

**Wild Oats Cooperative Inc.**  
**Board of Directors Meeting Minutes -- Zoom video-conference**  
**Thursday, April 20, 2023: 7:00- 8:00 PM**

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

**Managers:** Netse Lytle

**Meeting convened at 7:00 PM**

Because of the scheduled April 22 Board retreat, the regular April 20 Board meeting was abbreviated to cover only two agenda items.

**Discussion of Management Report L2 – Staff Treatment and Compensation**

- Netse Lytle reported on the staff survey that forms the basis for the L2 report. Netse was pleased with the survey results. All employees except one took the survey, including managers. Survey results appeared to be close to those from 2022, and were much better than the poor results from 2023. Netse believes the 2023 results were influenced by the union bargaining ongoing at that time. He will try to keep the survey away from bargaining in the future. Despite the good results, Netse noted there were areas for improvement, including the results related to compensation.
- Netse cited a number of personnel changes that may have influenced the improved results
- Jeff Strait asked about some annual policy reviews not performed since 2021. Netse indicated that he and the HR manager have reviewed the policies, but that the entire management team had not performed the “annual” review since 2021.
- Jeff Strait commented on the compensation comparisons shown in the L2 between Wild Oats and figures for its competition. He noted that department managers’ compensation is significantly below the average. Netse explained that the comparisons are not always “apples to apples” since department managers at larger chain food stores have more responsibilities when compared to Wild Oats.
- Netse discussed some comments related to “social class” noted in the report
- In response to questions from Sarah Jacobson, Netse discussed data security, record retention and the use of the store’s third party provider. In addition, Sarah asked about how to evaluate the safety figures provided in the report. Netse agreed that an objective standard is not included in the report other than comparison to previous years. Netse promised to look at this issue and report back.
- Sarah Jacobson asked about the store’s plans to improve the results further. Netse indicated that he plans to have the store’s outside HR consultant, engaged after last year’s poor survey results, who worked with the managers over the last year to also work with the hourly staff. Training will be added, including learning trips to other co-ops.
- Jeff Strait asked Netse to provide to the Board employment figures on a regular basis.
- Bob Allard moved and Jeff Strait seconded a motion to accept the L2 report (with some minor updates to be provided later). Motion passed unanimously.

### **Three Year Business Plan Discussion**

- In advance of the meeting, Netse Lytle provided the Board a preliminary “Three Year Business Plan” document that summarized the store’s assumptions and plans related to its competitive and economic environment, its target markets, its marketing plans, and assumptions related to personnel, sales growth, net income, margins, and capital spending
- Tom Cragg explained that the Business Plan discussion this year was being separated from the FY 2024 Budget discussion in order to emphasize that the Business Plan is the starting point and that the FY 2024 Budget is simply the first year of the Business Plan. The Business Plan will be brought back in June for approval
- Sarah Jacobson asked about the 2 to 3% sales assumptions noted in the Plan. Netse explained that the sales projections were very conservative and based on recent trends, however, the 2 to 3% figures do not include increases due to inflation
- Jeff Strait asked about how the Business Plan is affected by plans for the renovation of the store’s building. Netse indicated that the Plan does not include anything related to building renovation. He would like to break ground on renovations in 2 to 3 years. He discussed the timing of the marketing study needed to start the renovation planning (which itself requires a 700 person in-store survey). The 2018 marketing study was noted.
- Peter Siegenthaler asked about the planned re-opening of the “hot bar.” Netse discussed a number of ideas and issues related to the hot bar (including the issue of “gluten-free” offerings).
- Sarah Jacobson noted the absence of environmental stewardship in the business plan. Netse agreed that the Business Plan should include a discussion on this issue.

### **April 22 Board Retreat**

- The Board discussed logistics and homework for the April 22 retreat at Sheep Hill.

### **General Manager Comments**

- Netse Lytle discussed a problem that arose recently related to the store’s seafood permit and the application process to obtain the permit.
- Netse Lytle indicated that financial figures can be prepared in time for an earlier annual meeting and a new date for the meeting will be determined later.
- Netse also noted that some tax bills will be paid in the third quarter that may result in a negative after-tax net income for the store in that quarter.

### **MEETING CLOSING**

- The next regular Board meeting is scheduled for May 18, 2023
- The meeting ended at approximately 8:00 pm

**Minutes Prepared by: Tom Cragg**