

**Oneota Community Co-op
Minutes for Regular Board Meeting
September 29, 2015 5:30 PM
Kitchen Classroom, 308 W. Water St.**

Board Members Present: Deneb Woods, Brita Nelson, Steve McCargar, Alicia Trout, Maren Beard

Board Members Absent: Carl Peterson, Mike Bollinger

GM Present: David Lester

Co-op Staff : Nate Furler, Marketing and Outreach Manager

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

Community Contact:

1. Call to Order

Brita Nelson called the meeting to order at 5:32 p.m.

2. Board Learning - Member Survey Information

"We are not selling agents for producers; we are purchasing agents for our customers."

Coop does a member survey every two years. Non-members can also take it. We had an amazing response this year - more than double last year, which we attribute to Facebook and \$100 gift card incentives. 443 members and 146 non-members responded. There were two separate surveys - one for members and one for non-members. The survey for non-members didn't ask questions about the importance of cooperative principals.

For the non-member survey, 88% of respondents were female. They cited the biggest reason for not being members as not shopping at the Coop enough to be worth it. 66% had 2 adults and 0 children and 74% have some college education. 26% had combined household income of \$25-50,000 and 23% had \$50-75,000. Fareway and Wal-Mart claim 25-75% of their food budget, with Fareway being mostly for their meat counter. 58% of this population has a vegetable garden and 71% report being highly satisfied with the Coop. Top things non-members would like to see as the Coop grows include lower prices and classes about gluten-free cooking, essential oil usage, canning and preserving, zero processed foods, affordable cooking, including recipes, children's cooking, and cooking basics.

For the member survey, 88% of respondents were female. Most were from Decorah, followed by Cresco, a majority ages 35-49. The largest number of respondents lived in a household with 2 adults and 0 kids, 66% had college education and largest group had a combined family income of \$50-75,000 and shopped for groceries 2-3 times a week. Our biggest competitor is Fareway, with WalMart coming in second and Cosco of Rochester starting to show in the data. Cited reasons for shopping in favored store include convenient location and products and certified organic and local products. 76% of our sales come from our members and we know organic and local is our strength. 63% of our members have their own gardens. Areas customers are most satisfied with the Coop include great product, store cleanliness, customer service, and location. People are least satisfied with the price. Members would like to see more selection of fresh meat, seafood and grab-n-go cafe.

Members are highly satisfied with the Coop and cite important benefits to include the treatment of workers, Coop support in the community and cooperative principles. Members say a discount at the register is more important than a dividend. Members would like us to focus on promoting more local producers and increasing children's exposure to healthy, whole foods. 62% of members have not taken a class and most feel they are already comfortable with their own skills. 78% are interested in special events

revolving around the kitchen space. Members would like people to be able to access education and food regardless of membership or money.

The Coop is looking at the quote "*We are not selling agents for producers, we are purchasing agents for our customers*" and thinking about what it means. As we move forward, should we have WIC approved items in the store? Will it make a difference? Field Day is a Coop brand and is a start to lowering cost. We won't beat Walmart at cost and it is ridiculous to try to compete at that level. For us, community and a healthy wage for our staff is part of the good deal, but pricing is going to be our focus now. We can't continue at a 39% margin.

3. Member Comments - none

4. Disposition of Member Comments - no member comments

5. Agenda Review

Motion: Woods moved and Beard seconded to **Approve Amended Agenda, Adding 10.3 Board Nominating Committee Update & 10.5 Conversation about Board Member Remote Meeting Participation** Motion **passed** by a vote of 5 aye, 0 nay.

6. Approve Minutes from August

Motion: McCargar moved and Trout seconded to **Approve Minutes from August with correction.** Motion **passed** by a vote of 5 aye, 0 nay.

Correction: 8.1 Financial Snapshot "sales down" should be "sales growth down."

7. Consent Agenda - None

8. Reports

8.1 GM Report

Financial Snapshot: Our cash is up. However, in December, we'll pay off a loan and cash will go down again. Depending on the sales in the last day of the month, this may be the first month of negative sales growth. We are managing labor to keep in line with sales. We're still ahead of the curve and it looks like coops on the east and west coast are getting better - likely the midwest will follow suit.

Community/Outreach/Other Store Happenings: We did not do the College Cooperators memberships this year and membership growth is down. However, we have been up in membership growth all year and although we have fewer college students without this program, we are actually receiving more money from college students overall because they are purchasing full memberships. Classes are still going well. We are helping the Dubuque Coop figure out what to do as they are struggling. Our local sales are growing. We had a good apple year this year and hope to see more local apple sales.

Physical Store Update: The HVAC system is saving us money. Last year we were burning off humidity and it wasn't efficient. This year we have it figured out. We've had some turn-over in staff in the Deli.

Marketing/Special Projects: The introduction of the product line Field Day is coming up, the Holidays are around the corner, and lots of classes are coming up.

8.2 L2: Staff Treatment

Motion: McCargar moved and Trout seconded to **Approve L2: Staff Treatment.** Motion **passed** by a

vote of 5 aye, 0 nay.

Coop staff is reportedly very happy. According to the survey taken recently, numbers above 3.25 are needed to be considered "happy" and if there are scores in the 4s, there is great happiness. Our average is 3.99. This is the best we've ever recorded. We are now having the same questions each year, which is good for comparison. We are in compliance with recorded work injuries. Our insurance is going up because of one incident. Supervisor training is good and people feel safe at work, which is very important. Everyone knows where to go if reporting claims of illegal harassment or discrimination. No official grievances have ever been reported at Oneota Coop. Problems have been reported, but because we have a good process, we were able to resolve the problem before it became an official grievance. Management staff are maturing in their management and are doing a really good job holding employees accountable to their work and also being fair.

With this number of employees, we had to change language in some areas and had to specify the definition of "inappropriate clothing."

Question L2.5 has to do with the promise of implied guarantee of employment. We haven't yet addressed this in the employment process. It ties into the question of how the community sees treatment of employees at the Coop as important and it may be an opportunity to do something different that most coops wouldn't want to do. Board put this on the agenda to discuss extensively during October board meeting.

8.3 L3: Compensation and Benefits

Motion: Beard moved and Trout seconded to **Approve L3: Compensation and Benefits.** Motion **passed** by a vote of 5 aye, 0 nay.

Coop did a survey asking employees if they were happy with their wages and felt like their wages and wage increases were fair. A year ago, entry-level employees were not happy with their wages. Coop took measures to change this and measured happiness of entry-level employees has greatly increased. This has also increased the quality of their work. This year we will focus on pay grade 5. Pay grade 5 represents people who want Coop to be their career or longer term place of employment. Pay grade 6 includes managers and we retain them well. On average, we're well above Winneshiek County's living wage. GM has learned a lot and fixed a lot, and is improving incrementally each year. Right now we have 52 employees with 38 full time benefits. We will likely switch to provide a health plan to all employees soon.

9. Action Items

none

10. New Business

10.1 Strategic Planning Wrap-Up

Board is looking for a new person to help with Strategic Planning. Nelson will call Bill Pardee, former Board member who is well-qualified.

10.2 GM Sabbatical 2016

GM is still working on grants to help him with the cost of his upcoming 2016 sabbatical. Board invites

him to let us know if he needs any help.

10.3 Solar Proposal

Board discussed putting solar panels on the new building. The building can handle the weight and we would get a formal engineering consultation before moving forward with the project. The project's cost is estimated at \$29,500. There will likely be an \$8,850 federal rebate. The Alliant rebates are gone and the \$5,300 Iowa rebate is not guaranteed. There is no way to know until the panels are up whether or not there will be a tax credit available. The project would have an 18 year payback and the pricing is good, but GM does not have the time to put into this project. Board will discuss it further. There are a few members who have expressed interest in helping to fund the cost. If we attain significant funding, we may be able to go ahead with the project.

10.4 Board Nominating Committee Update

Two member owners have expressed interest in joining the Board Nominating Committee. Board will confirm with them.

10.5 Conversation about board member remote meeting participation

Woods is moving away, but is happy and willing to continue as Board Secretary until the next election if remote meeting participation is allowed. There have been other situations in the past that brought up the question of remote participation. Board will look at Bylaws and Policies and put language together to propose the possibility of remote participation. Board feels it is important to maintain in-person meetings when possible and may keep the definition of "quorum" as having at least four board members physically present. Board will discuss further at next meeting.

11. Next Monitoring & Other

11.1 [G6: Governance Investment - Trout]

11.2 [L5: Financial Condition - GM]

11.3 [Article from Board for next Scoop (Deadline October 26) - Solar : McCargar | Election: Trout]

12. Next meeting: Monday, October 26th, 5:30 p.m.

13. Executive Session - none

14. Self-Evaluations - done via internet

16. Adjourn

Motion: Woods moved and Trout seconded to **Adjourn Meeting**. Motion **passed** with a vote of 5 aye, 0 nay.

Meeting adjourned at 6:55 p.m.