops handle the issue of lapsed members, the tax consequences for this issue, and the impact of not taking any action on this issue.

**The Board moved into Executive Session at approximately 8:50 pm to discuss its appraisal of the General Manager's performance. Executive Session ended at 9:10 pm**

#### **MEETING CLOSING**

- The next Board meeting is scheduled for October 19, 2023
- The meeting ended at approximately 9:10 pm

#### **Action Items Resulting from the Meeting:**

1. Tom Cragg – Provide a board candidate list by email to the full board
2. Netse Lytle – Share with the board the building improvement timeline and lapsed members reports shown at the meeting
3. Netse Lytle – Gather answers to the various questions resulting from the lapsed members discussion
4. Tom Cragg – Schedule a discussion of NCG data on comparable co-ops for the October meeting

**Minutes Prepared by: Tom Cragg**