

**Oneota Community Coop
Annual Meeting Minutes
April 12, 2012
Senior Citizen Center**

Board Members Present: Robert Fitton, Gary Hensley, Jon Jensen, Lyle Luzum, Steve McCargar, Bill Pardee, Johnice Cross

GM Present: David Lester

Coop member/owners present: 31 member/owners were present

1. Call to Order

President Bill Pardee called the meeting to order at 7:09

2. Approve minutes of last year's meeting

Motion: Lyle Otte moved and Georgie Klever seconded to approve the minutes of the 2011 Annual Meeting. Motion **passed** by a unanimous vote.

3. Approve agenda

Motion: Lyle Luzum moved and Toni Smith seconded to approve the agenda. Motion **passed** by a unanimous vote.

3. Board of Director's Report

President Bill Pardee gave a brief history of Coops to put into context the cooperative movement, including the original Rochdale Cooperative in England; the Grange (an early, primarily midwestern agricultural cooperative movement); Rural Electric Cooperatives; and Food Consumer Cooperatives, of which OCC is a part. It is a long and honorable history.

In addition Pardee reported on major initiatives the board has worked on in the past year.

1. Preparation for and understanding of the role of Patronage Dividends in a co-op.
2. Preparation of a process to assess future business initiatives
3. Study with GM of
 - Effects of energy prices on food
 - Needs of our local producers
4. The Audit – the first audit in Co-op history. The audit told us that our financial reports present an accurate picture of our financial status and that our systems are functioning well for an organization of our size.

4. Financial Report

David Lester went through some of the data listed in the 2011 annual report.

Sales were \$3,749,316

Cost of Good Sold was \$2,304,726

Operating expenses were \$1,448,737

Loss on operations was \$4,147. Issues with the building and the HVAC breakdown created a lot of the overage in expenses, which accounts for the loss.

Non-operating losses were \$3,425 (non-operating revenue less Board expenses)

Income taxes were \$4,219

Earnings after taxes were -\$11,791

11.2% growth so far this year (2012)

Cash grew by 26% in 2011

Member shares grew by 10.5%

143 members joined the Coop in the first three months of 2012.

On March 13 we signed a new loan with Decorah Bank that reduces our interest on that loan from 6.9 to 5.0% which will allow us to pay this loan off 4 years earlier. We were able to consolidate two small loans at an interest rate of 2.6%. This results in about \$180,000 reduction in interest costs.

5. GM Report

Focusing on our ends: we were able to identify the three that have the most near-term impact on our store.

- 1) Organic, sustainably produced, locally grown and/or processed, and affordable
 - 21-1/2% of our sales were from local products (our definition of local is 100 mi)
 - We intend to keep growing our local food sources
 - Food stamp purchases grew last year; reaching out to lower income people is important
 - We are in the second quartile of the lowest margin for coops, reflecting our commitment to affordability
- 2) Encourages the expansion of local food sources

Bulk and produce are in the top three in the whole store, and 90% of the produce department are organic
3) A community educated about food and products that are healthy for people and the environment.
We consider consumer education to be one of our products.
Our classes on how to do everyday cooking have been the most popular

A video is being produced by some Luther students that tells how we began, how we have grown and our impact on the community.

Our meat department is the third best performer of all NCGA coops in the country

We brought in an expert who spent three days help us merchandise more intentionally and intelligently

We hired a new Front End Manager – Jana Klosterboer

Johanna Bergen is moving to Education and Outreach Coordinator

Carina Cavagnaro is our new beer and wine buyer

Working with Decorah Schools and wellness committee to provide healthier food in schools and have been involved in the Decorah Blue Zones Project

The NCGA is assisting 9 new coops for 2012, 12 in 2013 and 15 for 2014

A new NCGA video on co-ops was shown – this one focused on Good Foods Co-op in Northfield MN

Tall Grass Co-op in West DesMoines visited our store several times, and they opened in the summer of 2011.

Various people have been consulting with the group opening a co-op in Dubuque. We urged them to locate it downtown. It looks to be a very nice project.

77-81% of our sales go to member/owners. We brought in 140 new members so far in 2012. People seem to want to join after they shop in our store a couple of times. Because people tend to join instead of just buy, this keeps our member sales percentage unusually high.

6. Old Business
No old business

7. New Business
No new business

8. Election Results

The nominating committee consisted of 4 board members this year. Three of the people approached to run for the board completed the nomination process and were Board nominated. 614 ballots were cast, 22 of which were disqualified as spoiled ballots.

Results were:

Candidate	Votes
Carl (Maxxx) Alstad	326
Ann Dykstra	365
Lora Friest	537

Ann Dykstra and Lora Friest were elected to the Board for 3 year terms.

9. Adjourn

Motion: Arlys Adelman moved and Cathy Baldner seconded to adjourn the meeting. Motion **passed** unanimously.

Meeting adjourned at 8:03.

Respectfully submitted,

Lyle Luzum, Board Secretary