

**Ozark Natural Foods  
Board Meeting Minutes  
September 27th 2011**

Board Members Present: Linda Ralston, Tuesday Eastlack, Sue Graham,  
Colleen Pancake, Kathryn Scherer, Jim Roughton,  
Garrett Brown

Board Members Absent:

Staff Members Present: Pauline Thiessen Mike Anzalone, Jerry Huddleston

Owner(s) present:

Nancy Starr, Amy Guerber, Don Anderson  
David Orr

Owner Comments: Amy Guerber spoke to the board about her concerns of the board's decision to pay off the building. Amy felt this was a very poor decision and did not make good business sense. She felt ONF could miss opportunities by not having available cash. She also notes that 3 of the 5 companies listed in management's presentation were actually not debt free and the information they presented was not accurate. She hoped the board did research before making the decision and was not just basing it on the manager's presentation. She noted that based on ONF's financials, there is a profit margin of 8.7% and Whole Foods is 2.94%. On a separate topic she stated her concerns about the vitamin/supplement section and how the company may expose itself to liabilities with people coming to ONF for medical advice. Nancy also voiced her concerns about purchasing the building and echoed Amy's statements.

Colleen asked that the minutes reflect that Amy Guerber is Sue Graham's daughter. Sue did not offer that information at August board meeting when the board was discussing the email request from Amy Guerber for 3 years worth of financials. Sue stated that Amy is also an owner and has the right to her opinions regardless if she is related to a board member, but she did offer an apology to the board for not reporting her relationship immediately. Colleen felt the lack of disclosure could seem suspicious and did want it to be on record.

**Consent Agenda:**

August Minutes

There was one minor correction to the minutes. Colleen moved to accept the minutes as amended with a second from Kathryn. Garrett and Sue abstained. The motion carried.

**New Business**

GM Monitoring Report B7 Customer Service and Education: The board asked about the owner survey included in the report and the challenges with meat. Mike explained there is a challenge with local/all natural meat due to lack of a processing plant. The board also

inquired about the liquor license to sell beer and wine. Mike stated it is in the process and could take up to 50 days. Colleen moved to accept the report and Garrett seconded the motion. Motion carried unanimously.

Farm Committee Report by Pauline Theissen: Pauline gave a report on the Farm Committee. She presented the board with the mission and vision statements. She stated they have created an advisory committee and developed a tool to diversify the selection of produce from local farmers. This year local purchases are up from 8.2% to 13.6% keeping \$103,000 in NWA. Pauline said the committee is also planning another farmer appreciation dinner and also a documentary about farmers and co-ops due in December. Pauline explained what the farmers need is infrastructure like a distribution center and meat processing plant

Video Update: Colleen stated no headway has been made on the store video but will get moving forward after the stores 40th anniversary birthday party.

Board Self-Monitoring: The board discussed different processes for running the meeting. The board discussed and agreed to conduct meetings with individuals being recognized and take turns speaking and using RROO as needed.

Linkage Committee Report: Linda gave the update including plans for the 40th birthday party. She proposed a special dinner in the next two months to meet potential new board members.

Policy Committee: The policy committee is working on cleaning up the bi-laws and has proposed changes that will be emailed to the board members. Tuesday was going to check on deadline to get them in the Nutshell.

Time Change of Board Meetings: Kathryn moved to change the start time of the meetings from 7:00pm to 6:00pm during the winter hours. The board can review this time in the spring. Colleen seconded and motion carried unanimously.

Discuss Audit: Sue stated audits are the responsibility of the board. The board requested a copy of the last audit for review. This discussion will be tabled until the retreat.

Discuss Consultant and Attorney: Colleen has been researching both attorneys and consultant. She suggested Carolee Colter to assist with GM's contract. Linda suggested Charles Hester and Mickey Harrington. The board discussed these various options and weighed the pros and cons of each. Linda moved to retain Mickey Harrington as the boards' legal council and Sue seconded. There were tthree aye's and four 'no's'. The motion did not pass. Colleen moved to have Carolee Colter to use as council for contract negotiations with a second from Garrett. There were 6 aye's and 1 no. Motion carried.

Schedule Executive Session: October 18th at 2:30 to discuss GM's contract.

**Meeting adjourned at 9:40 p.m.**