

1 Oneota Community Coop
2 Minutes for Regular Monthly Meeting
3 Tuesday, April 27, 2010

4 Board Members Present: Onita Mohr, Robert Fitton, Lyle Luzum, Steve Peterson, Joan Leuenberger, and Georgie
5 Klevar

6 GM Present: No, excused to attend Kellogg Foundation meeting

7 Coop member/owners present: 9

8 1. Call to Order

9 President Lyle Luzum called the meeting to order at 5:02

10 2. Agenda Review

11 Motion: Georgie moved and Toni seconded to approve the agenda for the outgoing board as presented. Motion
12 passed by a 7-0 vote.

13 3. Approval of Minutes

14 Motion: Robert moved and Georgie seconded to approve the minutes of the regular monthly meeting on March
15 23, 2010. Motion passed by a 7-0 vote.

16 4. Certification of Election Results

17 Motion: Onita as board secretary moved and Toni seconded to certify the results of the board election. Onita
18 presented the vote tallies for the annual election indicating that Jon Jensen, Steve McCargar, and Bill Pardee
19 were elected to the board and all bylaw amendments passed with the requisite 75% of ballots cast. Motion
20 passed by a 7-0 vote. See attached certification and table for vote tallies.

21 5. Retirement of Outgoing Board Members

22 Appreciation for their many years of service was expressed for Georgie Klevar, Onita Mohr, and Toni Smith as
23 they retire from their board positions. Retiring board members expressed a few final thoughts and then
24 departed from the meeting. Georgie and Toni expressed appreciation for the leadership and dedication of Lyle
25 Luzum and Steve Peterson during the past couple of years of transition for the Coop. Onita explained her
26 decision to retire was based upon her belief that the Coop board has established good policies and procedures
27 to carry forward into the future so her work is done and she can leave with good feelings about that.

28 6. Seating of Incoming Board Members

29 Steve McCargar, Bill Pardee, and Jon Jensen took their seats at the board table and were welcomed by the rest
30 of the board members.

31 7. Member Comments

32 Sue Otte hoped the board would find a location for future meetings that would better accommodate members
33 than the Coop meeting room.

34 *Response:* The issue was discussed and acted upon under agenda item 18 below.

35 Birgitta Meade expressed concerns that the Code of Conduct being used by the current board is different in
36 several substantive ways from the one she had signed as a board member. Specifically, Item 5 under Code of
37 Conduct about maintaining confidentiality and the ninth and twelfth bullet points under Code of Conduct about
38 refraining from being financially involved in a perceived conflict of interest and presenting the board's viewpoint
39 instead of the director's while speaking for the Coop seemed broader in scope than before. Concern about
40 stifling board members' discussions with members because of these changes was expressed. Also, violating the
41 Code now requires the director to resign immediately while the former document allows for actions up to and
42 including resignation.

43 *Response:* Steve Peterson explained that the Code of Conduct wasn't intentionally changed. With the new
44 election procedures we looked for, but failed to find, an electronic copy of the Code used since 1998. Steve
45 found what he believed to be the source document of the one we've been using among the cooperative

46 resources we have available. He then checked with Georgie Klevar who agreed it was the same. This document
47 was the one sent to board members. The issue was further discussed under agenda item 8 below.

48 Laura Kemmer wants board members' comments and opinions identified by name in the minutes.

49 *Response:* The issue was discussed under agenda item 15.3 below.

50 David Koester commented that it was unnecessary in the instructions to meeting attendees that they discuss
51 issues in a civil manner.

52 *Response:* David was thanked for his input.

53 8. Agenda Review

54 Motion: Jon moved and Bill seconded to approve the agenda for the portion of the meeting conducted by the
55 new board.

56 Amendment: Bill moved and Steve P seconded to remove Item 9 Signing of the Code of Ethics/Code of
57 Conduct until after discussion and possible changes are made to it at the May meeting. Amendment
58 passed by a 7-0 vote.

59 Pro: There is confusion about which code of conduct should be used. The board needs a common
60 framework to effectively move forward.

61 Con: The membership won't have a board where all members have agreed to abide by a code of
62 conduct during the coming month. Board members need to know what they can and can't do.

63 There was a sense of support for the presented document by all the candidates at the candidate
64 forum.

65 Motion to approve the amended agenda passed by a 7-0 vote

66 9. Signing of the Code of Ethics/Code of Conduct

67 Removed from Agenda by vote in item 8

68 10. Election of President

69 Motion: Joan moved and Robert seconded to elect Steve Peterson as president. Motion passed by a vote of 5
70 ayes and 2 abstentions (Jon and Steve M).

71 11. Election of Vice President, Secretary, and Treasurer

72 Motion: Lyle moved and Joan seconded to nominate the slate of Robert Fitton as vice president, Joan
73 Leuenberger as secretary, and Bill Pardee as treasurer. Motion passed by a 7-0 vote.

74 Pro: All nominated members agreed to serve in those capacities.

75 12. Constitute Standing Committees

76 Motion: Lyle moved and Jon seconded to nominate Bill, Steve M. and Steve P. for the member linkage
77 committee and Robert, Jon, and Steve P. for the board development committee. Motion passed by a 7-0 vote.

78 Pro: The nominated members volunteered to serve on those committees after hearing the purpose of each
79 committee. Steve P. as president serves on each committee and Robert as VP serves on board
80 development. There are new members on each committee to add a fresh perspective and old members on
81 each to add some stability and historical memory.

82 13. Consent Agenda

83 There were no items on the consent agenda

84 14. Reports

85 14.1 GM Report to the Board

86 David Lester sent his report electronically because he is representing the Coop at the Kellogg Foundation Food
87 and Fitness Initiative meeting in Arizona. The report focused on finances and Coop initiatives. Sales are
88 exceeding expectations, net income is better than budgeted, and cash is increasing. The March member drive
89 added 70 new members. Efforts are under way to hire a grocery manager. Our marketing strategy is now more
90 community focused adopting joint efforts with other area businesses/organizations. Changes for the Water
91 Street Café will be complete the first week of May. The Earth Day event was very well attended. Construction of

92 the Norm Smith Plaza will begin after Nordic Fest. David has been training through the NCGA and other
93 organizations, with the goal of writing a business plan by year end.

94 14.2 Board Development

95 Steve P reported on plans of the board development committee to include a component of board learning at
96 each meeting. The former board had success with group learning in the past, but efforts were not so successful
97 when left up to individuals on their own. Holding training this way will also allow interested members attending
98 the meeting to learn along with the board and provide input. Other coops have also had success with this
99 method. The first recommended training is a webinar from CBLD about strategic thinking. David requested the
100 board help with the development of a strategic plan he is working on so learning about board roles in this
101 process would be very timely.

102 14.3 Board Budget Q1

103 Joan as board treasurer reported that expenses for the election ran over budget, but the difference was made
104 up for because the costs of the GM search came in under budget. The board has spent \$4,208 of its \$16,650
105 budget as of March 31, 2010.

106 15. Action Items

107 15.1 Policy Monitoring-Board G: Global Governance Commitment

108 Motion: Bill moved and Robert seconded to approve the monitoring report on G. Motion passed by a vote of 6
109 ayes and 1 nay (Steve M)

110 Summary: Because the board has a policy manual covering the required categories, because the board has
111 monitored all policies (except G5 because of a change in monitoring calendar) during the past year, and
112 because data showing compliance with the specific G subpolicies exist in their specific monitoring reports,
113 compliance is reported on the global policy.

114 Pro: There is more data contained in the subpolicy monitoring reports done throughout the past year that
115 supports the global assertions of policy G.

116 Con: The conduct of the last election constituted an unacceptable action under the code of conduct since
117 not all members were encouraged to run for the board. No data was presented in the report showing
118 board monitoring of GM policies.

119 15.2 Policy Monitoring – GM L5: Financial Condition and Activities – Q1

120 Motion: Lyle moved and Bill seconded to approve the monitoring report on L5. Motion passed by a 7-0 vote.

121 Summary: Sales are higher in Q1 2010 than Q1 2009, net income is 3.7% which is greater than the .5%
122 benchmark and the 1.3% budget. The current ratio is above the 1.25 benchmark, but the quick ratio of .55
123 is below the benchmark of .7. The debt to equity ratio is at the benchmark of 300%. No new debts have
124 been incurred. No real estate transactions have occurred. The Coop is in compliance with tax payments.
125 Contracts, payroll, and loans were paid timely. There were no restricted funds at this time. A review will be
126 conducted again this year to determine whether financial statements are in conformity with generally
127 accepted accounting principles.

128 Pro: The GM alerted the board that net income in 1st quarter was affected by a \$13,000 adjustment to
129 correct a bookkeeping error included in 4th quarter 2009. Benchmarks being used are the ones the NCGA
130 uses to monitor member stores.

131 Con: What is the appropriate period of time used to compare whether the GM has allowed sales to decline.
132 Some wording from the template wasn't deleted adding confusion to the report. The report doesn't
133 include enough discussion of financial statements for year-end or 1st quarter.

134 15.3 Board Procedure for Minute Taking

135 Motion: Steve P moved and Bill seconded that the following be included in the board procedure manual in the
136 section titled BOARD MEETINGS:

137 PUBLIC BOARD MINUTES. Board minutes are a legal record of the proceedings of the Coop and a method of
138 communication the actions of the board as a whole on behalf of the owners of the Coop. As a result, board
139 minutes should

- 140 • contain the items on the agenda of each meeting;

- 141 • contain all information that is legally required;
- 142 • briefly summarize the topic of board learning (if any);
- 143 • briefly summarize the main points of reports that were presented (if any);
- 144 • state the motions that were discussed;
- 145 • briefly summarize the main issues that were discussed in the motions;
- 146 • record the votes on motions and how voting members voted.

147 Meeting minutes should not

- 148 • be a transcript of who said what at the meeting;
- 149 • include personal comments, interpretations, or opinions of individual board members, member-owners,
- 150 store staff, or others.

151 Pro: The change in board secretaries makes this a good time to consider what we want the minutes to
152 contain and to standardize the procedure for the future. Onita Mohr had requested this discussion during
153 her tenure as secretary, but the board never got around to acting on it. Cooperative resources and Roberts
154 Rules of Order were researched for best practices to use in formulating the procedure. The quantity of
155 detail in the proposed procedure falls between transcript-style minutes such as used by Congress and the
156 brief minutes required by Robert's Rules, under which the board operates. Minutes are a legal record of
157 what happened, not a substitute for attending meetings. Good minutes build trust in members when they
158 show that the board is doing its job. Shorter, more concise minutes may be read by more members who
159 don't have time to read lengthy accounts, therefore increasing democracy and understanding of board
160 action. Briefer, standardized minutes will be easier to research when questions come up in the future.
161 Board members can amend the minutes if they disagree with how something was summarized.

162 Con: Detailed minutes aid the perception that the board is open and transparent. Members need to know
163 exactly what happened at meetings they are unable to attend. Members' comments should be recorded to
164 maintain board-member connection.

165 Amendment: Bill moved and Lyle seconded to change the 6th bullet point to "briefly summarize the
166 main arguments pro and con that were discussed in the motions." Amendment passed by a 7-0 vote.

167 Pro: clarifies the word "issues" used in the original motion.

168 Amendment: Steve M moved and Lyle seconded that the raw notes of the scribe and/or secretary be
169 saved and archived for 24 months to be accessed by board members and members through a request to
170 the board secretary.

171 Pro: Interested parties can access the proceedings of meetings to gather the information they
172 want. Since notes are not official minutes, they are not legal documents.

173 Con: The notes are not approved, corrected, or verified by board members present at that meeting.
174 Notes would probably be subpoenaed even though not official minutes in the event of legal action.
175 Even in a transcript specific wording is lost due to editing by the scribe during note-taking and
176 nuances and non-verbal communication are not even recorded though they could change the
177 meaning of the words used. There are possible legal and personal consequences if someone makes
178 slanderous or libelous comments which are recorded. The scribe is at risk for how the meeting
179 conversation is edited during note taking since the scribe is not a court reporter.

180 Call the Question: Bill moved and Lyle seconded to call the question. Motion passed by a 7-0
181 vote.

182 Amendment failed by a vote of 1 aye (Steve M) to 5 nays with 1 abstention (Jon)

183 Amendment: Bill moved and Lyle seconded to record the names of members making comments during
184 the member comment section. Amendment passed by a 7-0 vote.

185 Pro: Easier to find comments by name. Shows respect for member and their input if identified.

186 Members should be held accountable for their comments in the same way board members are held
187 accountable for their votes. There was no specific decision to stop identifying members by name; it
188 just became too difficult to keep track of who said what during some of our recent discussions so
189 comments were attributed to "a member."

190 Amendment: Steve M moved and Lyle seconded to record names of board members making pro and
191 con arguments to motions. Amendment failed by a vote of 1 aye (Steve M) to 5 nays with 1 abstention
192 (Jon)

193 Pro: It is more democratic for members to know what individual board members thought and
194 contributed to discussions.
195 Con: It is unfair to hold board members accountable for their original positions on motions since
196 discussion often results in members changing their minds; what matters is how they vote at the
197 end and that will be recorded by name under the proposal. Recording names for each comment
198 will slow discussions and will be more difficult for the scribe and secretary.
199 Motion passed by a vote of 6 ayes to 1 nay (Steve M).

200 17. Monitoring Reports

201 Steve P will write the Board G4: Board Code of Conduct report. The GM will report on L10: Board Logistical
202 Support and L5: Financial Conditions, but asks to defer on L: Global Executive Constraint until he has more data
203 on his own performance.

204 18. Next Meeting

205 The next meeting will be May 25 at 5:00 at Luther, probably Valres Science Building room 367. Jon Jensen will
206 confirm the location in time for wide publication to the membership.

207 19. Executive Session

208 There was no executive session.

209 20. Adjournment

210 Motion: Jon moved and Lyle seconded to adjourn. Motion passed by a 7-0 vote.

211 Meeting adjourned at 7:55.

212 Respectfully submitted,

213 Joan Leuenberger, board secretary

214 Documents reviewed:

215 Agenda
216 Minutes, March 23 regular monthly meeting
217 Certification of Election Results
218 GM Report
219 Board Budget Chart
220 Policy G, Global Governance Commitment
221 Policy L5 Financial Condition and Activities