

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

March 28, 2017 5:30 PM

Kitchen Classroom, 308 W. Water St.

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

Board Members Absent:

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 5:33 p.m.

2. Board Learning - (5:30-6:15) Sabbatical Update

Lester has been back for a month. He shared photos and made a presentation about his sabbatical. Highlights include:

- Sprouts Coop (Chandler, AZ) - New store, regional food, “homey” indoor farmer’s market feel, gifts in entrance, 35,000 square feet, bulk directly in front of registers in the center of the store, bulk section had repack items above bulk bins, produce takes up ½ of the store in big bins that look abundant and have a crate/warehouse feel, island of packed meals, vertical horizontal merchandising of produce
- Fry’s Grocery Store (Arizona) - Mix and match frozen meals including signage with recipes and photos - hybrid model between grocery shopping and make-your-own take home frozen meal events, bar with local taps in center of store, growler fills.
- Food Conspiracy Coop (Tuscan, AZ) - Good space for carts, great “local” signage, modern warehouse feel, 4000 square feet after their expansion, growler fills, nice storefront and clearly communicate that everyone can shop there.
- Hy-Vee (Rochester, MN) - Vertical merchandising, chalkboard signage, bulk scoop bins with repack items of the same thing at the same price, 2 EV charging stations, bakery with flour sacks to show customers bread is fresh, using every inch of space for signage, clothing sales
- Merida, Mexico - Cooking classes with David Sterling’s sous-chef, Lester plans to teach Yucatecan cooking classes in our co-op, stayed on a permaculture farm, explored various cooperative models in Mexico.
- Brennan’s (Madison, WI) - Family owned grocery store, self brand everything,

Lester came back inspired to make the Oneota Co-op an even better store and to put energy into creating more community events, such as an evening market with farmer’s market vendors, prepared foods, art and music.

Lester and Board note that Nate Furler did an amazing job in Lester's absence.

3. Member Comments - 6:15 p.m.

4. Disposition of Member Comments - no member comments

5. Agenda Review

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

Agenda **passed** by a vote of 7 aye, 0 nay.

6. Approve Minutes

6.1 February 2017 Main Meeting Minutes

Motion: Trout moved and Stuart seconded to **Approve February 2017 Meeting Minutes.** Motion **passed** with a vote of 7 aye, 0 nay.

7. Consent Agenda –

7.1 G9: Treasurer's Role

7.2 G10: Secretary's Role

7.3 G7: Board President's Role

7.4 G8: Vice President's Role

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

8. Reports

8.1 GM Report Thanks to Furler for a good job while gone.

Financial Snapshot: February was short one day's worth of sales, which corresponds to having one less day than last year. Savings is looking good.

Through Monday, March is down 1% from last year. This has the potential to be our first negative sales quarter in the new store. We've had 18.6% sales growth for beer and wine and 5.8% for meat and fish. Increase in meat sales is attributed to Thousand Hills beef.

Because sales are down and we haven't adjusted labor, labor is high. We're under budget on total labor (barely). Our first three months of the year we make, on average, \$20,000. The last quarter is a losing quarter - first three will be positive and we want to stay on track to plan for this trend. If we don't hit \$100,000 this week and into next, we'll have to make small, minor changes in hours in every department. The staff knows about this.

Our risk matrix went up. We feel encouraged by that. Everything except sales growth has helped us bring that number back up. Other than sales growth, which accounts for a majority of store, things ran pretty well last quarter.

Community/Outreach/Other Store Happenings:

We signed up 45 members at membership drive this year, compared to 22 during the same time period last year. This year the front end staff was really engaged in signing people up.

Physical Store Update:

Feasibility study and market study is coming up. We haven't had a market study done since 2006. Things have changed a lot since then. They'll produce a couple versions of the plan with a few different financial scenarios. NCG development cooperative put us in their cue - we're looking at a site visit the end of April or beginning of May.

Marketing/Special Projects:

We're excited about the meat department. In the next few months, Valley Natural Co-op in the cities will open up a meat processing plant. They've finished with the project and are now training and hiring meat cutters. It's going to be small, mostly organic, mostly MN raised beef, pork, chicken. They'll be USDA certified, so they can get in the supply chain and will be partners. We don't know the price point yet, but meat will be coming in fresh, not frozen.

Local sales are down slightly. We just took Toppling Goliath cans out of local mix because they come from Florida. Once the new facility is done, can production will move back up to Decorah and we will reintroduce cans as a local item.

Meat sticks were labeled local also, but now aren't.

MAD sale was not as successful as last year this time of year. We were down about \$5000. MAD Sales aren't as "cool" as they used to be - people are not going to fight the crowds to get 10% off - more things are on sale on a daily basis. We might need to do something different and figure out a different strategy.

8.2 L9: GM Succession

Motion: Peterson moved and Cerbin-Bohach seconded to **Approve L9: GM Succession.** Agenda **passed** by a vote of 7 aye, 0 nay.

Board can feel happy that we are the most prepared we've ever been in case something was to happen to Lester. We saw in the survey that goes to Furler and Neuzil, that they now have a better idea of what is going on. Lester has two really good successors.

8.3 L8: Communication and Council to the Board

Motion: Trout moved and Beard seconded to **L8: Communication and Council to the Board.** Motion **passed** by a vote of 7 aye, 0 nay.

This report shows how we've been compliant and not compliant in financial sales and ratios.

8.4 Ends

Motion: Beard moved and Cerbin-Bohach seconded to **Approve 8.4 Ends.** Motion **passed** by a vote of 7 aye, 0 nay.

Policy:

Being a retail source for food: about valuing local producers and sustainable products and make affordable

We're at 26% local sales. It got bumped up - we were calculating the deli wrong. Our range was 24-29%. We increased by \$55,000. The biggest increase was in wine and beer. Last year wine and beer was \$9000, this year was \$25,000. This includes Toppling Goliath cans for a bit and will again, but right now they aren't canning locally (only bottling).

Affordable Ends: We did a good job of discounting products this year. It was our biggest year of discounts ever.

Education: Class attendance has been great. Andrea is doing phenomenal job with great variety. She's found things that have taken off: Steven Larson has a big following and we often have a waiting list for his classes and turn people away.

Produce sales are a little higher than last year - we can educate people about fresh, local produce being good for them.

Cooperation Enterprise

Business is growing, but barely. New membership has seen a 3 year decline. After seeing our member drive, we may have found a simple idea: work with cashiers to increase membership.

Our total number of members went up: 36 members lost, 177 new members.

We've had a rise in total co-op equity - more people wanting to pay full \$140 instead of \$20/year.

Environmental Responsibility

Gas: kwh/customer has gone down. We have more customer traffic, so everything is running more, but gas went down for second year in a row: we're figuring out the tunnel heat situation from two years ago, plus we have warmer winters now.

Financially Responsible

We're still making money.

Employment

We need to work on this. Employee retention is down to 45% on an annualized basis. We have a new graph to show retention rate instead of turnover. This is how other grocery stores do it. Our last year shows in graph. We can also calculate retention rate for 10-year employees. So 45% of employees that start the year are still with us at end of year.

Share time and energy with diverse community

We have cut down on donations, but felt we had to do that. This year, we've been asked to donate a lot, so it will go back up. Member discounts has grown.

9. Action Items - none

10. New Business

10.1 Election Update

We're at 455 votes online and 20 on paper. Last election was uncontested, but only had 240 voting. During hyper-contested elections, we got as high as 600 votes. So far, the numbers for this election are similar to other regularly contested elections.

Board noted that they could see who voted, but not who they voted for. Next time, we'll make it fully "blind" during the election and only open to verify that any paper ballots are not duplicate votes. Only VP, Furler, and 2 member owner volunteers need to be able to access the list for this verification.

It is recorded anytime a board member logs in and what they did (ex. "voted" "edited elector" etc.) so everything that happens is logged, which eliminates the ability of anyone to do anything covertly.

10.2 Electronic Balloting - Procedure Updates

After the election is over, we'll look back and see what we'll change for next year while it is still fresh in our minds.

Trout notes that e-voting has been great. Board asks if it saved time this year and Furler says it will be and already is a dramatic time saver.

10.3 Board Member Training - Possible Dates

Steve McCargar and Bill Pardee will do training in Policy Governance and how to utilize Policy Governance while still moving forward creatively. The two come from different perspectives and will compliment one another well. Board will send out a Doodle poll

to decide date of training.

10.4 Annual Meeting - April 20, 2017 - The Plan

The following things will be covered at the annual business plan, beginning at 7pm: Income statement for the year, balance sheet, small report from GM, President, and election is announced. Tie voting is done at meeting in case of a tie. Meeting minutes from last year must be approved and there will be food and lively conversation. Sometimes there is a guest speaker, but not this year. Lester might cover a bit of his sabbatical.

11. Next Monitoring & Other

11.1 [Global Governance - Beard]

11.2 [L5: Financial Conditions - Neuzil]

12. Next Meeting - Tuesday, April 25, 2017 @ 5:30PM

13. Self-Evaluations - done via internet

14. Adjourn

Motion: Trout moved and Beard seconded to **Adjourn Meeting**. Motion **passed** with a vote of 7 aye, 0 nay. Meeting adjourned at 7:52 p.m.