

**DRAFT - UKIAH NATURAL FOODS
(A.K.A THE HOMESTEAD EXCHANGE)
MINUTES OF THE BOARD OF DIRECTORS**

The regular meeting of the Ukiah Natural Foods Board of Directors was convened on Monday, January 18, 2021, at 5:33 PM via Teleconference through Zoom.

BOARD DIRECTORS PRESENT: MaryLou Leonard (President), Steve Oliveria (Vice President), Leo Buc (Treasurer), Larry Mayfield, Krista Robinson, Lorena Calvo Evans, Beth Salomone, John Bailey, Angie McChesney (Secretary)

BOARD DIRECTORS ABSENT: None

STAFF PRESENT: Lori Rosenberg (General Manager), Don Buchanan (Facilities Manager)

GUESTS: Tim Dolan, Member-owner

Board President Leonard called the meeting to order at 5:33 P.M.

1. **Introductions and Check-Ins:**
2. **Brief Announcements; Confirm Agenda:**

Board Member Mayfield **MOVED to approve the agenda.** Seconded by Vice President Oliveria.
MOTION PASSED.

Yes: Board Members;
Leonard, Oliveria, Mayfield, Robinson, Buc, Calvo Evans, Bailey, McChesney, and Salomone

Absent: Board Members;

3. **Consent Agenda:**

Board Member Salomone stated that it would be nice to learn how to read the social media report. President Leonard stated that this could be a board education topic and Lisa would be able to discuss it.

Board Member Salomone inquired about the Magruder Beef sale and what avenues were communicated for the sale? GM Rosenberg stated that it was social media, it was a pop-up sale at 10% off and we tripled our meat sales that day.

Treasurer Buc stated that he knows how to read the social media report and would be happy to discuss it with Board Member Salomone and anyone else that may be interested.

Treasurer Buc stated that the Change for Change social media post stated that “we are donating tips” and there may be a potential legal exposure with that being said. An idea would be that we could add Change for Change containers at additional registers where normally tips are not given. It wouldn't be considered tip pooling and collection by the employer. GM Rosenberg stated that we don't hire employees for tips, we hire salary exempt and hourly employees. We call it the Change for Change because people don't take their change back at the juice bar and people want to tip but know that we don't take tips and so it's strictly a donation program and given to non-profits within the community. The non-profits are selected out of a pool and at random so there shouldn't be any legal issues as we don't advertise as “tips”. Treasurer Buc stated that on this last social media posting stated that “we will be donating tips from the espresso bar.” GM Rosenberg stated that we have a new social media employee, and they will be informed to use different wording. President Leonard stated that maybe a committee should take this topic on for discussion, maybe the Finance Committee.

Board Member Mayfield **MOVED to approve the agenda.** Seconded by Board Member Bailey.
MOTION PASSED.

Yes: Board Members;
Leonard, Oliveria, Mayfield, Robinson, Buc, Calvo Evans, Bailey, McChesney, and Salomone

Absent: Board Members;

4. **Remodel Update**

Facilities Manager Buchanan gave an update on the remodel. The wood ceiling will be worked on tonight, and the entire floor has been installed. There will be three restrooms on the floor which the Co-op has never had. The entire upstairs is almost complete, and we will be able to move people up there once it passes inspection. The final review and inspection of the food service area will be happening soon. Things are looking very nice around the store. GM Rosenberg stated that the outside sidewalks will be happening soon, and the new signage was put up inside the store. The floor needs to be waxed so we can put the social distancing decals on the floor to be compliant with COVID regulations. Things are going well, and we are just ready for it to be done. Board Member Robinson inquired if we were over budget and GM Rosenberg stated that we are not over budget, we are over contract budget but not over total budget in which the board approved.

5. **General Manager Annual Report:**

GM Rosenberg stated it's a great pleasure to see what we have all accomplished this last year with everything that has happened, and it was a great reflection to see and write about all of that. We had a small negative sales growth of – 1.89%, which negative sales has occurred over the last three years, but it was very small and could have been bigger.

6. **Board Training:**

Board Members Robinson and Calvo Evans reviewed and stated what strategic planning means to them from what they have read. Board Member Robinson stated that the strategic plan is about what the Co-op will look like in five years and where we want it to be going. Other thoughts were what kind of employer do we want to be in the community and what are some of the qualities we want to attract. Board Member Calvo Evans stated that her thoughts were about challenging some of the assumptions that we have in the community as we are trying to reach out to the Hispanic community and other diverse communities. We may want to look at that and add more to it.

Treasurer Buc stated that our strategic planning has been a four-year document and paints where the organization is headed. We have talked about having a shorter plan maybe a three-year plan. Board Member Salomone stated that the committee goals should be connected to the strategic plan goals. GM Rosenberg stated that she sent out some information about strategic planning to the committee members. Treasurer Buc suggested that the Strategic Planning Committee should meet next month. At a previous meeting, it was discussed and stated that we would be doing a full strategic scale plan in 2021. We also wanted to include staff in the planning process. The Strategic Planning Revision Committee should meet and discuss last year's plan process and this year's along with having more staff representation and then report back to the board in February on what that would look like.

Board Member Salomone **made a motion to approve the reappointment of Bailey, McChesney, and Treasurer Buc to the Strategic Planning Committee. Additionally, staff representation on the Committee will include GM Rosenberg and at least one staff representative as decided upon by the Committee. If Treasurer Buc is reelected in 2021, he will remain on the committee and continue to serve as the Chair. If Treasurer Buc is not re-elected, another Board member with at least one year of service on the Board may be appointed to the Committee and a new Chair will be selected.** Seconded by Board Member Mayfield. **MOTION PASSED.**

Yes: Board Members;
Leonard, Oliveria, Mayfield, Robinson, Buc, Calvo Evans, Bailey, McChesney, and Salomone

Absent: Board Members;

Treasurer Buc asked for feedback about the strategic planning process and if there was anything else that needed to be added. Feel free to email feedback to Treasurer Buc.

Board Member Robinson inquired about the timing of the strategic plan. Treasurer Buc stated that a timeline will be developed but the goal is to be done in time to conform with the operational plan and budget for 2022.

7. Farmer Loan Committee - Proposal to the Board :

Board Member Bailey stated that we have two applications Cinnamon Bear in which we have lent money before and have been great about repayments. He is asking for \$2,500 a Flail Mower, the

equipment can also be used as collateral if needed. The committee recommends the board approve this loan.

Board Member Bailey stated that the second loan received is from Mendo Grass they want to grow micro grains and wheatgrass, they have worked out a business plan with West Company and have invested their own funds of \$20k into the business. They have a lease and no sales at this time. They are asking for \$10k to support the rest of the start-up costs. In the application, it was stated that they will be selling to the Co-op but they have yet to talk to the Co-op about it. At this point, there are too many unknowns. It's recommended that we loan them \$3,500 for the heater and the solar panels, but we want to go back and talk to them and gather more information. We would then look at the other \$6,500 after we see what happens and get our questions answered.

GM Rosenberg stated that Cinnamon Bear buy products from them and Mendo Grass could be a competitor.

Board Member Bailey, **MOVED to approve \$2,500 to Cinnamon Bear for the purchase of the flail mower and authorize discretion to the Farmer Loan Committee to fund Mendo Grass up to \$3,500 after a meeting with the applicant for more information and references are contacted.**
Seconded by Board Member Salomone. **MOTION PASSED.**

Yes: Board Members;
Leonard, Oliveria, Mayfield, Robinson, Buc, Calvo Evans, Bailey, McChesney, and Salomone

Absent: Board Members;

Board Member Bailey stated that the committee will keep the board updated on the status of Mendo Grass at the next meeting.

8. Committee Reports:

Board Member Salomone stated that there will be no board education next month due to the budget. We will have Libee, Produce Manager, in March and Chris, Deli Manager, in April and if you have any questions for staff please email to Board Member Salomone so those can be provided to staff.

Treasurer Buc inquired about the Annual Member event and was wondering if this was stated in the Bylaws and if we should look at doing something virtually. GM Rosenberg stated that our Bylaws state that we have to have a member meeting but that is for voting and not for an Annual Member event. We could do something virtually if needed. GM Rosenberg will check into the bylaws.

Board Member Robinson stated that the ORC has not received any grant applications, however, we did discuss why we don't give grants to religious groups. President Leonard stated that a response was sent out to a potential applicant. GM Rosenberg stated that grant money has to be

given out by April. Board Member Salomone inquired about the voting status of the member-owners who serve on the ORC. It was stated that the committee as a whole makes recommendations to the board. There was a discussion on the response that was given to the applicant vs what the committee's stance was. Treasurer Buc stated that we should update the application to read a different way, that "grants will not be considered for religious purposes".

9. Little Questions:

Treasurer Buc inquired if the ORC or BDC will look at the bylaws and see what is stated about a member meeting. The BDC will be reviewing this.

10. Topics for Next Month:

- Strategic Planning - All
- Budget – Accounting Manager Wright & Finance Committee
- BDC - Annual Meeting – Board Member Salomone
- Farmer Loan Update – Board Member Bailey

11. Closing and Evaluation:

Board President Leonard adjourned the meeting at 7:03 P.M.

Next Meeting **February 15th, 2021** via Zoom

Submitted by Erica Ramirez, Board Administrator