

**Ozark Natural Foods
Board Meeting Minutes**
October 22nd, 2013
6:30 p.m.

Board Members Present: Joshua Youngblood, Hank Kaminsky,
Tuesday Eastlack, Colleen Pancake,
Sue Graham, Danielle Dotson, Todd Scarborough

Board Members Absent:

Staff Members Present: Alysen Land

Facilitator: Kathleen Trotter

Consent Agenda

- (September minutes, Refund for estate of owner Lelia Still)
- **Motion made, seconded and carried unanimously** to approve consent agenda

Floor Reports

President's Report:

- Met this month with KC Tucker (legal counsel, BLF), Thane Joyal (CDS consultant) and Kathleen Trotter (board facilitator)
- Discussions with legal counsel were about strategy to update the bylaws
- Productive Oct. 8 closed session; several decisions made
- Josh met with Alysen to discuss GM contract, as well as strategy related to the long term financials of ONF
- Tom Brown redemption of ownership is complete
- Board needs to discuss board communication
- Reflected on the one year anniversary of mediation and the results; Much improved communication and board functioning; Mediation report goals should be reviewed
- Congratulations to Alysen on their 25th Wedding Anniversary

GM Report:

- ONF won "Best of the Best" natural food store in NWA
- ONF has been nominated for Arkansas Business of the Year
- Celebrated ONF's 42nd store anniversary on Oct 4th with coffee, cake, pedal pops and sales on 42 items
- Finished installing 29 cameras
- Alysen audited a store in East Lansing MI; reflected on the comparative state of ONF
- Nominated again for "AR Business of the Year" in Little Rock
- Reviewed the Tabling Policy (operational)
- OAW yielded great results with over \$24,533 in discounts
- New credit card pads anticipated to be installed the first week in November
- Construction starting on the produce prep area floor to fix leak and on other ongoing facility improvements slated for November
- Unclaimed patronage fund issue has been resolved with the state on time

- Staff survey is underway (conducted by outside contractor)
- Finished preparing Operational budget for FY14, working on Capital budget for 2014-2016 should be completed next week

Reporting and Board Decisions

GM Report B.3 Financial Conditions:

- Report and attachments were sent and reviewed prior to meeting
- The report reflected 9.8% sales growth and that the co-op is in excellent shape
- The board discussed various questions and noted the clarity of the report
- The board discussed whether or not policy was adequate
- **Motion** to accept the report was **made, seconded and passed unanimously**

2014 Board Budget:

- The board made minor adjustments to the Board's budget for 2014.
- **Motion** to accept the budget as submitted was **made, seconded and passed unanimously**

Bylaw Recommendations-(see addendum)

- **Motion** to approve the submitted bylaw change recommendation to be put before the owners at the next AOM was **made, seconded and passed unanimously**

Discussions

Decisions from Oct 8th Closed Session:

- Board approved to give Apple Seeds \$5,000 in 2013 and \$20,000 in 2014 if terms are met and benefits for ONF established in writing
- Board approved the CDS contract renewal
- GM contract has been approved by the Board and is being reviewed by the GM

CPA's for next audit:

- Management is currently contacting agencies to conduct the next store audit

Policy Committee:

- Committee recommends and has started work on a "Board Procedure Manual" that reflects on-going decisions that guide board practice beyond board policies
- Progress on Checklist from beginning of the year has been good and report was sent
- There was Consensus to have Thane review the bylaws then assure that they align with BLF recommendations; Joshua will contact BLF about the process

Financial Forum Jan 2014:

- Set for January 18, 2PM meeting place TBD
- Gary will report on the financial status of ONF; Board will facilitate the meeting
- Notice for the Jan 2014 Financial Forum needs to be in Dec and Jan/Feb Nutshell
- Board members will lead a discussion on how finances are related to vision
 - Will review Mediation report to provide updates to related comments; address issues raised

Strategic Planning Check-In:

- Kathy shared a “map” for the sequence of decisions to assist the strategic planning
- Board needs to start with a vision and determine how that translates to “Ends” as well as strategic focus and define “competitive edge”
- Kathy, Joshua and Sue will meet prior to the November meeting to propose a timeline and process
- The Board needs to determine next priorities (define projects)

Nomination Committee Update:

- Hank advised that the committee will review the qualifications and questions on the Matrix at the next committee meeting 10-28-13

Board Policies

D.11 Governance Investment:

- Read and discussed policy D.11- No changes proposed

Upcoming meeting dates

- November 26th 2013

Meeting adjourned at 8:50pm and moved to closed session

Owner Comments:

Linda: Continued her criticism of board members for her perception that by-laws are not being followed; objected to renewing the CDS contract.

Sue: Shared a comment from an owner who believes prices are good compared to other similar products and stores.

Addendum:

Current Bylaw:

Article XI

Section 1. Manner of acting.

The Articles of Incorporation of the Co-op may be amended, and these Bylaws may be amended or repealed and new Bylaws adopted, at any annual or special meeting of the members as a whole, by the vote of a two-thirds (2/3) majority of the votes cast by the active members present at such meeting, or utilizing any other voting method provided in these Bylaws. The notice of such meeting must contain the full text of the proposed amendment. Proper notification of pending amendments must be submitted to the members as stated in Article IV, Section 3.

Section 2. Submission of amendments.

Proposed amendments to the Articles of Incorporation or to these Bylaws may be submitted by either: (a) the Board of Directors, if approved by a majority vote of the directors in accordance with Section 9 of Article V; or (b) by written petition of any active member, if said petition is supported and signed by no less than fifty (50) additional active members. The proposed amendment shall be submitted in writing, and the submission may request that the proposed amendment be considered at either the next annual Membership Meeting or at a special meeting of the members to be called specifically for said purposes. If no request is made as to when the proposed amendment should be submitted to the members, then the Board of Directors may make such decision.

Article IV (as amended)

Section 3. Notice of Meetings.

Members will be notified of meetings with: signs posted at the Owner Service Desk and bulletin board at the Co-op; notice in the Co-op publications, as available; notice on the Co-op website; and via electronic mail to owners who have provided their e-mail address for this purpose. Notice must be made not

less than fifteen (15) days, in the case of a special meeting, and not less than thirty (30) days, in the case of the Annual Membership Meeting, prior to the date of the meeting. The notice shall state the date, time, and place of the meeting, and in the case of a special meeting, the purpose for which the meeting is called. No business shall be transacted at special meetings other than that referenced in the notice.

PROPOSED DRAFT AMENDMENT: Remove Amended Section 1 of Article XI and replace it with the following:

Article XI

Section 1. Manner of acting. The Articles of Incorporation of the Co-op may be amended, and these Bylaws may be amended or repealed and new Bylaws adopted, at any annual or special meeting of the members as a whole, by the vote of a two-thirds (2/3) majority of the votes cast by the active members present at such meeting, or utilizing any other voting method provided in these Bylaws. Should a vote on the Articles of Incorporation or Bylaw amendment(s) be planned for any meeting, the Owners shall be notified of such meeting as stated in Article IV, Section 3, as amended. Additionally, the full text of the proposed amendment(s) will be provided to owners in the Co-op publication(s), or, should the text of the amendment(s) exceed one (1) letter-sized page (8.5" x 11"), the full text of the proposed amendment(s) will be available for owners: (a) at the Owner Service Desk at the Co-op; (b) on the Co-op website; and (c) via electronic mail to owners who have provided their e-mail address for this purpose.