

**Oneota Community Co-op  
Minutes for Regular Board Meeting  
October 26, 2015 5:30 PM  
Kitchen Classroom, 308 W. Water St.**

**Board Members Present:** Deneb Woods, Brita Nelson, Steve McCargar, Alicia Trout, Maren Beard, Carl Peterson, Mike Bollinger

**Board Members Absent:**

**GM Present:** David Lester

**Co-op Staff:**

**Member/Owners Present:** Jeanine Scheffert (Bd Admin Asst)

**Community Contact:**

***1. Call to Order***

Brita Nelson called the meeting to order at 5:35 p.m.

***2. Board Learning - Strategic Planning Wrap Up***

A strategic plan is to be an outline of what the GM and Coop should begin to focus on and accomplish in the next few years. The details of action are up to the GM. Both the Board and GM are excited about the strategic initiatives being discussed and note that the last strategic initiatives we worked with were concise, didn't have sub-initiatives, and got done quickly. The ideas the board is discussing now will take longer to accomplish because they are "bigger picture," which is important for a strategic plan.

The Board recently worked with Bill Pardee to wrap-up this year's strategic planning. The Board was very happy with Pardee's efficient, clear strategic planning process and ability to keep forward momentum in the discussion. After meeting with the board, Pardee created a document with potential strategic planning options. The top three options included strengthening retail services, employee relations, and membership outreach/community relations/education. The POS system and equipment purchase also showed up as important considerations. The GM will research the best time to purchase equipment to make sure we can use it the new building, and also assess the effect new equipment could have on current performance.

Once the strategic plan is decided upon, GM will implement details and report to the board monthly at the meetings.

The Board decided to vote the document in during this meeting (10.5 Voting on Strategic Plan) as the basis for developing a budget and strategic plan.

***3. Member Comments - none***

***4. Disposition of Member Comments - no member comments***

***5. Agenda Review***

**Motion:** Trout moved and Woods seconded to **Approve Amended Agenda, Adding 10.5 Voting on Strategic Plan** Motion **passed** by a vote of 7 aye, 0 nay.

### ***6. Approve Minutes from September***

**Motion:** McCargar moved and Beard seconded to **Approve Minutes from September.** Motion **passed** by a vote of 5 aye, 0 nay. Peterson & Bollinger abstained because not present for that meeting.

### ***7. Consent Agenda - None***

### ***8. Reports***

#### **8.1 GM Report**

**Financial Snapshot:** For the first time in this GM's history, we have experienced a negative sales growth number for the month of September compared to last year. It is not a surprise and since we saw it coming, we are managing expenses well. We had a 2% profit even in this past quarter with almost negative sales growth.

**Community/Outreach/Other Store Happenings:** Although sales growth is down overall, local sales are up 1%.

For the first time ever, restaurants have overtaken grocery purchases nationally. People are busy, want food quickly and conveniently. We will put more money in our cafe equipment as a priority.

The new Staff Passport/Guide is nearly complete. New staff will have booklet with information about the Coop including its history, policy, meaning, along with photos of managers and incentivized tasks to do as the new employee gets trained. The purpose of the staff guide is to further introduce the Coop and its principles, helping to bring the new employee into the Coop story and retain them as an employee.

#### **Physical Store Update:**

**Marketing/Special Projects:** We are doing really well signing up new members, but members don't seem to be shopping as much as previous years.

The product line Field Day seems to be going over well.

Coop is considering whether or not to offer any WIC-approved foods. WIC is very brand-specific, tied to the Farm Bill, and refuses to offer any organic brands, considering them too costly. Coop does accept EBT food assistance and EBT numbers have been going up.

#### **8.2 G6: Governance Investment**

**Motion:** Beard moved and Woods seconded to **Approve G6: Governance Investment.** Motion **passed** by a vote of 7 aye, 0 nay.

#### **8.3 L5: Financial Conditions**

**Motion:** McCargar moved and Bollinger seconded to **Approve L5: Financial Conditions.**

Motion **passed** by a vote of 7 aye, 0 nay.

Despite the bad news in sales that this quarter had, less than 1% sales growth, bringing the year to 2.68% , when we look at income (which is an important metric), we're ahead of budget. The year is expected to end with profit, which is a tribute to Coop staff, especially managers, who adjusted well to this year's unknowns. We consistently had a strong margin, even with the issues we faced. The ratios are going in the right direction: we are profitable so we are saving money on a daily basis and our savings plan is on or ahead of target. We paid off a \$60,000 loan this month ahead of schedule, saving us \$700 in interest. We will pay off a majority of the remaining loans in 2017. We could pay them off early, but the interest is low enough that it isn't a great advantage to do so.

## ***9. Action Items***

### **9.1 Resolution to Authorize Board President to sign NCG Member Agreement**

**Motion:** Trout moved and Peterson seconded to **Approves Corporate resolution that authorizes GM to sign NCG Member Agreement.** Motion **passed** by a vote of 7 aye, 0 nay.

NCG asks Board President to sign agreement that GM can be designated representative to NCG. This usually happens when NCG has a large contract or change. In this case, it corresponds to a large contract change with UNFI.

## ***10. New Business***

### **10.1 GM Sabbatical 2016**

GM started the process of applying for a grant for \$1-3,000. The grant falls under Improving Knowledge of Innovation. Board will look at the possibility of budgeting for GM's sabbatical. Board recognizes that this has been a difficult year and Lester has done a great job. We want to keep him as our GM. Lester will report more next month regarding the sabbatical.

### **10.2 Solar Proposal**

McCargar will put together a small piece for the newsletter announcing the opportunity to put up a solar array. The Coop's finances are obligated elsewhere, but we would like to take advantage of tax credits available now. If membership is able to help financially, a solar array may be a possibility.

### **10.3 Taste of the Holidays - November 5**

Taste of the Holidays is coming up next Thursday from 4:30 pm - 8:15 pm with the last seating at 7:30 pm. There will be a Take Out option, suggested donation is \$15, and all money is donated to First Lutheran and will go towards their Farmer's Market Program. Board Members will sign up to help GM greet people when entering the store.

## 10.4 At Will Employment

**Motion:** Trout moved and Bollinger seconded to **Table At-Will Discussion Until Early Spring 2016**. Motion **passed** by a vote of 7 aye, 0 nay.

Discussion:

McCargar brought up the possibility of creating a contract for Coop employees as an alternative to at-will employment. Lester believes the policies in place (L2, L3, and the Grievance Policy) are the best system and that a contract would put the Coop in danger of litigation. Both parties want what is best for employees as well as what is best for the Coop and member-owners. McCargar believes Lester is a great GM and McCargar's desire to instate employee contracts is in no way a comment on his faith as Lester as a manager, but rather protection for employees from future unknown GMs and unforeseeable situations.

Iowa is an at-will employment state, meaning that both employer and employee can terminate employment for any or no reason unless there is an applicable contract to prevent this. McCargar himself was involved in a frivolous termination from the Coop in 2008, along with a number of other Coop employees. At that time the L2, L3 and Grievance policies were not both in place and being monitored.

Montana is the only state in the US that does not have at-will employment. Both employees and employers voted against at-will employment in MT, believing it would be more fair to employees and cheaper in the long run for employers to have contractual obligations rather than pay for litigation.

If the Coop does offer contracts to employees, Coop would dictate the terms of the contracts and can include any and all reasons Coop would need to terminate an employee, including but not limited to financial considerations and negative behaviors. The contracts would include a probationary period in which the employment would be at-will. McCargar believes offering contracts to employees would create a significant attachment and desire to stay at the Coop, helping with staff retention. It would represent the Coop's willingness to be different than other employers and offer protection that is otherwise only available as part of a union. Alternative to a contract, the Coop could offer a negotiated agreement that is neither contract nor at-will.

Board brought up questions for both McCargar and Lester, including what kind of language would be involved, and if all conceivable situations are written in, how is it different from at-will in employee protection, and how would Coop be legally bound with a contract vs. the current L2, L3, and Grievance Policy.

Board agreed to table discussion and continue in spring of 2016. GM and all board members are interested in continuing the conversation.

## 10.5 Voting on Strategic Plan

**Motion:** Beard moved and Trout seconded to **Commend Bill Pardee's Strategic Plan**

**Document for GM to use in Multi-Year Planning and Budgeting.** Motion **passed** by a vote of 7 aye, 0 nay.

***11. Next Monitoring & Other***

**11.1 [D4: Monitoring GM Performance - Nelson]**

**11.2 [L7: Asset Protection - GM]**

***12. Next meeting: Tuesday, November 24th, 5:30 p.m.***

***13. Executive Session - GM Self Evaluation***

**Motion:** McCargar moved and Woods seconded to **Adjourn to Executive Session.** Motion **passed** by a vote of 7 aye, 0 nay.

***14. Self-Evaluations - done via internet***

***15. Adjourn***

**Motion:** \_\_\_\_ moved and \_\_\_\_ seconded to **Adjourn Meeting.** Motion **passed** with a vote of 7 aye, 0 nay.

Meeting adjourned at \_\_\_\_ p.m.