

**Oneota Community Co-op
Minutes for Regular Board Meeting
June 28, 2016 5:30 PM
Kitchen Classroom, 308 W. Water St.**

Board Members Present: Brita Nelson, Alicia Trout, Maren Beard, Flannery Cerbin-Bohach, Bryan Stuart, Scott Hawthorn arrived at 5:41, Carl Peterson arrived at 5:54

Board Members Absent:

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 5:35 p.m.

2. Board Learning

2.1 G4 Board Code of Conduct: Revisions to 4.4

Board read and discussed potential revisions to G4 Board Code of Conduct, section 4.4. This section talks about privacy of information discussed at board meetings. The policy was written when the financial status of coop was a divided item and there were a lot of confidential discussion at board meetings. Since then, the board has become transparent about finances in the annual report, information is posted in the Scoop and the GM makes information available to staff. Additionally, the GM report is available to the public every month.

The last paragraph of 4.4 is worded in a confusing manner. Board discussed this paragraph and proposed changes to help specify which aspects of board meetings are considered confidential. Nelson will rewrite this section and put it up for a vote next month.

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

6. Approve Regular Meeting Minutes from May, 2016

Motion: Trout moved and Stuart seconded to **Approve Meeting Minutes from May**. Motion **passed** by a vote of 6 aye, 0 nay.

7. Consent Agenda - none

8. Reports

8.1 GM Report

Financial Snapshot: May sales were good compared to other stores in the corridor. Other stores were -2.8. We are at +3.6 sales growth for May, with this quarter close to +3%, which is close to what we budgeted. That is really good. Cash is holding steady.

Community/Outreach/Other Store Happenings: Labor costs will start to go up, which is good because it means hiring and training have happened. We have a significant amount of benefits for employees compared to other stores. Spending 19% of the budget on wages is common but spending 7-8% for benefits is high. We're meeting to learn more about benefits and are exploring the potential for offering health care. New member numbers have slowed down; we didn't have staff available to help push membership drives this spring. Considering doing a drive again in the fall when we have more staff and energy, and new people from Luther come back in town. There is now a sandwich app through which customers can order online and their sandwich will be ready when they arrive. We'll be advertising this more. Leah King is leaving the Coop in a couple weeks. She got in a farm-to-table 4 month intensive program in Colorado.

Physical Store Update: City of Decorah is looking at a covered parking structure with solar panels that would potentially be located behind the Coop. David and downtown business owners are also working with the City to look into creating a code to divert diesel trucks from downtown to instead travel around town on a truck route. Mostly, this is for safety reasons as we see increased foot traffic downtown. The Coop is looking into installing a garage door for seating (like T-Bocks recently did).

There is a tunnel under the Co-op that contains a fan which sucks out hot air in summer so that the compressors don't shut down. The fan is oversized and wants more air than what it is receiving on a hot day so it ends up pulling air from the building, thus creating a suction issue and leading the front doors to not stay shut. Vents have been added midway down the tunnel but the front end of the tunnel now gets hotter and needs more air. Looking to add a hole with duct work through the kitchen classroom basement to bring air from that space or outside. David is consulting with Caspers Plumbing and Heating.

The second set of front doors weren't creating a welcoming environment so they were removed. Customers and staff seem pleased with the change. Hawthorn notes that bringing hot air down against gravity brings issues, as could not having double-doors, and recommends Lester talk to Mike Bockman about issues he has dealt with at T-Bocks.

Marketing/Special Projects: Wine, beer and frozen is selling well. Produce and bulk are not doing as well. We're going through a big bulk "face lift" including a focus on bulk liquids. We're also working to clear up physical store space at the same time. Produce will get a cooler with doors like beverage and meat to have packaged fruit and veggies.

We've approached the city about doing local beer and food for an Oktoberfest event downtown. More info to come.

We've had more growth in local sales than anywhere else in the store. Produce has been big in last couple of months. We sold even more plants from River Root Farm. They've also started selling their greens in clam shells and the product has flown out the door. They are expanding their product line, so there will be more to offer soon.

9.2 L1: Customer Treatment

Motion: Beard moved and Peterson seconded to **Approve L1: Customer Treatment.** Motion **passed** by a vote of 7 aye, 0 nay.

The L1 is an interpretation of meeting customer needs, customer traffic, seeing that customer service guidelines are in place, and that there is a merchandising policy that people are following. We're seeing 4-6% growth in the last months since we've started promoting our deals. Class attendance is up. Customer communication channels are discussed at weekly LT meeting.

The Mystery Shopper program shows Co-op to have considerable improvement compared to the previous year. This program brings an outside, covert, unknown person in once a month. The Mystery Shopper scores every department, brings in a timer, writes comments about all areas ranging from detailed to brief. We're definitely improving. Because we were struggling for staff at the beginning of the year, managers were playing more of a roll on the floor and were able to model great customer service for employees. This may be one reason our customer service scores have gone up.

Staff just received a whole foods training, helping them to become more knowledgeable about Co-op products.

Co-op had scales inspected; we are up-to-date on our health department license, restaurant and liquor license, and USDA meat inspection. (The meat inspection comes at producer level and they pass that along to us.)

Board initiated conversation about Co-op accepting WIC food assistance program. The decision of WIC approval would come down to the GM rather than the board, but Board is interested in discussing the idea further and fitting it into a discussion of meeting affordability standards.

9.3 L4: Membership

Motion: Peterson moved and Hawthorn seconded to **Approve L4: Membership.** Motion **passed** by a vote of 7 aye, 0 nay.

The L4 is about protecting customer information such as credit card info, phone number and address. Our POS system isn't connected to the internet which makes it slow and less than perfect for some applications, but makes it very secure and completely un-hackable. When a credit card is swiped, it goes through the phone line and doesn't even pass through our system. This report comes from a company that essentially tries to break into your system and then lets you know what they find. We don't even have a door for them to break into and don't have any risk whatsoever of being hacked. Our PSI Scan Status = Compliant.

We have discussed purchasing a new POS system and may do so in the future along with the renovation, but it will be expensive. A new system costs about \$80,000, which is more than a year's profit (about 1.75 times our year's profit). It would also be a shift in how we enter product and work at different stations. Currently, we have 9 POS stations for managers and buyers to enter things, in addition to the front end registers. The \$80,000 includes the front end registers and only 2 other work stations.

9.4 D1: Unity of Control

Motion: Cerbin-Bohach moved and Stuart seconded to **Approve D1: Unity of Control.** Motion **passed** by a vote of 7 aye, 0 nay.

9.5 G1: Governing Style

Motion: Trout moved and Cerbin-Bohach seconded to **Approve G1: Governing Style.** Motion **passed** by a vote of 7 aye, 0 nay.

10. Action Items - none

11. New Business

11.1 Electronic Balloting Discussion

Peterson researched electronic balloting. Last time we looked at it, it would cost about \$4000. Our current election process costs us over \$3000. The electronic system now looks to cost about \$850. The system could accommodate mailing individual ballots to those who want a paper ballot.

Nate Furler and Nelson read bylaws and concluded that no change in bylaws is necessary in order to offer electronic balloting. Furler, Trout, Nelson, and Peterson will meet to look more into it and discuss. It has potential to save a lot of time and money and could be rolled out quickly, even in time for the next election, since bylaws would not need to be changed.

The next step will be to approach the company and ask for a demonstration. Peterson will email Nelson contact information. Lester will look to see what other stores have used this system and ask them about their experience.

11.2 Board Document Storage

Board meeting documents will now be stored in a Google Drive Board Member folder. Folder will be shared with Board Administrative Assistant and General Manager. Approved meeting minutes will be stored in a separate folder. Executive Session minutes will not be stored in Google Drive; they will be printed on paper for Executive Session meetings then one hard copy will be filed in coop basement and the rest destroyed. Minutes from the 1980s to 2008 are being scanned to pdfs at Copyland and will be stored digitally. Trout is looking into the details of keeping minutes available at the Co-op Customer Service desk. According to what she's heard, no one looks at them and it may be sufficient to have them accessible online.

11.3 G4.4 Policy Discussion

Nelson will draft a second round of revisions for G4.4 and present to Board for potential approval next month.

12. Next Monitoring & Other

12.1 [D2: Accountability of GM - Peterson]

12.2 [D3: Delegation to the GM - Trout]

12.3 [L5: Financial Condition - GM]

13. Next meeting: Tuesday, July 26 6:00 p.m.

14. Executive Session - none

15. Self-Evaluations - done via internet

16. Adjourn

Motion: Peterson moved and Hawthorn seconded to **Adjourn Meeting**. Motion (**passed**) with a vote of (7 aye, 0 nay).

Meeting adjourned at 6:56 p.m.