

**Oneota Community Co-op
Minutes for Regular Board Meeting
August 23, 2016 6:00 PM
Kitchen Classroom, 308 W. Water St.**

Board Members Present: Brita Nelson, Alicia Trout, Maren Beard, Flannery Cerbin-Bohach, Scott Hawthorn, Bryan Stuart

Board Members Absent: Carl Peterson

GM Present: David Lester

Co-op Staff :

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

1. Call to Order

Nelson called the meeting to order at 6:00 p.m.

2. Board Learning - Unveiling the Expansion Timeline

Lester presented the board with a rough two-year expansion plan. He has already had a meeting with his L team and B team and would like to start on the next big steps with a consultant when he returns from his sabbatical in early 2017. Lester asked Board to go over the plan further and get back to him, letting him know what they think of the plan and timeline.

The idea of expansion has been a priority for a number of years and there have been a few ideas the co-op has looked into since deciding to expand. These ideas include a small truck for grocery delivery, a satellite store, and expanding into what is now the kitchen classroom space. The satellite store was considered for a while and GM researched the idea but ultimately decided it wasn't best for the co-op. For years, Co-op was interested in purchasing what is now the co-op kitchen classroom, but former owners weren't interested in selling. Once the interest in selling was there, Co-op made the purchase. We have used the upper space as rental income and the lower space as kitchen-classroom space. Now, we're at a place where we can engage staff and members in a discussion about expansion and get their ideas. We can take those ideas and draft a plan to hand off to a consulting team. Outside HR help can help us plan for the expansion and make sure we have the right staffing to move forward as well.

NGC has a Development Cooperative arm of 5-6 people to help co-ops build new stores, second stores, and expansions. They'll give us a pro forma: a document telling us what to expect in costs throughout expansion, how many extra staff we'll need first year after expansion, etc. It will also have a design with a floor plan and schematics that we can take to contractor. They will use our metrics and data to help decide what square footage should be allocated to each department. This will help keep us from making big mistakes and will be worth their fee.

Neuzil is a fiscal conservative and would prefer the co-op wait to expand, but Lester feels waiting could create a missed opportunity. Neuzil and Lester feel they balance each other out well in their fiscal approaches.

Board will add expansion discussions to the agenda in upcoming months. Lester asked Board to create an expansion committee in the future as well - people who have been in on an expansion before or good with numbers, etc.

3. Member Comments - none

4. Disposition of Member Comments - no member comments

5. Agenda Review

Motion: Trout moved and Hawthorn seconded to **Approve Agenda.**

Motion: Trout moved and Stuart seconded to **Add 9.1 G4 Revisions to Agenda.**

Approval of Amended Agenda **passed** by a vote of 6 aye, 0 nay.

6. Approve Minutes

6.1 Approve Main Meeting Minutes from July, 2016

Motion: Hawthorn moved and Cerbin-Bohach seconded to **Approve Main Meeting Minutes from July.**

Motion **passed** by a vote of 6 aye, 0 nay.

7. Consent Agenda - none

8. Reports

8.1 GM Report

Financial Snapshot: Lester showed Board a chart of monthly sales growth trends going back a year*, broken down by Eastern Corridor, Western Corridor, and Central Corridor. Central Corridor sales growth trend is going down in a bad way. Through the end of July, Central Corridor has -4.1% sales growth. We're at 2.2%, which is 6% over the Central Corridor average. (*in stores existing similarly to their last year's existence - no second stores, for example)

In June, we only had a 1.2% increase. July was closer to 4%. Aug started off really well, but is now down to flat. Looking to 4th quarter, we see opportunity with community appreciation day sales and holidays.

Our assets have grown 1-2% since last year

Community/Outreach/Other Store Happenings: We're looking to do 1-2 more Community Appreciation Sales this year and a member drive next March with a contest for front end staff to see who can sign up most members.

Our labor is going up; we are finally getting to full capacity. We've made great new hire - Joy Meyer - as the new Cafe Manager. We also hired an awesome new cook, Troy. He is a sushi master and is hoping to do sushi. Lauren is doing a great job as Front End Manager and we just hired an awesome assistant, Paige who went to school for hospitality management. We will eventually be able to give Lauren and Paige the reigns on customer service training.

Local sales have tapered off. Our local pepper producer lost his whole pepper crop - we've lost local sales because of this and are having a difficult time finding pepper producers.

Staff raises were budgeted at 2%. However, we feel we've done really well and attribute our success to staff, putting us in good shape to offer 3% to qualified employees instead.

Physical Store Update:

Emergency protocol proved to be good, as did Lauren's implementation of it. During the recent storm that came through Decorah, Lauren got customers to a safe place in the store and emergency lights came on. We were without electricity for 3.5 hours. All of our frozen foods were still frozen and nothing was lost.

Board mentioned potential need of generator or refrigerated truck in case of prolonged power outage. Generators are very expensive.

Marketing/Special Projects: Board asked what campaign strategies have been implemented to let potential members know membership benefits not only them, but the co-op and the community. As part of Lester's sabbatical, he will spend 10 days in Cuba learning how they are expanding the cooperative business model in bicycles stores, hairdressers, etc.

8.2 G5: Board Committee Principles

Motion: Beard moved and Trout seconded to **Approve G5: Board Committee Principles**. Motion **passed** by a vote of 6 aye, 0 nay.

9. Action Items - none

9.1 Revisions to G4

Motion: Trout moved and Beard seconded to **Approve Revisions to G4**. Motion **passed** by a vote of 6 aye, 0 nay.

Revisions are on G4.4 with two proofreading edits elsewhere in the document.

Beard will get new copies printed and replace in all storage spaces.

10. New Business

10.1 Electronic Balloting for Board - Schedule Coffee Chats

Because electronic balloting would be a big change for some members, Board will schedule a time for members to ask questions, voice concerns, and give feedback about the idea before it is decided. Before the "coffee chat(s)" is/are scheduled, Board will decide which companies we're looking at and get more feedback from Co-op's IT Coordinator, Theresa Kleve.

Coffee Chat(s) will be in mid-October.

11. Next Monitoring & Other

11.1 [L2: Staff Treatment - GM]

11.2 [L3: Compensation and Benefits - GM]

12. Next meeting: Tuesday, September 27 6:00 p.m.

13. Executive Session - none

15. Self-Evaluations - done via internet

16. Adjourn

Motion: Trout moved and Hawthorn seconded to **Adjourn Meeting**. Motion **passed** with a vote of 6 aye, 0 nay. Meeting adjourned at 7:01 p.m.