



Board of Directors Open Session Minutes – February 26, 2024

President Ashley Fisher called the February 26, 2024, meeting of the Outpost Natural Foods Board of Directors to order at 6:02 pm.

Board Members

Rick Banks – present
Melissa Drews – present
Tay Fatke – present
Ashley Fisher – present
Rebecca Guralnick – present via video conference
Jenny Keefe – excused absence
Eno Meier – present
Barbara Merritt – present
Duncan Shrout – present

Management in Attendance

Ray Simpkins, CEO
Lisa Draeger, Office Manager and Executive Assistant

Owners in Attendance

Rachel Ingrasci, owner #98094
Cassandra Papesh, owner #55471

OUTPOST MISSION, READ BY ENO MEIER

Outpost Natural Foods exists so that our owners have a healthy, diverse, and sustainable community. We will accomplish this while maintaining the long-term strength of the cooperative. We achieve this goal by making sure that-

- *The community has access to products and services that promote personal and environmental health.*
- *The community has access to organically and locally produced goods.*
- *The community is educated about choices that impact personal and environmental health.*
- *A community with commerce that is locally owned or locally oriented exists.*
- *The owners have a sense of connectedness, belonging, and fellowship.*
- *The cooperative infrastructure is supported.*

OUTPOST LAND ACKNOWLEDGEMENT, READ BY TAY FATKE

Outpost Natural Foods acknowledges that our four store locations and central offices occupy the ancestral home of Indigenous peoples who were forced from their land with the arrival of white settlers. These tribal nations include Anishinaabeg (Ojibwe), Kiikaapoi (Kickapoo), Peoria, Bodéwandimiakiwen (Potawatomi), Menominee, Myaamia (Miami), Waazija (Ho-Chunk/Winnebago), and Očhéthi Šakówin (Tatanka Oyate). Descendants and members of these tribal nations continue to live in Milwaukee and its



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neighboring towns and communities. Many are owners of our co-op and shop at our stores. Their patronage contributes to Outpost's success and the resiliency of our community.

APPROVE AGENDA AND ACCEPT CONSENT ITEMS

Consent Items

- January Minutes – Open and Closed Sessions
- Board Accountability Checklist

Agenda

Ashley Fisher noted that the fiscal year in the heading of the agenda is incorrect. It will be updated to FY 2023/2024.

With that change to the agenda, Melissa Drews made a motion to approve the agenda and meeting minutes. Barbara Merritt seconded. The motion passed unanimously.

COMMITTEE WORK, BOARD TASKS

DEI Committee

The committee felt that the work to create the charter was a good, positive collaboration. A motion to approve the charter was made by Melissa Drews, seconded by Barbara Merritt. The motion passed unanimously.

Nominations Committee

Ashley Fisher reported that we had a slate of five candidates, however, one individual dropped out due to work commitments. The recorded interviews have been completed and will be on our website one week prior to the election.

Engagement Committee

Rick presented information about the Annual Meeting agenda, schedule and responsibilities. The directors reviewed a draft of talking points, which Ray will review and update as necessary. Assignments were made for responding to areas of questions anticipated from owners at the meeting. The agenda will be updated to designate Duncan Shrout as reading the Land Acknowledgement and the prize drawing will be added at the end of the meeting.

Retreat Committee

Ashley confirmed that the draft agenda was distributed with meeting materials. Based on availability of the directors and the CEO, the tentative date for the retreat is Saturday, June 29, from 9:00 a.m. to 2:00 p.m. Because there were so many directors who were not on the Board during the initial DEI training, the agenda will most likely include this again. Also considered for the agenda is the "Why" and who might be a



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trainer for this. For DEI training, Ray suggested using someone from NCG, which will be at no cost to the Co-op. He will touch base with this trainer and check their schedule. Ashley reviewed the agenda and asked for input.

Development Committee

Ashley asked who might be interested in officer positions for the upcoming year. Melissa expressed interest in treasurer or secretary; Eno and Duncan in the treasurer position; Ashley in continuing as president; Rick or Barbara in the vice chair position. Melissa added that the Development Committee will meet next month to follow up on the D policies, and she reminded directors that the C policy surveys should be completed by March 9.

OWNER QUESTIONS

Two owners posed questions to the Board and to Ray. The Board, speaking as one voice, prepared answers to the questions that were directed to them, which are shown below.

Questions from owner Cassandra Papesh:

Question 1: How does having a CEO of a Co-op reflect Outposts' values within our mission statement of democracy, equality, equity, solidarity, openness, and caring for others?

Board Response

The decision to change the title of General Manager to Chief Executive Officer (CEO) was made in light of the fact that Outpost was not in alignment with the titles that executive leaders of multi-store cooperatives nationwide carry. The majority of people holding this position are called CEO. Outpost opened as a single location in 1970, and the title general manager was appropriate for the leader of that store. Yet, as Outpost grew over time to four locations, the general manager's title was not adjusted to reflect the position's expanded duties. We believe that CEO is the appropriate title for the position, and the Board voted unanimously in support of the title change.

The change is well within Outpost's values, particularly in the areas of equality and equity. The CEO is the sole employee that the Board of Directors oversees. The board governs the CEO's work in leading the cooperative, while also holding the responsibility of recruiting and retaining highly qualified talent for the position. It is in the coop's best interest that the person who holds the weighty responsibility is treated with practices founded in equity and equality. This includes a title appropriate for the work that the person in that role carries, particularly given that the executive peers at similarly situated cooperatives across the country carry the title CEO.

Question 2: How does having a CEO with no experience of working with a union workforce set up Outpost employees with the confidence that we are working cooperatively for the benefit of all? And what



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information can you provide to workers like me that will impart confidence that the transition of title will equip us (the workers) to “capitalize on the opportunities that lie ahead?”

Board Response

The Board of Directors hired our current CEO because of a wealth of strengths he brings to the position. We expect that the gap in union experience will be bridged through training and experience. In addition, we expect that all board-monitored policies surrounding staff treatment and compensation will be adhered to. The Board hopes that the combination of these factors can provide confidence that employees are valued and seen as an intrinsic part of Outpost’s ability to meet its mission.

In response to the second question: As previously stated, the Board of Directors approved a change from the title General Manager to CEO to align the title with that used across the country by multi-store cooperatives. The “capitalize on the opportunities that lie ahead” statement was language that Ray wrote in announcing the title change to employees. In that letter, he was announcing the change while also trying to address potential questions and giving staff further insights into the value of the change from his perspective. This was entirely within his purview.

That said, we will note that the success of the CEO in his unique work is entwined with the success of Outpost as a whole and the valued employees within. While the title change to CEO may indeed serve as a tool that helps open doors to new opportunities, our perspective is that it is a piece of a much larger picture that employees make possible every single day. We hope you can see that by the good work you do every day, you are helping the cooperative open doors to new opportunities. This is because the collective efforts of employees create the organization that Ray represents when out in the community. And should there be trainings or guidance needed in the future as those opportunities come to light, we would anticipate that the human resources and chain of command functions currently in place will support employees in being appropriately prepared.

Question 3: Given your last few places of employment suppressed unionization efforts, what have you learned thus far about decision making in a cooperative environment with a union workforce?

Ray’s Response

Ray responded by saying he spent 13 years at Kroger, so he does have experience with a union. He has learned to have respect for the individual and looks for people who want to grow with our company. He asked them to stay connected with their store manager, let them know what aspirations they have or communicate any issues they may have.

Questions from owner Rachel Ingrassi:



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Question 1: How does the change in title and role ensure that employee interests are prioritized and addressed? Much emphasis has been placed on a CEO's ability to increase community connection and gain access to leaders/officials, but there's been no mention of a CEO's responsibility toward their employees. What are the specific expectations outlined for a CEO's role as it relates to employee interests - in what way must they interact with employees and advocate for their short- and long-term interests.

Board Response

As mentioned, the title change was made to be more in alignment with industry standards. The duties of the position remain unchanged. That said, there are specific policies that the Board monitors to ensure that the CEO's work and actions create a fair and equitable workplace. These are the B6 Staff Treatment and Compensation policies, which include high level oversight of the way employee policies are written, how grievances are handled, the consistent application of policies across all personnel, treatment of personnel documentation, and the establishment of equitable compensation and benefits.

Outpost has a chain of command structure already in place, and most employees likely do not directly interact with the CEO. The functions that allow for staff input in making improvements to their workplace, to address grievances, or which may include union representation, will continue to be available to you. In addition to the policies just outlined, these structures are also present to support the short and long-term interests of employees.

Question 2: Since leadership so immediately negotiated a change in title and compensation, does that mean that employee wage increases will be more readily and quickly attained?

The change in compensation was unrelated to the change in title. The compensation question is addressed every fall in alignment with the cooperative's fiscal year budgeting timeline. The board considered the title change request as a standalone item and it in no way reflects a change in the duties held by that position.

(At this point, the Board asked Ray to respond to the employee wage increase question, explaining that any planning in that area is operational and outside of the Board's authority.)

Ray's Response

Ray responded that he is aware that we're not competitive on wages. He is working with HR on plans to improve wages and conversations on this issue are ongoing.

Question 3: What is the plan to publicize this change in role and title? Beyond the upcoming owner meeting, how will the board convey this significant change to all owners?



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The title change will be announced at the Annual Meeting and the information made available on Outpost's website. After the meeting, we will also publish a blog post on the Board Beet blog page to share the title change in alignment with industry standards.

GM MONITORING

B4 – Ownership Rights and Responsibilities

Ray presented the B4 report, which specifies that the CEO must not allow owners to be uninformed or misinformed of their rights and responsibilities. To demonstrate compliance with this policy he showed that owners receive information about equity, patronage, and voting rights through the Bylaws, owner brochure, and owner guide, and policies related to managing Class 2 stock offering.

Rick Banks made a motion to accept the B4 report as compliant, and Tay Fatke seconded. The motion passed unanimously.

BOARD CLOSED SESSION: Begin 7:22 pm

- CEO FYI
- Future Planning
- Treasurer Training
- Meeting Review

BOARD CLOSED SESSION: End 8:06 pm

MARCH 2024 MEETING PREP

Review of upcoming agenda items for the March meeting.

ADJOURNMENT

The meeting adjourned at 8:08 pm

NEXT MEETING

The next Outpost Natural Foods Board meeting is on March 25 at 6:00 pm. Due to limited capacity in the meeting room, owners wishing to attend the meeting will be required to attend virtually. If you are an owner and you wish to attend, contact the Board two business days ahead of the Board meeting for the virtual meeting login information. For guidelines for owners' participation, or to request time on the agenda (at least 10 days in advance), please contact the Board secretary at 414-431-3377, Ext. 221.