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 19th, 2026, at 5:35 PM via Zoom.

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

STAFF PRESENT: Rob Drake (GM), Anne Wright (Accounting Manager)

President Burdick called the meeting to order at 5:35 P.M.

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

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

   When members are present as guests at board meetings, Secretary Rodrigues proposed that the minutes include the names of the members present and a high-level summary of comments, questions, or suggestions shared, but that the latter will not be attributable to any specific person. It's important to ensure that people feel heard but not singled out in the record.

   If an issue or question comes up during the public comment period that requires a response, the Secretary can either respond after the meeting if it's a simple request or consult the board to develop a response collaboratively for more in-depth requests. Responses may be emailed to the member and/or shared during the public comment period at the next board meeting.

   President Burdick pulled the December minutes for revisions.

   President Burdick MOVED **to approve the agenda with the removal of the December Board Meeting Minutes.** Seconded by Board Member Turner. **MOTION PASSED.**

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

3. **Public Comment:**

   In response to a prior question at the last Board Meeting, the Board Secretary clarified that staff will generally be referred to by title rather than by name in meeting minutes, consistent with governance best practices. Limited exceptions may apply when naming is relevant for clarity or legal purposes.

4. **<u>Consent Agenda:</u>**

Approve with changes as presented, with changes to the December Board Meeting minutes to the next meeting.

Board Present Burdick **<u>MOVED to approve the agenda with changes presented.</u>** Seconded by Board Member Mayfield. **<u>MOTION PASSED.</u>**

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

5. **<u>2026 Projected Year-End Financials:</u>**

GM Drake explained that the proposed budget is intentionally conservative, reflecting his recent start and the fact that growth plans are still being developed. Sales are projected to be flat, consistent with historical performance, rather than assuming future growth before plans are finalized. The primary change in the budget is an increase in projected margin to 40.07%, based on revised contribution-to-margin calculations already being implemented.

Labor costs are also projected to remain flat, accounting for planned increases. The budget was reviewed through a lens of mandatory versus optional spending, identifying approximately $31,000 in discretionary items that could be cut if necessary, but which are included because they are expected to positively support the co-op. One example is the NCG marketing survey, estimated at $8,000, which is viewed as a strategic investment to generate actionable marketing data and help drive future sales growth.

Although the budget shows an operational loss, it was emphasized that depreciation accounts for $278,000 of that loss and is non-cash. As a result, the budget actually projects a cash increase from operations of approximately $92,700. Including investment activity and appreciation, the co-op is projected to end the year with a small overall profit of just under $10,000.

6. **<u>2026 Budget:</u>**

The board discussed whether the 2026 budget document is more like a high-level projected P&L than a true budget, and how it lacks the department-level detail needed for the board to provide strong fiduciary oversight and accountability. GM Drake stated that sales growth will be essential for profitability. Another key will be improving labor efficiency, with particular concern about the deli/prepared foods area due to its high labor and overhead costs.

It was agreed that there is a lot of opportunity with new leadership for clearer, purpose-driven reporting: targeted drilldowns where needed, shared key metrics shown in a monthly dashboard, and easier access to underlying data so managers can actually manage the budget. There was agreement to approve the budget for this year as presented, while committing to rebuilding the budgeting process and reporting structure going forward.

Board Member Mayfield **MOVED to approve the budget as presented.** Seconded by Board Secretary Rodrigues. **MOTION PASSED with two abstentions, Gideon Burdick and Tim Dolan.**

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

7. 2026 Asset Budget:

GM Drake explained that capital spending was prioritized conservatively, focusing only on items viewed as truly necessary while deferring others. Key investments include replacing all computers due to an upcoming window upgrade, upgrading outdated bulk refrigeration to improve merchandising and modernize the store's look, and adding a movable "coffin" freezer to better feature frozen and promotional items (including grab-and-go turkeys and seasonal products).

He also noted the need to replace a failed forklift with a pallet jack, address the failure of shipping containers used for storage (including one to reduce theft of carts and deposit bottles), and repair a roof leak near refrigeration equipment using a lower-cost overhang solution rather than a full roof replacement.

Finally, the budget includes a $50,000 emergency reserve for unforeseen issues, which could potentially cover the roof repair once pricing is finalized.

Treasurer Dolan **MOVED to approve the asset budget as presented.** Seconded by Board President Burdick. **MOTION PASSED.**

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

8. 401k Trustee Motion/Resolution:

On behalf of the finance committee, Treasurer Dolan presented a resolution that GM Drake be added as a 401k trustee to replace the outgoing Accounting Manager.

Treasurer Dolan **MOVED to approve adding GM Robert Drake as the 401k trustee.** Seconded by Board President Burdick. **MOTION PASSED.**

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

9. General Manager Report:

GM Drake reported that overall sales were up year over year for December, though there was a dip around Christmas. Prepared foods continued to perform well, showing about 10% growth in

December (up from roughly 5% in November), indicating accelerating momentum, and the espresso bar also posted notable growth. The Accounting Manager position is in transition due to a retirement, with a replacement search underway and that an announcement will be made soon. Customer feedback showed a slight improvement in satisfaction scores, with performance remaining strong compared to peer co-ops. In particular, the produce department stood out with exceptionally high customer satisfaction well above national and top-tier benchmarks suggesting the store is delivering especially strong results in that area.

Columinate, a national cooperative consulting firm that supports food coops, is hosting a regional Co-Op Cafe event in Auburn, CA on February 7th. Staff and board members alike were encouraged to attend if interested. Secretary Rodrigues confirmed that she will attend.

10. <u>2026 Board Goals and Strategic Planning:</u>

It was agreed that board and committee goal setting should align with the board year that begins in April, when the new board and committees are seated.

- Committee members agreed to assess progress toward their 2025-2026 committee goals and deliver "report cards" at the March board meeting.

The board discussed how to move forward during a transitional period that includes a new general manager, the absence of a comprehensive strategic plan, and upcoming work to develop new budgeting and merchandising policies. There was a discussion about the mismatched fiscal and board years, which raised the question of whether to start major board-driven processes now or wait until the new board is seated in April.

- The consensus was that the board should not begin a full strategic planning process (long-term, transformational, multi-year) during the 2026 leadership transition, as it requires stability, deep analysis, and significant resources.

- It is still possible to develop an operating or board work plan (short-term goals only) to provide direction and accountability. This will be discussed at the April board meeting.

- The board and GM Drake agreed to spend the rest of 2026 developing reports and preparing other background information that will set the organization up for effective planning in the future.

11. <u>Committee Reports:</u>

Owner Relations Committee (ORC) - Board Member Groff gave a summary of the minutes from the last meeting, noting that it was short and attendance was low.

Board Development Committee (BDC) - Secretary Rodrigues stated that we have two board applications and that one is a current staff member. There might be a meet and greet event for the candidates, and the board will be there as well, this would be an hour in the Cafe at the Coop and would happen on February 11th from 4:30-5:30pm. The 2025-26 Board Self-Evaluation

Surveys will be going out here soon to board members. The Google Workspace will also be picked back up next month.

Finance Committee - Treasurer Dolan gave a summary on the committee minutes and an overview on finances even though it was heavily covered during the budget discussion.

General Manager Evaluation Committee (GMEC) - We are wrapping up GM Drake's first 90 days. In accordance with the GM's Executive Transition Plan, a brief "temperature check" survey will be going out to managers to ask about what's been going well with the new GM and gather some feedback. GM Drake will also provide a "state of the organization" presentation at the February board meeting to share his initial observations since he started in November.

President Burdick will share the latest version of the Executive Transition Plan, which includes an updated 4-6 Months section. To provide a channel for "skip-level communication" with UNF staff, the Board will hold a 30-minute Open House meeting in the conference room 30 minutes prior to the in-person Board Meeting on March 16, 2026. Staff will be notified through a note in Paylocity.

12. Little Questions:

None at this time.

13. Topics for Next Month:

- GoogleDrive
- State of Organization

14. Closing and Evaluation:

President Burdick adjourned the meeting at 7:35 P.M.
The next Meeting is on **February 16th, 2026,** via Zoom
Submitted by Erica Ramirez, Board Administrator