

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

January 24, 2017 5:30 PM

Kitchen Classroom, 308 W. Water St.

Board Members Present: Brita Nelson, Scott Hawthorn, Bryan Stuart, Flannery Cerbin-Bohach, Maren Beard, Alicia Trout, **Carl Peterson left at 6:52 p.m.**

Board Members Absent: **Carl Peterson left at 6:52 p.m.**

Acting GM Present: Nate Furler

Co-op Staff : None

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

1. Call to Order

Nelson called the meeting to order at 5:33 p.m.

2. Board Learning - (5:30-6:15PM) - Policy Review: Voting

Board discussed wording of Board Procedures Manual to include possibility of electronic voting. Board agreed to wording that would allow for either post office mailing and/or electronic mailing and voting. Board discussed need for transparency during a switch to electronic voting.

Board also discussed nominating committee's need to clarify application packet given to board candidates so candidates understand which portions of application will be printed as their candidate statement.

Trout brought up the question of age requirement for co-op membership. Bylaws and Articles of Incorporation are unclear about this. In some places they seem to suggest a person of any age can become a member owner of the co-op, in other ways they suggest a person needs to be 10 years old in order to qualify for co-op membership. Any member in good standing can vote in board elections. Board notes that it is important for children to feel ownership and be brought into the community of the co-op at a young age. What age do we have reasoning capacity that allows us to understand our decisions? We're all rational beings to some extent. Age 10 seems arbitrary, but if there is a cut off, where should it be? Board tabled discussion and will look at Bylaws and Articles to see if they conflict with one another, and to determine if/what age requirement should be.

3. Member Comments - none

4. Disposition of Member Comments - no member comments

5. Agenda Review

Motion: Trout moved to **Approve Agenda.**

Motion: Peterson moved and Trout seconded to **Amend Agenda to Add 10.6 Vote**

on Board Election Procedures Revision. Approval of Amended Agenda **passed** by a vote of 7 aye, 0 nay.

6. Approve Minutes

6.1 December 2016 Main Meeting Minutes

Motion: Beard moved and Stuart seconded to **Approve December 2016 Main Meeting Minutes.** Motion **passed** with a vote of 6 aye, 0 nay. Trout abstained because she was not in attendance at December meeting.

6.2 Executive Session Meeting Minutes

Motion: Peterson moved and Hawthorn seconded to **Approve Executive Session Meeting Minutes.** Motion **passed** with a vote of 5 aye, 0 nay. Beard and Cerbin-Bohach abstained because they were not in attendance at Executive Session meeting.

7. Consent Agenda –

Motion: Trout moved and Hawthorn seconded to **Approve Consent Agenda.** Motion **passed** with a vote of 7 aye, 0 nay.

7.1 G2: Board Job Description

8.1 GM Report

Financial Snapshot:

We don't have year closed out yet, so we don't know for sure if 2016 will be considered profitable or not. We'll have the L5 report at a future meeting.

Community/Outreach/Other Store Happenings:

Two ice storms were not good for sales, but it was good that we closed early. Class income been good. Andrea is now full time, splitting her time between 20 hours of education and 20 hours of in-store sampling. (This will show admin labor a little high.)

Kristin was hired as front end manager, Nicole as grocery manager. Transitions are positive, but going slowly. We may transition meat from one department to another and have repack be done by someone who isn't a manager. We're creating system for all of these transitions.

We also laid off two café dishwashers. Both dishwashers were great workers and we'd love to have them back, but we can't afford to keep them on in slow months like January and February.

In the past several years we've intentionally held off on hiring at the end of the year because we knew Jan and Feb would be slow. This year, however, we didn't have any holes to leave open, so we had to let people go. Cafe manager didn't even know this

was an option. Now staff knows and we can tell people up front that Jan & Feb are slow months and ask people to take vacation during that time. We're hoping things pick back up considerably in March.

Unsurprisingly, membership numbers are also down. We're interested to see what the member drive does in March. Last year, March was a time of stressful transition for the front end, so we didn't push the member drive. This year, Kristin will be ready to focus on bringing in new members.

Physical Store Update:

During the second ice storm, a lock didn't work and Furler ended up staying overnight in the store. We're waiting to hear back from the fire marshall to see if we can legally put a deadbolt on the door in case this happens again.

Marketing/Special Projects:

We expected the week-long Community Appreciation sale to be a big hit, but it wasn't. Also, Lanesboro helped increase our purchases through UNFI for quite a while, but they are no longer making those purchases.

Bulk took major hit in both budgeted sales and year over last sales.

We've had 7% decline (\$48,000) in bulk in 2016. We are already down for 2017 as well. It is not continuing to rebound. We are interested to see how certain products move now. For example, repack of oats is more expensive than bulk oats, but it is flying off the shelf. We will be excited to see what is selling and what isn't in 2-3 months. We'll keep manipulating the bulk department to try to maximize it.

Furler found an error in the formula for finding local food percentage. In café, we subtract the hot bar and soup numbers, then add half of it back as local. Hot bar and soup numbers weren't in the original formula at all, so we were subtracting something that wasn't listed and then adding half of it back in, which made our numbers lower than they should have been. Now it looks like we broke the \$120,000 mark at 29% local instead of the 26% that we were already excited about. The formula is now updated to show correct local percentage in the future.

9. Action Items

10. New Business

10.1 Board Candidate Nominations

Motion: Trout moved and Cerbin-Bohach seconded to **Approve Board Candidate Nominations.** Motion **passed** with a vote of 5 aye, 0 nay. Hawthorn abstained because he is a board candidate nominee.

Board is pleased to announce five candidates for the upcoming board election: Scott Hawthorn, Emily Neal, Randall Duvall, Lilly Jensen, and Bridgette Hensley

Board is excited to have great diversity of background in candidates and congratulates nominating committee on finding great candidates. Board noted that it would be nice to pull someone in from outside of Decorah, but it is hard to find someone able to commute.

Duvall will be gone Feb- May. He is able to commit to a three year term, however, and doesn't expect to be gone during this time in future years. Board agrees that an unsure timeline could be difficult, but there is no reason this would disqualify him. If he is elected, Board is committed to train him in when he returns.

10.2 Electronic Balloting - Ad Hoc Committee Communication Recommendations

Board reviewed email that will be sent to membership explaining electronic balloting process and options. The first piece of electronic communication regarding electronic voting will be a Mailchimp test email that will give us an indication of how many incorrect email addresses we have. Board also reviewed an email to be sending out by Simply Voting.

In order to be eligible to vote, member must be "in good standing." All members in good standing by Feb 1 will get an email with an electronic voting ID number. Anyone who brings themselves to good standing between Feb 1 and March 1 will receive a paper ballot in the mail. Anyone who pays in March will receive their ballot at the register. Anyone who doesn't want to vote online can also get a paper ballot at the register.

Anyone who votes online will have their member number recorded. Paper ballots will be processed after online votes. Before opening a paper ballot, member number will be checked against the online voting to ensure there are no double votes.

Besides emails and mailings delivered by the post office, social media and in-store signage will be used to communicate this new process.

10.3 CDS Consulting

Board used to spend roughly \$7,000 per year to hire Cooperative Development Service consultants to teach Board about various board-relevant topics. At some point about 5-6 years ago, Board decided outcome wasn't worth the expense. If there is expansion in the future, this might be a good thing to look into again. Until then, we may be interested in smaller opportunities CDS can offer, such as hiring individual consultants with expertise in Policy Governance.

10.4 Assess Membership Numbers

Motion: Beard moved and Stuart seconded to **Assess Number of Members in Good**

Standing as 2730, as submitted by Furler. Motion passed with a vote of 6 aye, 0 nay.

Every year in January, Board is supposed to collect the total number of members in good standing so that when we go through the election process we have an estimate of how any eligible voters exist. As of 1/20/2017, there are 2730 members in good standing and 4,618 total member owners.

Board discussed possibility of reaching out to members who are not currently in good standing to see if they are interested in paying for their membership. This may be a good time to do so, but it may also open a conversation that ends with members wanting their money back. Members are allowed to ask for their shares to be repaid to them at any time. There is a provision laid out that says Board has the power to force the surrender of money paid if the member has been delinquent in payment for two years. This is not something Board has ever enforced. Members who are not in good standing or who have not paid for their membership in full are still asked at the register if they'd like to pay to bring their membership up to date.

We can also look to see the last time members have shopped, how much they spent, and how regularly they shopped in the past. In some cases it might be good to send members a postcard saying "Hey, we haven't seen you in a while - here is 20% off" (for example) to see if we can prompt them to return.

10.5 Set Annual Business Meeting Date

Motion: Trout moved and Hawthorn seconded to **Approve 2017 Date of Annual Business Meeting: April 20, 2017 at 7:00 pm.** Motion **passed** with a vote of 6 aye, 0 nay.

Board members are requested to attend and public is invited. We'll go over entire year's report and will officially announce the results of the board election.

10.6 Vote on Board Election Procedures Revision

Motion: Trout moved and Hawthorn seconded to **Table Approving Board Election Procedures Revision.** Motion **passed** with a vote of 6 aye, 0 nay.

Tabled so we can add provision wherein electronic vote trumps paper ballot vote.

11. Next Monitoring & Other

11.1 [L9: GM Succession - MOVE TO MARCH]

11.2 [L5:Financial - Furler]

11.3 [Global Governance - Management Connection - Trout]

12. Next Meeting - Tuesday, February 28, 2016 @ 5:30PM

13. Self-Evaluations - done via internet

14. Adjourn

Motion: Trout moved and Hawthorn seconded to **Adjourn Meeting**. Motion **passed** with a vote of 6 aye, 0 nay. Meeting adjourned at 7:49 p.m.