

**Oneota Community Co-op
Minutes for Regular Board Meeting**

November 21, 2016 5:30 PM
Kitchen Classroom, 308 W. Water St.

Board Members Present: Brita Nelson, Scott Hawthorn, Bryan Stuart, Carl Peterson, Alicia Trout, Flannery Cerbin-Bohach left at 7:07 p.m.

Board Members Absent: Maren Beard, Flannery Cerbin-Bohach left at 7:07 p.m.

GM Present: David Lester

Co-op Staff : Nate Furler

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

1. Call to Order

Nelson called the meeting to order at 5:30 p.m.

2. Board Learning - Electronic Balloting

Board discussed a proposal put together by the electronic balloting company "Simply Voting." Other trusted co-ops have used the company repeatedly and the system looks secure. The price of using this electronic balloting process would be similar to what our cost is with our current paper system for the first year. After the first year, there would be fewer paper ballots necessary, making the cost about \$500 less and much less coordination time. However, it would be important to maintain the ability to offer paper ballots to anyone who prefers or requires them.

Board discussed possibility of having a cut-off date to request a paper ballot versus sending an email out to let people know we're offering an environmentally friendly, lower resource option and encouraging people to opt-in. (Simply Voting could send this email.) Board also discussed voting options such as having a voting kiosk in the store, ways to keep track of member emails, and other questions that still need to be answered.

Board created a committee to make a list of questions for Simply Voting (or other vendors) and find answers before the December meeting, where the idea of electronic balloting will come up for a vote. One question Board has is how anonymity is guaranteed. Anonymity is especially important because Board is running its own election. Board will need to be able to verify that those voting are qualified to vote, but it will be important that there is no way to tell how specific people are voting. Other questions for Simply Voting include: How do we verify that people who voted with paper haven't voted electronically? What happens if a voting code goes into someone's spam box, or someone loses their number? How do we let members know about electronic voting?

The timeline for electronic balloting would be the same as that for paper balloting: Deadline for inclusion on ballot is February 8. Applications and are due and nominations are made in February, ballots are sent out March 1.

Nelson will write a Scoop article letting people know Board is considering electronic balloting. Board will host an electronic balloting question and answer / concerns and feedback session on December 5.

Board will vote on electronic balloting during the December board meeting so that if the vote is "yay", envelopes can be ordered and the process can begin. If Board does not come to a decision at the December meeting, they will continue to look into the possibility, but will move forward with a paper election this year.

If electronic balloting is passed, Board would need to look at Bylaws Article 4.3, which requires written notice of all Member Annual Meetings. This written notice is currently sent via mail with paper ballots. Can "In writing" mean digital, or must it be on paper?

3. Member Comments - none

4. Disposition of Member Comments - no member comments

5. Agenda Review

Motion: Trout moved and Hawthorn seconded to **Approve Agenda**. Approval of Agenda **passed** by a vote of 6 aye, 0 nay.

6. Approve Minutes

6.1 September Minutes

Motion: Peterson moved and Hawthorn seconded to **Approve September 2016 Main Meeting Minutes**. Motion **passed** with a vote of 6 aye, 0 nay.

6.2 October Minutes

Motion: Trout moved and Cerbin-Bohach seconded to **Approve October 2016 Main Meeting Minutes**. Motion **passed** with a vote of 6 aye, 0 nay.

7. Consent Agenda - none

8. Reports

8.1 GM Report

Financial Snapshot: Sales are looking a lot better: October is up 3.7. We lost \$14,000 on our Election Day Sale, but we've almost made it up by today. This month we paid off a \$60,000 line of credit. Assets look a lot better now, sales are going up, and overall labor is looking better. Our local sales growth is in beer and meat. It is clear that

Toppling Goliath is huge and creates great tourist growth: Whenever they do a big release, people come to our store to look for it.

Community/Outreach/Other Store Happenings: We'll be having a Community Appreciation Week instead of just one day. People have been saying they are bummed about missing a day, so they'll be excited when we have 10% off everything all week. We'll also do "round-ups at the register" to donate to the food pantry. Decorah Bank is donating a \$500 match to go towards that. This will be a way to donate to the food pantry that is easier on staff than Taste of the Holidays.

Physical Store Update: A "bulk re-do" will happen before Community Appreciation Week. There is a lot of vertical dead space that we'd like to utilize. Grocery will gain 8 feet of shelving, all dried fruit will be repacked, and categories of food will be integrated. For example, gravity bins of flour will be next to pre-packed flour. We may eventually get a tap for selling growlers of beer, but it has to be more controlled than bulk maple syrup. A clean growler has to be issued to the customer - customers couldn't bring their own containers in. We're discussing an electric vehicle charging station at the Co-op. Power would have to come from the Co-op, but the equipment would be purchased by an outside group. We will learn more details, but so far it sounds like a good fit for us.

Marketing/Special Projects: Lester talked with Executive Director of NCG, looking into a feasibility study. He ran up our financials and said our sales per linear foot are not at a point that makes expansion critical unless we feel we're losing market share. We are losing market share to Fareway, but we have time. Our sales are stagnant so he looked into ways we can reinvigorate sales. He thinks we'd see significant (double digit) increase in sales if we have a store reset without an expansion. He put together a plan and set of drawings that include future expansion and current reset. He says stores should do a major reset every five years. We haven't done one in a while, but with our wellness reset, we saw an immediate 15% increase of sales. Our bulk reset will be a start, but a major reset would be bigger. NCG could put together a proposal to include a market study, pro forma, equipment and fixture list, and pricing ideas, as if big competitor was coming to town. They would give us two plans: a higher and lower cost one that would flow into expansion when it is time for expansion. They would include the best use of kitchen space as well. The proposal would cost \$15,000. They know trends and it would pay off quickly if it increases our sales by 10%.

Board expressed concern about changes in bulk, especially because bulk is important to our mission. Lester explained that some items don't sell well enough to pay for the space they take in the store. Candy, for example, doesn't sell well, so some of it will no longer be sold. Certain spices don't sell fast enough to maintain freshness, so they will no longer be sold. The bulk table will be used for new liquids, we will get a couple of grinders for peanut butter instead of the big buckets. Bulk has had a great and stable margin, but a flat to slightly negative sales volume. It used to be the 2nd largest in sales, now it is 4th. We'll be focusing on our best sellers. Bulk is a priority and is part of our mission, but we also need to make money to stay true to our mission. Through October,

we lost \$27,000 in bulk compared to last year. We may need to bring bulk's margin down as well to compete with packaged goods. Canned beans, for example, are often cheaper than bulk beans.

8.2 L7: Asset Protection

Motion: Trout moved and Peterson seconded to **Approve L7: Asset Protection.** Motion **passed** by a vote of 6 aye, 0 nay.

L7: Asset Protection shows Board how things from day to day cash handling to insurance coverage is handled. The report has a breakdown of property coverage and a checklist of assets and how they are managed and protected.

8.3 D4: Monitoring GM Performance

Motion: Trout moved and Hawthorn seconded to **Approve D4: Monitoring GM Performance.** Motion **passed** by a vote of 6 aye, 0 nay.

9. Action Items

9.1 Proposed Board Budget

Motion: Trout moved and Hawthorn seconded to **Approve 4% Increase in Board Budget.** Motion **passed** by a vote of 5 aye, 0 nay. Cerbin-Bohach left meeting at 7:07 p.m., before vote.

2017 Board Budget has a 4% increase from 2016 Board Budget and a total of \$16,952. Board Development costs may be used to bring people in to train and educate Board on Policy Governance, Board Management, expansion, and reset.

Flannery Cerbin-Bohach left at 7:07 p.m.

10. New Business

10.1 Board Nominations Update

Three or four people have verbally committed to running for the board, a few more people may be interested. Application is on website, at Customer Service Desk, and will be in the Scoop, which is mailed out December 5.

10.2 Electronic Balloting - Ad Hoc Committee

Nelson, Hawthorn and Stuart will be part of the electronic balloting ad hoc committee. They will get answers to many of the questions discussed during board learning.

10.3 Member Linkage Calendar Proposal for 2017

Member Linkage Committee went through the 2016 Member Linkage plan to decide if they want to keep the same plan for 2017. Committee asked about creating a board survey and suggested a meeting with Lester to make sure everyone is on same page regarding what Board is in charge of vs what GM and staff are in charge of discussing with membership. Committee and Furler discussed possibility of using Facebook to connect with membership. Board is excited about the idea of using Facebook to reinvigorate the connection with members. Furler thinks this would be beneficial and could ease a disconnect between shoppers, members, and board by making the board more visible. He suggested Board members also have profiles and a Board blog on the Co-op website as well as more input in the newsletter. These could be what gets posted on social media. Board will revisit these ideas next month.

11. Next Monitoring & Other

11.1 [G3: Agenda Planning - NELSON]

11.2 [L6: Budgeting/Financial- Lester]

12. Next Meeting - Tuesday, December 27, 2016 @ 5:30PM

13. Executive Session

Motion: Scott moved and Bryan seconded to **Move to Executive Session**. ***Motion passed*** with a vote of 5 aye, 0 nay.

13.1 GM Contract Discussion

13.2 GM Letter

13.3 Approval of Exec Session Minutes

14. Self-Evaluations - done via internet

15. Adjourn

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

Meeting adjourned at 8:47 p.m.