

**Ozark Natural Foods
Board Meeting Minutes
January Meeting**
Tuesday January 25th, 2022
6:30 p.m.

Board Members Present: Randy Wilburn, Danielle Dotson,
Josh Youngblood, Ben Ozanne, Elizabeth Quinn, Leanne
Baribeau, Denny Warren

Board Members Absent: Carly Reaves

Staff Members Present: Mike Anzalone, Lisa Garrett

Consent Agenda: Motion was made to approve consent agenda. **Motion was made, seconded and carried unanimously.**

Floor Reports

President's Report:

- Randy, Quinn and Mike met to discuss his evaluation, our response to that evaluation and different compensation options the board could consider.
- Randy and Quinn have been researching General Manager compensation from Columinate and NCGA to ensure Mike's eval and performance is on track.
- The board voted January 8th, to allow our auditors, Wegners, to perform a review for 2021 instead of an audit. This would allow us to turn our information in sooner to NCG's Joint Liability Fund (JLF) to request a refund of a portion of the money they are currently holding on our behalf.

GM Report:

- Mike updated the board on some previous governance reports in which he expressed that they would be updated before the end of the year. The manuals are the Staff handbook and the Emergency Plan. The store conducted a staff survey which will be shared with the board in upcoming reports.
- CCMA 2022 has been announced, it will be in Sioux Falls this year, June 9th-11th.
- Mike is scouting out locations for a potential first satellite location.
- Mike hired a consultant to help create a pricing strategy and price perception training for the department managers.

Reporting & Board Decisions

Audit/Review Schedule with Wegner

- Board voted over email and approved changes to the audit schedule to allow our auditors, Wegners CPA, to perform a review for 2021 instead of an audit. This would allow the co-op to turn information in sooner to NCG's Joint Liability Fund (JLF) to request a refund of a portion of the money they are currently holding on the co-ops behalf.
- **Motion** to affirm the Board decision January 8th to shift audit from a regular audit to an audit review **made, seconded and carried unanimously.**

Perpetuation Committee

- Ben reported that the committee has started looking at important dates to start planning for the fall 2022 election.

Policy Committee

- Josh reported that the committee talked through changing the policy to better reflect the dates for GM evaluation.
- The committee presented a proposal to change the language of Policy C.4 to better reflect the General Manager hire date versus an arbitrary date on the calendar.
- **Motion** to accept the policy committee's recommendation to change policy C4.H concerning the date of the GM's annual evaluation to align with their hire dates **made, seconded and carried unanimously.**

Outreach Committee

- Carly reported the committee has picked a date for spring clean up for trail, it is scheduled for Saturday April 16th 9am-11am.
- The goal is to complete 3 cleanups before the next election cycle (spring, summer, fall).
- Board will wear matching shirts and snacks/drinks will be provided during the event.

Discussions

The Year Ahead

- Mike presented his vision for the year ahead. Mike would like to operate the current co-op as a 'home base' location and open satellite locations which will receive product from home base location. Satellite locations could be in rural areas as well as the Bentonville-Fayetteville corridor.

AMM Discussion

- Ben advised that the Annual Member Meeting is typically the second weekend in September which will be Sept 11th this year.
- There will be four board seats open this year.
- The meeting will take place in person this year with a virtual option.

Board Education: Columinate Webinars

- Randy reminded the Board that there are various webinars available through the co-op's Columinate contract.

Policies for review/discussion:

- D7 - Vice President's Role
- D8 - Secretary's Role
- D9 - Board Member Code of Conduct

Upcoming meeting dates:

- February 22nd, 2022

Meeting adjourned at 9:01

Owner Comments: None

**Ozark Natural Foods
Board Meeting Minutes
February Meeting**
Tuesday February 22nd, 2022
6:30 p.m.

Board Members Present: Randy Wilburn, Danielle Dotson,
Josh Youngblood, Ben Ozanne, Elizabeth Quinn, Leanne
Baribeau, Denny Warren, Carly Reaves

Board Members Absent:

Staff Members Present : Mike Anzalone, Lisa Garrett, Tanja Ray

Consent Agenda: Motion was made to approve consent agenda made. **Motion was made, seconded and carried unanimously.**

Floor Reports

President's Report:

- Randy reported that he and Quinn have met with Thane to discuss CCMA participation and encouraged all board members to attend if possible.
- Randy also met with Mike this month as well as Wegner CPAs. Randy is still waiting on audit review and results for 2020.
- Randy and Mike discussed the board budget and reallocating funds for 2022.

GM Report:

- Mike apologized that the ENDS report was not submitted; he was very sick with Covid for two weeks. He will submit them once they are completed; the board can review now or wait until next month.
- The co-op won 2nd place for "Building of the Year" World Architect Magazine!
- Wegner CPAs has completed the audit for 2020 financials and co-op passed the audit. It's been submitted to NCG and waiting on results.
- Mike is considering a mortgage strategy now that the co-op is up and running in the new location due to a large balloon payment in 2029.
- Proposed margin training will be presented to the staff to allow them to start pricing their items appropriately.
- Fresh department splitting into produce and kitchen.
- The 2022 budget is balanced with as assumed 2% sales growth but still pending due to a few large purchases being considered.
- New social media campaigns are being launched and are very successful so far.

Reporting & Board Decisions

B3-Financial Conditions

- Mike presented B3 Financial Conditions.
- The Board reviewed the report prior to the board meeting and asked applicable questions.
- **Motion** to accept B3 Financial Conditions was **made, seconded and carried unanimously.**

B1- Staff Relations

- Tanya Ray presented B1-Staff Relations Report.
- The Board reviewed the report prior to the board meeting and asked applicable questions.

- **Motion** to accept B1 Staff Relations was **made, seconded and carried unanimously.**

Perpetuation Committee

- Ben presented the Board Candidate Application for the 2022 election. Ben also presented the date requirements for Annual Owner Meeting to be 9/18/22 and Annual Board Meeting 10/4/22.
- **Motion** to approve candidate packet as presented by the perpetuation committee and date change suggestions was **made, seconded and carried unanimously.**

Policy Committee

- Josh reported that the committee reviewed the annual calendar and discussed certain policies. The policy monitoring calendar was also reviewed.
- Committee would like to have more data and feedback on policies for the board and what it would look like to collect that information. One idea would be board exit interviews.

Outreach Committee

- Carly reported that the trail clean up is scheduled for Saturday April 16th 9am-11am. There is also a possible Earth Day cleanup opportunity with more information to come.

Discussions

Board Budget

- Randy presented a board budget amount of \$40,000 which includes training and travel.
- Randy broached the issue of board discount versus board stipend and is it equitable to the amount of work officers and board members put in.
- Board discussed the possible recruitment benefits of offering a board stipend.
- Bylaws required a membership vote in order to add a stipend to board officers and members.

Board Education: CCMA June

- Randy is working on headcount for CCMA June 9th-11th. Joshua and Randy are both planning on attending.

Policies for review/discussion:

- D5- Board Monitoring

Upcoming meeting dates:

- March 29th, 2022

Meeting adjourned at 8:32

Owner Comments:

Member comment: Member is concerned that transgender employees are required to deadname themselves in certain situations. Tanja/Mike explained that legally there are certain times that legal names are required. For example paychecks, IRS tax documents, and health insurance require legal names. Board and management will discuss solutions.

Ozark Natural Foods
Board Meeting Minutes
February Meeting
Tuesday February 29th, 2022
6:30 p.m.

Board Members Present: Randy Wilburn, Ben Ozanne, Elizabeth Quinn, Leanne Baribeau, Denny Warren, Carly Reaves

Board Members Absent : Joshua Youngblood, Danielle Dotson

Staff Members Present : Mike Anzalone, Lisa Garrett, Thane Joyal

Consent Agenda: Motion was made to approve consent agenda made. **Motion was made, seconded and carried unanimously.**

Floor Reports

President's Report:

- Randy reported that he and Quinn met with Thane to discuss general topics; current state of the board, board communications and responses to membership, as well as maintaining proper control throughout board meetings.
- Randy attended the Black Apple Awards on behalf of ONF.

GM Report:

- NCG lost Harvest Moon Natural Foods Coop; they officially closed their doors on February 28th. They were a small co-op in Minnesota that opened in 2010. The reasons cited for closing were Covid and management turnover.
- NCG Risk Management Committee voted to remove ONF's monthly monitoring requirements. Because of this, ONF will be able to go back to "normal" reporting (quarterly instead of monthly).
- Mike is unsure where Wegner CPAs are at in their review but know that they are targeting the end of March for completion. Daniel has submitted everything they have requested, and Mike will pass along the results to the board as soon as they are provided.
- Mike and team are in the process of recreating ONF's pricing strategy, which he expects to quickly and positively impact margin once implemented.
- Mike has made an employment offer to a new kitchen manager, Adam Graves. Adam was selected based on his lengthy experience and his ability to teach production skills and bring variety to our product lines.

Reporting & Board Decisions

END's Report

- Mike presented the 2021 END's Report.
- The Board reviewed the report prior to the board meeting and asked applicable questions.
- **Motion** to accept the END's Report was **made, seconded and carried unanimously.**

D14- Board Benefits

- Board Benefits was discussed in the most recent Policy Committee meeting.
- Mike was going to explore this further, proposing the board budget (including compensation) could be adjusted each year based on increases in sales.
- Randy suggested the topic be discussed further in a side meeting to make sure the solution is equitable for everyone.

Perpetuation Committee

- Ben clarified that there are 4 seats to be filled in the next election cycle.
 - Danielle, Randy, and Denny are up for re-election, but Danielle will not be running again. Additionally, there is 1 new seat to be filled.
 - There will be 3 seats given 3-year terms, and 1 seat given a 2-year term.
 - This is in attempt to have a balanced number of seats open each year.
- Ben reported that they still need a Member at Large to sit in on the Board Candidate interviews, and that he has requested that Heather be the staff representative.

Policy Committee

- Josh was absent; Mike reported on the discussion that was had at the Policy Committee meeting regarding Board Benefits.

Outreach Committee

- Carly communicated the final details for the Trail Clean Up to take place April 16th.

Discussions

Patronage

- Mike and Finance's recommendation was to not return patronage for 2021. The reasons cited were that there are a lot of ideas to improve the new building, as well as lots of ideas for projects that need capital.
- **Motion** to not allocate funds from business done with members for patronage for 2021 was **made, seconded and carried unanimously.**

Coop Marketing Plan

- Lisa shared the Marketing Plan report with the board, covering target markets, geographic markets, ONF's unique selling proposition, and the positioning strategy.

Policies for review/discussion:

D14 - Board Benefits

- Randy suggested the topic be discussed further in a side meeting to make sure the solution is equitable for everyone.

Upcoming meeting dates:

- April 26th, 2022

Meeting adjourned at 8:12pm

Owner Comments: none

**Ozark Natural Foods
Board Meeting Minutes
February Meeting
Tuesday April 26th, 2022
6:30 p.m.**

Board Members Present: Randy Wilburn, Josh Youngblood, Ben Ozanne,
Elizabeth Quinn, Denny Warren, Carly Reaves,
Danielle Dotson

Board Members Absent: Leanne Baribeau

Staff Members Present : Mike Anzalone, Lisa Garrett,

Guest Speaker Jeremy Pate with Walton Family Foundation: Jeremy is working on affordable housing and transportation initiatives with WFF and gave a high level overview of projects within NWA.

Consent Agenda: Motion to approve consent agenda made. **Motion was made, seconded and carried 5 ayes, 2 abstained due to absence from last meeting.**

Floor Reports

President's Report:

- Randy reported that he and Lisa met for lunch to catch up and discussed ideas on how to continue to tell the co-ops story.
- Quinn met with Thane to check in on the last month, and talked about Mike's co-op expansion ideas.

GM Report:

- Mike reported that everyone on staff received a \$0.50 raise!
- NCG Food Impact Report was published, Mike will share that data with the board.
- Staff attended margin training which included basics in category management and pricing to compete. Training was then applied to the pricing strategy committee to create new pricing strategies.
- Sales loss in March partially due to inflation and customers potentially making less trips due to higher gas prices and trying to save money.
- Recent Earth Day celebration was very successful, the City of Fayetteville gave out composting buckets and Airship Coffee gave out information on their sustainability efforts. Sales were good that day as well.

Reporting & Board Decisions

B3-Financial Conditions

- Mike presented B3 Financial Conditions.
- The Board reviewed the report prior to the board meeting and asked applicable questions.
- **Motion** to approve B3 Financial Conditions as submitted was **made, seconded and carried 6 ayes and 1 abstained.**

Perpetuation Committee

- Ben reported that the committee is going to try a different matrix this year for determining board candidacy qualifications. The format and questions will also change to allow for a

more straightforward process. May 10th will be the interview date for potential board candidates.

Outreach Committee

- Carli reported that clean up was canceled due to storm potential however it is rescheduled for May 7th.

Discussions

Board Retreat

- Date for 2022 Board Retreat will take place October 15th.

Scheduled to discuss Board Benefits

- The Board will meet to discuss board benefits via zoom. Meeting scheduled for Monday May 2nd 6:00-7:00pm.

Policies for review/discussion:

- D2- Board Job Description

Upcoming meeting dates:

- May 24th, 2022

Meeting adjourned at 8:30pm

Executive Session – Changes at the co-op/directors clarification

Member Comments:

T. Shepherd: Excited about the trail cleanup which was unfortunately rained out. She plans on attending the next event.

Nancy Starr: Visited three other co-ops over the last few months and shared her observations.

**Ozark Natural Foods
Board Meeting Minutes
May 2022 Meeting
Tuesday May 24th, 2022
6:30 p.m.**

Board Members Present: Randy Wilburn, Josh Youngblood, Ben Ozanne,
Elizabeth Quinn, Denny Warren, Leanne Baribeau

Board Members Absent: Danielle Dotson, Carly Reaves

Staff Members Present : Mike Anzalone, Lisa Garrett

Consent Agenda: Motion to approve consent agenda made. **Motion was made, seconded and carried 6 ayes.**

Floor Reports

President's Report:

- Randy reported that he met with Mike today to catch up on the big plans for the co-op.
- Quinn and Randy had their monthly meeting with Thane and discussed how to manage the open board seats for the upcoming election, as well ideas on how to attract qualified board candidates.

GM Report:

- Mike reported that he and Randy met this month to discuss ideas for strategic growth for the future.
- Mike met with another co-op GM as a mentor opportunity this month.

Reporting & Board Decisions

B5-Communication to the Board

- Mike will email out B5 Communication to the Board (delayed report) once completed, hopefully within 48 hours.
- Report will be reviewed by the board over email.

Perpetuation Committee

- Ben reported that there are four open spots and three candidates for the upcoming board election.
- The board discussed options to get additional candidates for the board election, including reaching out to potential candidates personally.
- Ben presented the candidates for the upcoming election as Randy Wilburn, Denny Warren and Danielle Dotson. Ben presented the candidates for board recommendation approval.
- Motion to approve the recommendation of board candidates as presented **was made, seconded and approved with 4 ayes and 2 abstaining.**

Member Outreach Committee

- Quinn presented Happy Hour date options of July 21st or Aug 18th. **July 21st** confirmed as Happy Hour date.
- Trail cleanup date options are July 30th and September 10th. **July 30th** confirmed as trail clean up date for the second of three cleanups required by the city. **October 8th** will be third cleanup date.

Policy Committee

- Josh reported that the policy committee met on May 4th to discuss ideas around compensation. Josh created language around policy changes regarding board compensation.
- Bylaws 3.5 gives information around the board compensation and 5.10 Compensation Section - any changes can be made by a vote of simple majority of active members at annual meeting.
- Josh proposed a hybrid approach of both monetary and store discount which was further discussed.
- Josh will draft the compensation language and formula to determine overall Board budget and the compensation figures within, which will then be brought back to the board for further discussion.

Discussions

Bylaw changes to review

- This was covered during the Policy Committee update.

Additional Board candidate options

- This was covered during the Perpetuation Committee update.

Policies for review/discussion:

- C1- Unity of Control
- D1-Governing style

Upcoming meeting dates:

- June 21st, 2022

Meeting adjourned at 7:42 pm

Member Comments: None

**Ozark Natural Foods
Board Meeting Minutes
June 2022 Meeting
Tuesday June 21th, 2022
6:30 p.m.**

Board Members Present: Josh Youngblood, Ben Ozanne,
Elizabeth Quinn, Denny Warren, Leanne Baribeau,
Danielle Dotson, Carly Reaves

Board Members Absent: Randy Wilburn

Staff Members Present : Mike Anzalone, Lisa Garrett

Consent Agenda: Motion to approve consent agenda made. **Motion was made, seconded and carried 7 ayes.**

Floor Reports

President's Report:

- Quinn read the President's report in Randy's absence
- Randy shared via email that he enjoyed CCMA; we seem to be in a good spot compared to other co-ops
- Randy shared via email that Curate Co. had a successful event this month, and asks Lisa to share the video from it if it exists

GM Report:

- Mike shared the new employee travel policy and advised board on their options to follow the new plan or monitor themselves on travel budget
- Mike shared the latest NCG Reports and Shopper Survey results; the detailed reports will be shared with the board via email
- Mike introduced his modernization plans for the co-op organization chart. Key elements of this include reducing the number of buyers, new pricing strategies, a new position of 'Operations Manager' responsible for everything outside of the store, and general new career opportunities for employees.

Reporting & Board Decisions

B5-Communication to the Board

- Motion to approve the report as submitted **was made, seconded and approved with 7 ayes.**

B6-Management Continuity

- There are 3 employees able to step into the GM role if necessary; Lisa, Tonya, Emily
- Motion to approve the report as submitted **was made, seconded and approved with 7 ayes.**

Perpetuation Committee

- Board will need to discuss how to open the floor at AMM to make sure people can get nominated properly
- Denny confirmed that there is a potential candidate that will be asking for a floor nomination; Josh also plans to speak to a few people about doing the same
- Lisa needs statements from all candidates as soon as possible

- Lisa confirmed format of AMM, starting at 1p on 9/18; quorum is no longer needed for the event, so expected to begin on time

Member Outreach Committee

- Carly confirmed the Member Happy Hour date of July 21st and confirmed time of 5:30p
- Lisa clarified language that will be used to advertise the event, and the use of QR codes
- Carly confirmed that the trail cleanup will be the morning of July 30th

Policy Committee

- Josh reported that the policy committee did not meet last month
- Josh drafted language for board compensation, and shared with the board via email
- The revision will be on the ballot at amm to be voted on by the members

Discussions

CCMA Report

- Josh informed the board of his and Randy's attendance to CCMA
- Lower attendance than past years, but first year back in person since the start of Covid
- Mondragon was the keynote speaker - 81k employee co-op in Spain, delivered the message "Co-op's are not just local - you have to think bigger"
- There was discussion around how co-ops can help with civil engagement, encourage people to be involved in voting
- Josh to download the State of the Coop Governance report, and send to the board
- CCMA 2023 will be in Sacramento.

Role of the Treasurer

- Carly brought forward concerns that the role of treasurer for ONF is not well defined; Quinn and Josh agreed
- Topic slated for the policy committee to review and bring back to the board

Policies for review/discussion:

- C2 - Accountability of the GM
- C3 - Delegation to the GM

Upcoming meeting dates:

- July 26th, 2022

Meeting adjourned at 7:59 pm

Member Comments: None

**Ozark Natural Foods
Board Meeting Minutes
July 2022 Meeting
Tuesday July 26th, 2022
6:30 p.m.**

Board Members Present: Randy Wilburn (virtual), Josh Youngblood, Ben Ozanne, Denny Warren, Danielle Dotson, Carly Reaves

Board Members Absent: Elizabeth Quinn, Leanne Baribeau

Staff Members Present : Mike Anzalone, Lisa Garrett

Consent Agenda: Motion to approve consent agenda made. **Motion was made, seconded and carried 6 ayes.**

Floor Reports

President's Report:

- Randy has visited 2 co-ops over the summer and compared them against ONF; made it easy to reflect on how much we are thriving .
- Randy would like to commend Mike and team for the establishment they have created.

GM Report:

- Mike shared details of his meeting with a representative from the Walton Family Foundation:
 - The Walmart Hub does not plan on getting into organics in the near future, so there is no reason we would plan on buying from them.
 - The meeting gave Mike a chance to connect some of our farmers with the Foundation to gain access to certain grants.
- Mike communicated that he is seeing a spike in Covid-19 amongst employees; 10% of staff had to call in sick in the past week.
- Mike announced the departure of the co-op's store manager; Tonya will be the new operations manager and he will be hiring a new HR Manager in the near future.
- Mike gave continued detail on his plans for the new roles and career opportunities being created within the co-op; he communicated that employees are excited and expressing interest.
- Mike shared his reasoning behind the recent drop in sales:
 - Inflation is causing customers to choose conventional groceries for part or all of their grocery needs.
 - Out of stock items are still at 20-25%; holes in shelves are driving a lack of sales.
- Mike presented his plan for addressing the drop in sales, which included establishing a strong secondary source for supplies and cutting the yearly budget by 10%.
- Mike communicated that theft is becoming an increasing issue due to inflation and the expanding homeless population in downtown Fayetteville, and is looking into various options to mitigate this.
- Ben introduced Mike to a law firm that specializes in helping businesses receive a government employee retention credit, reimbursing the business for employee payroll taxes during the pandemic. Mike has additional meetings set up with Daniel and the law firm to explore the opportunity.

Reporting & Board Decisions

B3-Financial Condition

- Motion to approve the report as submitted **was made, seconded and approved with 6 ayes.**

Perpetuation Committee

- Ben and Lisa confirmed the format of AMM, starting at 1p on 9/18
- Board decided to set up a TV in the coffee shop area to live stream AMM, providing additional accessibility to members; Ryan (IT) will help set this up day-of the event.
- Next month, the Board will take time to read through the AMM script and discuss the specific details of the event.

Member Outreach Committee

- Carly confirmed that the trail cleanup will be the morning of July 30th, and Randy volunteered to run point for the event in her absence.
- Board decided on a new date for the Member Happy Hour - August 18th at 5:30pm; Lisa will send an official invite to the 23 people that entered the raffle.

Policy Committee

- Josh reported that he met with Lisa & Mike to finalize language for Board compensation.
- As of July 15th, the board voted unanimously via email to approve the proposed compensation policy
- Motion to affirm the electronic vote **was made, seconded and approved with 6 ayes.**

Discussions

Board Calendar

- Carly will update the Board calendar to show that the GM review begins in September.

Policies for review/discussion:

- D4 - Board Meetings
- Josh commented that the board is not in compliance in regards to timeliness of communications
- The board agrees to work towards meeting the 7-day lead time for minutes and agendas, as well as general improvements around communication and responsiveness.

Upcoming meeting dates:

- August 30th, 2022

Meeting adjourned at 7:54 pm

Member Comments: None

**Ozark Natural Foods
Board Meeting Minutes
August 2022 Meeting
Tuesday Aug 30th, 2022
6:30 p.m.**

Board Members Present: Randy Wilburn, Josh Youngblood, Ben Ozanne,
Elizabeth Quinn, Denny Warren, Leanne Baribeau,
Danielle Dodson, Carly Reaves

Board Members Absent:

Staff Members Present : N/A

Consent Agenda: Motion to approve consent agenda made. **Motion was made, seconded and carried 6 ayes and 1 abstained** (Leanne was running late and not available to vote).

Floor Reports

President's Report:

- Randy reported that he met with Mike briefly and he is excited about the improved margins. This is due to incremental changes with the buyers and a new system of managing margin/inventory.

GM Report:

- Mike was not in attendance, will update at the next meeting-

Discuss inflation at the co-op:

- Tony Alongi (NCG) presented a breakdown of inflation and how it is affecting the co-op and food sales across the country.

Reporting & Board Decisions

Perpetuation Committee

- No report this month-

Member Outreach Committee

- Carly reported that the second trail cleanup will be October 8th at 9am.
- The incoming committee will be responsible for scheduling the 3rd required cleanup which must take place before May 2023.

Policy Committee

- Josh requested that the next policy committee meeting be Sept 13th at 6pm.
- During the next policy committee meeting, language in C4 needs to be reviewed.
- No updates from the last meeting.

Discussions

Board Retreat Planning

- Oct 15th will be the 2022 Board Retreat; Randy will look into having the meeting at Apple Seeds or Theatresquared.

AMA Script Review

- Board discussed plans for AMA which is scheduled for Sunday, Sept. 18th at 1:00pm.
- The script still needs to be updated and shared; Carly will contact Lisa for an update.

Policies for review/discussion:

- C4 - Monitoring GM Performance

Upcoming meeting dates:

- October 4th, 2022

Meeting adjourned at 8:10 pm

Member Comments: None

**Ozark Natural Foods
Annual Members Meeting
September 18th, 2022**

Members logged in and verified 62 owners.

Joshua Youngblood welcomed the owners and explained the process for opening the floor to nominate candidate(s) from the floor.

Nominations from the Floor: Motion to open the floor to nominations was made by Denny Warren and seconded by Teresa Maurer. Vote to open the floor to nominations passed with 40 ayes.

Denny Warren nominated Toni Fairman and Toni accepted the nomination. There were no other nominations. Jesse Barr moved to close floor nominations and was seconded by Denny Warren. Motion to close approved.

Joshua called the meeting to order at 1:17pm and introduced the current board members. The current Board Members are Elizabeth Quinn (VP), Danielle Dodson, Randy Wilburn (President), Carly Reaves (Secretary/Treasurer), Ben Ozanne, Leanne Baribeau, Denny Warren and Joshua Youngblood.

Minutes: Carly Reaves read the Minutes from the 2021 AMM. A motion to approve minutes made by Elizabeth Quinn and seconded by Sharon Brasko. Minutes were approved with 42 ayes.

Business Portion of the Meeting

President's Report: Randy thanked everyone for attending and recognized none of this is possible without our members. Randy reflected on his last year as board President and the experience has grown him as a person and board member. Randy thanked Mike Anzalone for his hard work and dedication to the store, as well as Heather Artripe, Lisa Garrett, and the entire staff of the co-op because the staff is what makes the co-op so special. Randy noted the store is still dealing with Covid while trying to engage members. The board has also worked to engage members and the community to determine what the community needs. Randy is excited about what the board has worked on the last year and what the future holds and how we can grow the co-op. Randy challenged the members to consider running for the board in the future to help grow the future of the co-op.

General Manager's Report: Mike Anzalone thanked his leadership team for making this meeting possible, as well as the board of directors for all their hard work this year. Mike reflected on 2022 at the store and noted the challenges of the grocery industry due to factors like interruptions to the supply chain brought on by covid, including out-of-stock items which still hasn't fully recovered. A second factor is a labor shortage and a third factor is hyperinflation. The co-op has responded by making some changes including modernizing the org chart and changing some of the day-to-day operations. There will be continued changes to increase efficiency and productivity.

Financial Report: Finance manager Daniel Miller played a video for the 2021 financial report. Daniel reported sales of 12.8 million in 2021 and the co-op had over 12 million in assets. Gross

margin came in at 35% and although the 2021 financial report is pending a review by the audit firm, we hope to have a small profit in 2021.

Voting Procedure: Elizabeth Quinn explained procedures for voting including online or at the store via computer or ballot box.

Board Candidate Introductions & Candidate Q&A: The board candidates were introduced, and recorded speeches by Danielle, Denny and Randy were played. Candidates are Danielle Dodson, Denny Warren, Randy Wilburn and Toni Fairman. Toni Fairman also had time to speak. Owners had the opportunity for Q&A.

Motion to close the meeting was made by Luke Syverson and seconded by Andrew Durdik. Motion carried and the meeting was adjourned at 2:45pm.

The ONF business meeting was adjourned at 2:45pm

**Ozark Natural Foods
Board Meeting Minutes
September 2022 Meeting**
Tuesday October 4th, 2022
6:48 p.m.

Board Members Present: Randy Wilburn, Josh Youngblood, Ben Ozanne,
Elizabeth Quinn, Denny Warren, Leanne Baribeau,
Carly Reaves, Toni Fairman

Board Members Absent: Danielle Dotson

Staff Members Present : Mike Anzalone

Consent Agenda: Motion to approve consent agenda made. **Motion was made, seconded and carried 7 ayes and 1 abstained.**

Floor Reports

President's Report:

- Randy reported that he has spent time with Mike this month including a tour of the Fayetteville Public Library for possible collaboration opportunities.
- Happy with how the Annual Owners Meeting went this year. Would like to be back in person next year.
- Acknowledged the 51st birthday of the co-op and is excited about the future.

GM Report:

- Mike reported things are going well with the org chart changes and roles/responsibilities.
- There are now 4 buyers on the buying team, possibly adding a fifth. Have also added a lead receiver, as well as people leading the sales floor. Seeing a team effort and products moving.
- Considering open book planning in 2023
- Just finished doing inventory and feels that it went well. This is the finance manager's second time doing inventory.
- Taxes are still being reviewed by CPAs.
- Someone stole Mike's Amex Business Card number and he was struggling with disputed charges. Mike engaged an attorney to write up a letter to ensure other store employees won't be liable after accounts are closed.
- Roots front porch session had about 200 attendees, Dec 3rd is the next session. Heather has been doing cooking demos at local farmers markets and it's been going well.
- "We are the Co-op" campaign rolled out on social media, getting great engagement.

Reporting & Board Decisions

B7-Customer Service

- Mike presented B7 Customer Service to the board.
- The Board reviewed the report prior to the board meeting and asked applicable questions.
- **Motion** to approve B7 Customer Service as submitted was **made, seconded and carried 7 ayes and 1 abstained.**

Policy Committee

- Josh read the proposed change to C4.H, which is a policy update with new proposed language, regarding the timing of GM evaluations.
- **Motion** to approve policy change C4.H was **made, seconded and carried 7 ayes and one abstained**
- Carly will update the Board Calendar based on this change.

Discussions

Board Retreat Agenda Review

- Oct 15th will be the 2022 Board Retreat.
- Thane reviewed the agenda with the board.

AMM Location for 2023

- Randy would like the board to consider Fayetteville Public Library for 2023 location for Annual Member Meeting to allow an in-person experience.
- AMM budget needs to be reviewed to ensure we have funding for next year and Lisa needs to be engaged for further discussion.

Policies for review/discussion:

- D10- Board Committee Principles
- D12- Board Perpetuation

Upcoming meeting dates:

- October 25th, 2022 – October Meeting
- November 29th, 2022 – November/December Meeting

Meeting adjourned at 8:15 pm

Member Comments: Nancy Starr really appreciates the board and being included during the meetings.

**Ozark Natural Foods
Board Meeting Minutes
October 2022 Meeting**
Tuesday October 25th, 2022
6:30 p.m.

Board Members Present: Randy Wilburn, Josh Youngblood, Ben Ozanne,
Elizabeth Quinn, Leanne Baribeau, Carly Reaves,
Danielle Dotson

Board Members Absent: Toni Fairman, Denny Warren

Staff Members Present : Mike Anzalone, Lisa Garrett

Consent Agenda: Motion to approve consent agenda made. **Motion was made, seconded and carried 6 ayes** (Ben was running late and did not make it for this vote).

Floor Reports

President's Report:

- Randy reported he met with Mike once this month to discuss what to focus on moving forward.
- Met with Thane and appreciates her role as good counsel. Enjoyed the retreat at Appleseeds.
- Columinate agreement has been renewed, which allows for training, education and other opportunities. Randy encouraged all board members to take advantage of these.

GM Report:

- Mike reported on the restructuring and transition to the new org structure. There has been labor difficulties and cost increases which has prompted this change. There have been growing pains and bumps along the way.
- Started the "Meet with Mike" series every other week as an open discussion with staff. Mike is trying to get lines of communication open to help with the transition.
- Twice a month a "State of the Co-Op" email will go out to show statuses of the process and the 'why' behind it, also working on a more robust communication plan to get all employees aligned.
- Mike shared a summary of the 3rd quarter P&Ls and reviewed it with the board.

Reporting & Board Decisions

B3-Financial Conditions

- Mike presented B3 Financial Conditions to the board.
- The Board reviewed the report prior to the board meeting and asked applicable questions.
- **Motion** to approve B3 Financial Conditions as submitted was **made, seconded, and carried 7 ayes**.

B8-Membership

- Mike presented B8 Membership to the board.
- The Board reviewed the report prior to the board meeting and asked applicable questions.
- **Motion** to approve B8 Membership as submitted was **made, seconded, and carried 7 ayes**.

Bank Signers

- First Security Bank signatories need to be adjusted due to staff changes.
- **Motion** to have Randy Wilburn, Mike Anzalone and Tanja Ray become signatories on the Payroll, Petty Cash and Operations accounts; and Randy Wilburn and Mike Anzalone become the signatories on the Patronage account with First Security Bank was **made, seconded, and carried unanimously via electronic vote on 10/11/22.**

Board Budget

- Randy asked the board if they would like to renew Columinate contract, board consented unanimously to confirm renewal of contract.

Discussions

Board Retreat Recap

- Board Retreat went very well, it was a productive experience. Carly appreciated that it was a working session and that there were tangible action items that came from it.
- Randy challenged the board to consider adding new committees, and to bring ideas for the next meeting.

Board Member Stipends

- The bylaw change was approved at 2022 AMM to allow for board member stipends. The figures are based on the board budget (20% of weekly sales), projected sales and average weekly sales. Board compensation would be 1/3 of the total board budget.
- Stipend ratios for the various positions / members will be discussed by the policy committee.
- The policy committee will consider when stipend will be distributed - suggested yearly in December as calendar's year books close. New board members elected in October will be eligible the next calendar year.

Board Calendar

- 2023 Calendar has been updated on the shared drive, please review, and familiarize yourself with the changes.

Policies for review/discussion:

- D9 - Sustainability
- D6 - Board President Role
- D13 - Records Policy

Upcoming meeting dates:

- November 29th, 2022 – November/December Meeting

Meeting adjourned at 8:45 pm and entered Executive Session

Member Comments:

Terri D – Hopes the board listens to staff and how things are working/not working at the co-op. There has been a mass exodus of employees leaving and the store has lost good employees.

Tyler Aguilar - Reiterates Terri's comments, long term employees are leaving due to current restructuring and failure to listen to employee comments

Michaela Boyd - Cares about the staff of the co-op and wants to support them coming forward and making comments. Suggested giving better feedback to staff when they are doing well. It seems feedback is only given when there is a problem.

Thomas Damgaard - Started in August, morale among staff was extremely low and its only gotten worse since then. Every employee feels overworked, overwhelmed, underpaid, and feels they are being disposable. This is worse than any other place he has ever worked.

(Female employee) - Has been an employee almost 3 years and has noticed it has really changed over that time, and not in a good way.

(Female employee) - Feels her talents, insights and knowledge are not valued. The restructuring is not going well and new changes do not seem to be fair.

**Ozark Natural Foods
Board Meeting Minutes
November 2022 Meeting**
Tuesday November 29th, 2022
6:30 p.m.

Board Members Present: Randy Wilburn, Josh Youngblood, Ben Ozanne,
Leanne Baribeau, Carly Reaves,
Toni Fairman, Denny Warren

Board Members Absent: Elizabeth Quinn, Danielle Dotson

Staff Members Present : Mike Anzalone, Lisa Garrett, Tanja Ray, Daniel , Alicia

Committee Charters: Motion to move committee charters to consent agenda was made, seconded and carried with 7 ayes.

Consent Agenda: Motion to approve consent agenda was **made, seconded and carried with 7 ayes.**

Floor Reports

President's Report:

- Randy and Mike have met multiple times the past month regarding the state of the co-op. The board is charged with working hard to come up with solutions for where we are today in 2022 moving into 2023. It requires the board, staff, and members to be working together to ensure the success of the co-op. The retail landscape is changing and the board must ensure GM is set up for success to ensure the co-op in around for another 50+ years.
- Randy suggested an audit of the financials for the most recent year available, which would be for 2022. The board will discuss at the January meeting.

GM Report:

- Mike reported that the ERC (employee retention credit) is being offered by the government for certain businesses and he is trying to determine if this is appropriate for the co-op. Other NCG co-ops have applied. Mike has discussed with our accounting firm and advisors to see if this is feasible for the co-op and they do not feel the co-op would receive the credit due to no forced closures during Covid.
- Completed review with Wegner CPAs and co-op has passed. Report coming soon.
- Employee passed away unexpectedly this past weekend (Saturday). She has worked for 3 years for the co-op. The store will make a donation to Magdalene House in her name and create a memorial bench in staff area to honor her.

Reporting & Board Decisions- None

Discussions

State of the Co-Op

- Mike reviewed financials from 3rd quarter which does show a loss of approximately - \$300,000. Mike was hoping the new buying team and modernizing org chart were turning things around but it seems as the co-op is struggling. There has been a lot of turnover the last couple of years, which started with Covid. With each new wave of covid came waves of losing employees. There was also turnover with minimum wage increase

in Arkansas. Each wage increase costs the co-op approximately \$100,000 each year. The co-op cannot sustain large increases to long term employees which caused turnover, also lost middle management employees to other job opportunities. With that loss causes a loss in culture. Inflation is creating a competitive job market which makes it hard to hire and retain employees. The co-op has limited budget. Turnover, employee shortages and hyperinflation has made the retail business very difficult.

- Mike has formed a committee of employees to determine the problems and a path forward. Inventory, spoilage and margin are contributing to the loss.
- With this new era of employees will help implement new procedures to help with spoilage tracking and inventory pricing. New solutions will help create a better outcome.
- Daniel (accounting)- Inflation is outpacing the cost of goods and store's ability to keep up with pricing, it's also effecting inventory. Broken processes are contributing to showing the loss on financial statements. Sales are also declining.
- Alicia (buyer)- Oversees margin and explained that with turnover, the pricing/cost updates were not being calculated appropriately. Procedures and margin are being updated. Alicia is also working on product alternatives and fixing margin. Cost of freight is now higher than the cost of product in many cases. Looking for alternatives to combat these issues.
- Tanja (operations) Modernization plan and increased opportunities for staff- updated pay scale and created new positions. Special Projects team members start at \$13/hr. The goal is to create stepping stones into higher positions. Also created 11 salaried staff positions to create career opportunities including buying positions. It is a balancing act to ensure employee wages are balanced with labor and cost increases on product. The modernization is going well but there are speed bumps. Staff is being cross trained to ensure labor numbers are aligned. Spoilage procedure is being reviewed.
- Mike has addressed moral problem by meeting with staff and collecting feedback. After reviewing feedback staff tasks have been adjusted. Staff moral seems to be improving after changes have been implemented. Mike will continue to collect feedback from staff for continuous improvement.

Policies for review/discussion:

- D6- Board President Role
- D13- Records Policy

Upcoming meeting dates:

- January 24th, 2023 – January Meeting

Meeting adjourned at 8:45pm

Member Comments:

Terri Dorais- Cares about how the staff is being treated and wants to address Mike's comments from last meeting. No one showed up to his open-door meeting. Terri feels that Mike doesn't listen or make needed changes and staff feels there is no point in talking to him. Staff is concerned about repercussions. Grievances have been filed, and Terri feels that Tonja is not good with people and should not be in a management position. Is the board doing anything to address these issues? Also, staff is not making a living wage.

Suzanna Drennan- Has been learning lately that that staff starts at \$11/hour. Does not believe that is a living wage and asked the board to reconsider this. Also, notices the high turnover in the store the last couple of years, strange that when she comes the same people are gone. Why

is there a high turnover? Request board review this. Co-op has a reputation of being expensive, believes the co-op should be doing things to support the community.

Leigh – Disappointed when she comes in and people do not know what they are doing...why is the turnover high? Why are they not being trained? Feels employees should be paid better so they will stay. Feels customer service is lacking and now feels uncomfortable when in the store. The co-op is important to her and is now shopping at other places. No longer feels connected to the store.

(owner, name missed) – Is there any board membership or committee that has a history with the co-op? Remembers when the co-op started and it was very exciting. Feels the history of the co-op is important to the area and noticed over the past few years things have changed. Does not see people she recognizes that have worked here for a long time.