

**Oneota Community Coop  
Annual Meeting Minutes  
April 4, 2013  
Senior Citizen Center**

Board Members Present: Laura Friest, Gary Hensley, Bill Pardee, Steve McCargar

Board Members Absent: Anne Dykstra, Lora Friest, Jon Jensen

GM Present: David Lester

Coop member/owners present: 41 member/owners were present

### **1. Call to Order**

President Bill Pardee called the meeting to order at 7:00

### **2. Approval of Minutes**

**Motion:** Gina Hensley moved and Gary Hensley seconded **to approve the minutes of the 2011 Annual Meeting.** Motion **passed** by a unanimous vote.

### **3. Board of Director's Report**

President Bill Pardee gave a brief history of the Oneota Coop by using the allegory of a wagon train. For the past three years, membership, sales, and net income have all grown; we have happy employees; and we are on schedule to repay member loans fully. This year, we are able to pay a 6% dividend on preferred shares. Patronage dividends are unique to the cooperative business model. Policy Governance is working nicely. We use check lists which we continuously monitor to make sure the coop is avoiding unnecessary serious risks. These check lists are analogous to the checklists an aircraft crew uses before takeoff; usually, nothing is wrong, but if something is wrong, the crew wants to fix it before harm is done. Conscientious monitoring of these checklists (policies) is the legal and ethical responsibility of every Board member.

The Board has defined a process for the coming year to identify Strategic Priorities using the following steps. Clarify our:

- Values
- Purpose
- Mission
- Vision
- Opportunities, Risks, Benefits

Then the Board will choose 2 key priorities to focus on.

Our General Manager, David Lester, is committed to all of the goals and priorities of the Co-op, and also to the well-being of our employees, financially, in their personal lives, and their professional development.

### **4. Financial Report**

David Lester went through some of the data listed in the 2012 annual report.

Sales were \$4,151,682

Cost of Goods Sold was \$2,520,419

Operating expenses were \$1,549,116

Profit on operations was \$82,147

Non-operating revenues were \$3,872 (non-operating revenue less Board expenses)

Income taxes were \$21,209

Earnings after taxes were \$64,810

## **5. GM Report**

Highlights from 2012:

- more members
- more cash
- more profit
- more classes and events
- 319 new members
- 3,976 total active members
- Number of classes offered at the Co-op in 2012: 74 (up 42%)
- Number of class participant: 401 (up
- Number of tours: 495 (up 411%)
- more member equity

NCGA report: Co-ops are doing many things right. A lot of big co-ops with lots of money; have started a fund with banks to help new start-up co-ops. Coops buy more local/organic, treat employees better, and are better environmental stewards than traditional grocery stores.

Highlights for 2012:

1) New members

We are in the second quartile of the lowest margin for coops, reflecting our commitment to affordability and encouraging a wider economic demographic to join.

2) Cafe/Deli sales up almost 22%

3) A community educated about food and products that are healthy for people and the environment

4) Over 12% growth: especially in packaged grocery, frozen foods, produce, supplements, books & gifts

5) High quality fresh departments; meat department up 16% in sales over last year

6) Created a Merchandising Team

7) New part-time position: Education and Outreach Coordinator (Johanna Bergan)

8) Working with Decorah Schools and the Wellness Committee to provide healthier food options  
Involved with Blue Zones Committee

So far in 2013:

- New members 137
- Sales through 1st Quarter, 2013: +7.7%

## **6. Old Business**

No old business

## **7. New Business**

No new business

## **8. Election Results**

663 ballots were cast, 27 of which were disqualified as spoiled ballots.

Results were:

### **Candidate Votes**

One year term:

Deneb Woods      **339 votes**  
**Eric Baake      319 votes; Deneb Woods is elected.**

Three year terms:

Mike Bollinger      **568 votes**  
Bitta Nelson      **550 votes**  
Steve McCargar      **502 votes**  
**Paul Weighner      327 votes. Mike, Britta, and Steve are elected.**

### **9. Guest Speaker: Nick McCann, Food Value Chain Coordinator, ISU Extension Office, Winneshiek County "Successes and Opportunities in Local Foods"**

Key Problem: Managing Variability in local markets, in demand and in production

Solution: CSA (Food Hub)

- Pressure valve market\*
- Runs all year, including through summer (main growing season)
- We have already done this and have an effective proof of concept
- Currently expanding to 150-200 shares for the summer
- Targeting corporate wellness programs
- We have proven the model to be replicable in several venues
- At the end of April we will be generating ~\$10,000 in sales per month
- Almost no capital investment required to run CSAs.
- products can be delivered to larger areas at lower cost to framers

Other Pilots

- Perishables programs: couples frequent delivery and product guarantees to improve retailers and distributor profitability
- Currently expanding these programs
- Expansion is slated to start in Mid-April
- No loss of product
- Much longer shelf life
- Fresher product
- 

### **10. Adjourn**

**Motion:** Lyle Otte moved and Lyle Luzum seconded to adjourn the meeting. Motion **passed** unanimously.

Meeting adjourned at 8:27 pm.

Respectfully submitted,

Lynda Sutherland, Board Administrative Assistant