UKIAH NATURAL FOODS COOP

BOARD OF DIRECTORS MEETING HIGHLIGHTS
March 2026

Meeting Date & Venue: March 16, 2026, at the Ukiah Coop | **Next Meeting:** April 20, 2026, at the Ukiah Coop

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Overview

The Board of Directors met to review financial outcomes, approve patronage and employee profit sharing, and discuss the Co-op's current operational performance and future strategy. The meeting focused on balancing strong internal performance with facility limitations and planning for long-term growth.

Key Updates & Decisions

- **Patronage Dividend Approved:** A 100% distribution of 2025 patronage totaling $92,038 was approved as a store credit to members.
- **Employee Profit Sharing:** A 5% gain share of $7,077 will be distributed to eligible employees based on hours worked in 2025.
- **Merchant Account Authorization:** General Manager Rob Drake was authorized to be added to the Co-op's merchant services account.
- **Strong Organizational Health:** The Co-op reported high staff morale, strong teamwork, and steady improvements in operations and merchandising.
- **Facility Constraints Identified:** Limited retail and storage space continue to impact efficiency, customer experience, and financial performance.
- **Operational Direction Set:** Priorities include completing Standard Operating Procedure implementation, improving pricing and inventory systems, and conducting a facility capacity study.

Public Comments

No public comments were received at this meeting.

What's Ahead

- Facility Capacity Study: Evaluate options to address space limitations and support future growth.
- Brand & Customer Engagement: Explore strategies to attract a broader and younger customer base.
- Member Engagement Improvements: Expand communication tools and feedback channels for Co-op members.
- Upcoming Events & Planning: Prepare for the April 11 member event and upcoming board initiatives.

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, March 16th, 2026, at 5:41 PM at the Ukiah Co-op.

BOARD DIRECTORS PRESENT: Angie McChesney (Vice President), Tom Chandler (arrived late), Gideon Burdick (President), Christine Rodrigues (Secretary), Larry Mayfield, Ky Mayers, Steve Turner, Steve Groff, Tim Dolan (Treasurer) (via Zoom)

STAFF PRESENT: Rob Drake (GM), Joe Riemann (Incoming Accounting Manager)

President Burdick called the meeting to order at 5:41 P.M.

1. **Introductions and Check-Ins:**

2. **Brief Announcements and Confirm Agenda:**

   Board Member Mayfield **MOVED to approve the agenda as presented.** Seconded by Board Member Mayers. **MOTION PASSED.**

   Yes: Board Members;
   Burdick, McChesney, Chandler, Mayfield, Rodrigues, Mayers, Groff, Dolan, and Turner

3. **Public Comment:**

   None at this time.

4. **Consent Agenda:**

   Approve with changes as presented, with changes to the February Board Meeting.

   Board Member Dolan **MOVED to approve the agenda with changes presented.** Seconded by Board Member Chandler. **MOTION PASSED.**

   Yes: Board Members:
   Burdick, McChesney, Chandler, Mayfield, Rodrigues, Mayers, and Turner

5. **Profit Sharing & Patronage:**

   Treasurer Dolan stated that we did receive a recalculation from the auditor. The auditor said that there was a small disconnect in terms of the Net income number. The amount that the Accounting Manager Riemann sent out last week in the amount of $92,038 is correct. The finance committee received a number of $90,320. Then in the board packet, which is what the finance committee took action on, there is a higher year-to-date potential distribution pool. Accounting Manager Riemann is comfortable with the $92,038 amount. The Finance Committee is bringing to the Board of Directors a recommendation to approve the patronage dividend in the amount of $92,038. This is a 100% distribution of 2025's numbers. This will also be a credit to the store.

Board Member Turner **MOVED to approve the fiscal year 2025 patronage dividend, subject to revision by the audit in the amount as provided by finance by management, in the amount of $92,038.** Seconded by Board Member Ky Mayers. **MOTION PASSED.**

Yes: Board Members:
McChesney, Chandler, Mayfield, Rodrigues, Mayers, Burdick, Dolan, and Turner

The Finance Committee recommends to the Board of Directors that a 5% gain (aka profit) share in the amount of $7,077 be distributed to eligible employees. In the board packet, there's a method that describes the distribution. This is distributed to eligible employees based on hours worked during fiscal year 2025, and who are currently employed at the co-op. This is conditioned on the final audited EBITDA, of which there are no significant changes being considered.

Secretary Rodrigues **MOVED to approve the 5% gain share in the amount of $7,077 to be distributed to eligible employees.** Seconded by Board Member Ky Mayers. **MOTION PASSED.**

Yes: Board Members:
McChesney, Chandler, Mayfield, Rodrigues, Mayers, Burdick, Dolan, and Turner

6. Credit Card Merchant Account Authorization:

Treasure Dolan stated that the Finance Committee brings to the board a recommendation to add General Manager Robert Drake to the Ukiah Natural Foods Merchant Services account.

The Board of Directors **MOVED to approve adding Robert Drake to the Ukiah Natural Foods Merchant Services account. MOTION PASSED**

Yes: Board Members:
McChesney, Chandler, Mayfield, Rodrigues, Mayers, Burdick, Dolan, and Turner

7. General Manager Report and State of the Organization Report:

GM Drake reported that the co-op is in a strong position overall, with high staff morale, solid teamwork, and steady progress on operational systems like pricing and procedures. However, growth is being limited by physical space constraints, which are impacting efficiency, customer experience, and overall financial performance.

The workforce remains a major strength, with engaged, community-driven employees who continue to deliver positive customer experiences despite increasing workloads. The primary challenge is operating with lean staffing levels, which adds pressure as sales grow. Efforts are underway to support the team through SOP implementation, cross-training, and staff appreciation initiatives.

GM Drake stated that facility limitations are the most significant operational issue. The building is outdated, retail space is crowded, and warehouse storage is extremely tight, making it difficult to maintain inventory and efficiency. While there are potential expansion opportunities, they are either long-term or financially uncertain, making a formal capacity study a critical next step.

GM Drake stated that retail and merchandising strategies are evolving, with improvements in product placement, pricing, and category management. A Promotions Team has been established to support these efforts. Despite these improvements, rising operational costs and inefficiencies tied to space limitations continue to put pressure on margins.

GM Drake stated that the customer base is shifting, with fewer younger shoppers and an overall aging demographic. There is a need to refresh the brand and strengthen connections with a broader audience. Despite this, demand for local, healthy, and values-driven food remains strong, providing a solid foundation for future growth.

GM Drake stated that across departments, performance is generally strong, with growth in areas like Produce and Food To Go, and consistently high customer satisfaction at the Front End. Some areas face challenges, such as pricing competition in Wellness and tight margins overall, but leadership and systems are continuing to improve.

GM Drake stated that strategically, the focus over the next year is on completing SOP implementation, improving pricing and inventory management, and conducting a facility capacity study. Longer-term priorities include a brand refresh, expansion planning, and exploring the possibility of a second location, with execution of a facility solution as the ultimate goal.

GM Drake stated that key risks include rising costs due to capacity constraints, misalignment in price perception, staff strain during transitions, and a brand image that has not kept pace with improvements. These risks are being addressed through operational improvements, pricing strategies, flexible staffing, and clearer communication with the community.

GM Drake stated that Board support is being requested to move forward with a facility capacity study, begin expansion and relocation planning, invest in merchandising equipment, update policies, and allow temporary labor flexibility during this transition period.

8. **Committee Reports + CCMA Conference May 28 -30:**

Owner Relations Committee (ORC) - Board Member Groff described our request to use a portion of the co-op bulletin board (the corkboard that's by the cash registers), and our request to the Marketing Manager that she make a “board information” header sign. Secretary Rodrigues stated that if the full agenda is completed further in advance, then it can be posted to the corkboard, and that we can monitor for feedback about whether members prefer a more digestible, larger-print version that's member-friendly, but requires extra work to create.

Board Member Groff described member volunteer Terry DeSelke comments about the feedback box, right below the corkboard, where you can write down what your concerns on the pieces of pink paper there – her concern is that this process isn't very efficient, and that things may be getting lost in the shuffle; is there a more modern way to collect member feedback?

Board Development Committee (BDC) - Secretary Rodrigues stated that the board reviewed and adjusted its election process. For this year, because there were only three qualified applicants, three board members will resign early to create vacancies, allowing candidates to be appointed instead of holding an election due to time constraints. Candidate statements will be shared in a future publication for transparency. For next year, the board plans to reinstate a formal election process, even if there are three or fewer candidates, to strengthen member engagement. Instead of using the regular newsletter, candidate information will be distributed through a special issue and promoted via email and social media. The board also discussed the limitations around holding the board member vote at the annual member event, noting that quorum requirements prevent decisions from being made in those settings, while those events can still be used to introduce and celebrate candidates.

Secretary Rodrigues stated that there is ongoing progress on committee report cards, which are being developed with a color-coded system, and results from a board self-evaluation survey, which showed strong performance (4/5 rating) while identifying areas for improvement to guide future goals.

Secretary Rodrigues stated that a technical issue with Google Workspace access was identified and resolved, as board members had not been properly granted access to shared drives. This has now been corrected, and the system will be incorporated into onboarding for new members. The board will evaluate its usefulness before making any changes to the subscription. Google Administrator is still in progress.

Finance Committee - Board member Turner stated that the committee received a budget in January, and that Produce underperformed by a couple of percentage points. Wellness by 3.4%, Chill underperformed by 2.7%, HABA underperformed by 4.4%, and Food to Go had a favorable variance to budget of 4.58%. For the months of January and February, we had actual sales of $4.554 million, and we had budgeted $4.592 million. We're $38,000 unfavorable, or 1.5% under budget as of February.

Farmer Loan Committee - Vice President McChesney stated that she has had several meetings with Management at the Co-op on the Farmer Loan Program and how there will be ongoing discussions about how to best support local farmers in the area here, and maybe expand the focus to include local cottage industries, and more local foods in general.

General Manager Evaluation Committee (GMEC) - President Burdick stated that we conducted a skip-level survey of department managers, with our new SurveyMonkey account that allowed for anonymity. 10 of 13 managers responded anonymously, and the results were overwhelmingly positive and supportive.

The CCMA conference will be held May 28th through 30th in Tacoma, Washington. GM Drake stated that it is a unique co-op conference, and is open for managers, staff, and board members to attend. There will be presentations, discussions, and workshops for board members, attendees, and management attendees. Conference expenses were included in the budget this year, despite the fact that the co-op has not sent representatives to CCMA in the past. We budgeted for 4 attendees this year, allowing for two staff and two board members.

9. <u>Little Questions:</u>

None

10. <u>Topics for Next Month:</u>

- GoogleDrive
- Member Event April 11th

11. <u>Closing and Evaluation:</u>

President Burdick adjourned the meeting at 7:22 P.M.
The next Meeting is on **April 20th, 2026,** via Zoom
Submitted by Erica Ramirez, Board Administrator