

1 Oneota Community Coop
2 Minutes for Regular Monthly Board Meeting
3 Tuesday, June 22, 2010
4 Luther College Campus, Valders Hall, Room 367

5 Board Members Present: Robert Fitton, Jon Jensen, Joan Leuenberger, Lyle Luzum, Steve McCargar, Bill
6 Pardee, and Steve Peterson
7 GM Present: David Lester
8 Coop member/owners present: 2

9 **1. Call to Order**

10 President Steve Peterson called the meeting to order at 5:02.

11 **2. Board Learning: Understanding the needs of members**

12 Because different members have different needs and motivations for belonging to the coop, it's the duty of
13 board members to understand those needs to make sure they are being met. The June learning session focused
14 on two different ways to categorize members based upon their needs met by the coop. Then the story of the
15 Berkshire Coop in Great Barrington, VT was presented as a case study of how one coop used its
16 understanding of its members to grow their coop.

17 A. Coop members have different levels of involvement in the coop depending on what they want to get
18 out of their membership. At the bottom of the pyramid are customers who want to shop for products
19 sold there but haven't become members. Shopping members have bought a membership, but still
20 mainly want to buy products or services from the coop. Social members feel their membership makes
21 them part of a social group centered at the coop. Member owners see their membership as an
22 ownership stake in the coop. Active owners are those classified as taking part in elections and other
23 governance and operational activities.

24 B. "Core" members are those that are very interested in their health and wellness and shop at coops and
25 farmer's markets to meet that need. "Mid-level" members have recently become interested in health
26 and wellness either through education, life stage (like new parents) or a medical diagnosis of some
27 sort. Mid-level members were further divided by age into Millennials and Boomers because they
28 have different motivations and expectations of the coop. The three groups have four attributes in
29 common: quality food, support local, health and nutrition, and community.

30 Case Study: Berkshire Coop wanted to add mid-level members to its existing base of core members. The
31 most important thing they did was focus on customer service, which for them meant having a knowledgeable
32 staff and selling good products. They tabled at different events to reach different audiences and had
33 measurable results. They participated in community activities and joined civic organizations like Rotary to be
34 seen as a true business in the community. They combated the notion of exclusivity by not running member-
35 only sales. And they succeeded. Berkshire Coop does \$7 million in sales with a 2,500 membership.

36 Discussion followed the learning presentation. Lyle Luzum, Robert Fitton, and Bill Pardee were appointed to
37 an ad hoc committee to meet with David Lester and plan a strategic analysis meeting for the board and some
38 staff members.

39 **3. Member Comments**

40 Lyle Otte: He appreciated the meeting notice now being included in the Comm Post, but pointed out that the
41 minutes from April are not yet posted on the web.

42 *Response*: Joan Leuenberger will copy David Lester in the future on e-mails transmitting minutes for posting.

43 **4. Agenda Review**

44 **Motion**: Lyle Luzum moved and Robert Fitton seconded to approve the agenda as presented. **Motion passed**
45 by a 7-0 vote.

46 **5. Approval of Minutes**

47 **Motion**: Lyle Luzum moved and Robert Fitton seconded to approve the minutes of the May 25, 2010 regular
48 meeting.

49 Pro: The minutes superbly balanced clarity, completeness and brevity. The line numbers are appreciated.
50 Con: There were two typos: “Disciple” in line 30 should be “discipline” and “materially” in line 186
51 should be “material.”

52 **Amendment**: Steve McCargar moved and Lyle Luzum seconded to change “two” to “three” in line
53 141, replace “two” with “its Code of Conduct policies on three occasions” in line 142, and to add the
54 sentence to line 146 “The second area of non-compliance is that including a rationale for its
55 nomination or lack of nomination of a candidate should, as a rule, not happen.” from the monitoring
56 report. Amendment **passed** by a 7-0 vote.

57 Pro: The additions reflect the monitoring report better. The sentence to be added is already a
58 summary of the incident.

59 Con: It’s preferable to summarize rather than to quote a monitoring report directly.

60 Motion to approve the minutes as amended **passed** by a 7-0 vote.

61 6. Consent Agenda

62 There were not items on the consent agenda.

63 7. Reports

64 **Motion** postponed from May 25th meeting where Steve McCargar moved and Steve Peterson seconded
65 to request from the GM a report on labor cost that is both loaded and unloaded (i.e. with and without
66 the cost of benefits and taxes). Motion **passed** by a 7-0 vote.

67 Pro: David Lester reported that it is easy to provide both loaded and unloaded labor costs.

68 7.1 GM Report

69 Financial The management team is making adjustments to staffing levels and marketing efforts in response to
70 slower sales typically experienced during the summer. Sales in May 2010 exceeded May 2009 sales by
71 \$27,000. Labor as a percent of sales is below the budgeted target. The quick ratio is .8. Net income for the
72 five months ended May 31 is \$56,500 compared to \$1,700 in 2009. David reported after meeting with our
73 peers in Central Corridor that the NCGA is pleased with Oneota’s first quarter results, but we remain on the
74 watch list and still have to pay double into the joint liability fund due to numerous changes in GMs. Oneota
75 could be off the list in January.

76 Personnel An all staff meeting was held June 13, which focused on team-building and the new personnel
77 manual. Kristen Evenrud starts as the new grocery manager July 1. New staff was also hired for the Café.
78 Ann Mansfield has met with the managers about the scope of projects and needs of the NIFF Initiative.
79 Cooking classes at the schools and store will help them achieve their goals.

80 Store There is continuing concern with the air conditioning system and excessive humidity in the store.
81 Michaels Engineering Report from Sept. 2007 specified the need for a 20 ton AC unit for the store, but we
82 currently rely on a 12.5 ton unit. Winona Controls has cleaned the rooftop condenser of that unit making it
83 run more efficiently, but on hot, humid days, it is still very stressed. Adding a second unit at some point will
84 allow us to have a backup system, create different cooling zones, and possibly cycle units for efficiency.
85 David Lester will explore available energy efficiency rebates for such a purchase. Another improvement is to
86 replace the dampers by the end of the week to take care of the air pressure problem that was pulling the doors
87 in and constantly adding humid air to the store. For around \$3,000 a system to monitor the temperature in the
88 tunnel could be added as a strategy to protect against equipment damage due to overheating. The ceiling
89 could use more insulation, and that project is most efficiently completed when the roof is replaced in the next
90 few years. A former storage area in the basement is being turned into an office for the GM. The sales floor
91 has been stripped, cleaned, and sealed, a process that will be done semiannually in the future. An ice machine
92 was purchased for the Café and produce department. The new planters in the front were made locally and
93 will allow vines to cover the awning this summer.

94 Marketing/Special Projects The Meat and Greet event was a success.

95 7.2 Board-Development Committee

96 The committee will meet again this week to continue discussions of next steps in board learning and helping
97 David Lester with strategic planning.

98 8. Action Items

99 **8.1 GM report--L1 Customer Treatment**

100 **Motion:** Lyle Luzum moved and Robert Fitton seconded to approve GM monitoring report L1 Customer
101 Treatment. Motion **passed** by a 7-0 vote.

102 Summary: Treatment of customers is measured on trends in sales and customer count, whether feedback
103 channels exist and function adequately, whether training in customer service is regularly carried out, by
104 the existence of an up-to-date merchandizing policy, and certain health and safety measures.

105 Compliance is reported on all policy subparts except staff training on customer service. For remediation,
106 David Lester will work with the NCGA and other coops to implement customer service standards and a
107 training schedule. An annual customer survey and mystery shopper program will be used to assess
108 results and improvement over time.

109 Pro: The remediation plan for staff training and follow up monitoring is good and well thought out. It
110 will be good to get quantifiable data instead of just anecdotal information regarding customer treatment.

111 **8.2 GM report--L4 Membership**

112 **Motion:** Joan Leuenberger moved and Lyle Luzum seconded to approve the L4 Membership monitoring
113 report. Motion **passed** by a 7-0 vote.

114 Summary: Compliance is reported with keeping members' personal data private, offering multiple ways
115 for members to be involved in the Coop, publicizing board activity to members, maintaining the equity
116 requirement for membership, and educating members on member benefits.

117 **8.3 Board report--D1 Unity of Control**

118 **Motion:** Lyle Luzum moved and Bill Pardee seconded to approve the report D1 Unity of Control. Motion
119 **passed** by a 7-0 vote.

120 Summary: Because individual board members have not given directions outside of board action to
121 Michelle Campe or David Lester nor made requests for information or assistance deemed unreasonable
122 by the GMs in terms of time and resources required, compliance is reported.

123 **8.4 Board report--G1 Governing Style**

124 **Motion:** Robert Fitton moved and Joan Leuenberger seconded to approve the monitoring report on G1
125 Governing Style. Motion passed by a 7-0 vote.

126 Summary: Because the board operates under policies and has a sense of excellence in governing shown
127 through discipline and self-monitoring, compliance is reported with all subparts of Policy G1 Governing
128 Style.

129 **8.5 Board - Member Linkage Report and Recommendations**

130 **Motion:** Lyle Luzum moved and Robert Fitton seconded to approve the committee's proposed procedure to
131 address member comments made at board meetings.

132 Summary: The member will write down his/her name, contact information, and a summary of the
133 comment, concern, or request, which will be collected by the presiding officer. After the member voices
134 the concern, the presiding officer will summarize the main points of the comment in a way acceptable to
135 the member. During the new business segment of the meeting, the written comments will be reviewed
136 and delegated to someone, GM or board member, to respond in writing to the member.

137 Pro: Using a rotating presiding officer allows for multiple people to connect with members, and it shares
138 the workload. Someone could volunteer to be presiding officer, like directors volunteer for monitoring
139 reports. Following the procedure every time adds consistency to the treatment each member gets. By
140 not discussing what was said during the member comment period, all members will have time to raise
141 their concerns. Many methods were tried during the past couple of years to adequately respond to
142 member's concerns and comments, and this procedure reflects what was learned during those attempts.
143 Con: Rotating the presiding officer seems cumbersome and would we remember whose turn it is. This
144 system can't handle a large number of comments; it would be a logistical burden. Not following a
145 procedure once it is established can create got-cha situations.

146 **Amendment:** Steve McCargar moved and Jon Jenson seconded to include an opportunity for
147 members to comment during action items and again before dealing with the comments received
148 during the member comment segment.

149 **Amendment to the Amendment:** Bill Pardee moved and Jon Jenson seconded to split the
150 amendment into two parts. Amendment to the Amendment **passed** by a vote of 6 ayes and one
151 abstention (Jon Jenson)

152 Amendment Part 1 allowing members to comment during action items

153 Pro: Members don't get all the preparatory meeting materials and therefore, can't prepare
154 comments until specific proposals are presented during the meeting. Members were able to
155 comment during discussion of specified action items in the past. The action items where member
156 input is allowed can be decided by the board as a whole at the time of agenda approval.

157 Con: Board members have done their homework prior to meetings and represent the whole
158 membership; members attending aren't necessarily representative but only voice their own
159 perspective. Allowing members in board debate causes directors to debate with members, which
160 creates ill will. Board discussion is a poor time for addressing member questions and makes the
161 board look evasive when the board or GM don't have answers available. Adding member
162 comments interrupts the flow of the meeting and adds to its length. It's tough on the president to
163 determine when to allow comments and when to prevent or end someone's comment. Member's
164 input could be abusive, factually wrong, or irrelevant. We can get member feedback during
165 discussions without having to adopt this as procedure. If the board acts in a way that members
166 don't like, they can voice concerns at following meeting and persuade the board to change its
167 decision.

168 **Amendment to the Amendment:** Steve McCargar moved and Jon Jenson seconded to
169 allow member comments during select non-monitoring action items on the agenda.

170 Amendment to the Amendment **passed** by a vote of 4 ayes and 3 nays (Joan Leuenberger,
171 Lyle Luzum, and Steve Peterson).

172 Amendment Part 1 allowing members to comment during action items as amended **passed** by a vote
173 of 4 ayes to 2 nays (Bill Pardee and Joan Leuenberger) and 1 abstention (Steve Peterson).

174 Amendment Part 2 allowing member comments prior to dealing with the comments received during
175 the member comment segment **failed** by a vote of 0-7.

176 Con: Now that members can comment during select non-monitoring report action items, there's
177 less need for members to comment near the end of a meeting.

178 **Amendment:** Bill Pardee moved and Robert Fitton seconded to amend the proposed member
179 comment procedure to replace that member comments will be addressed "during the new business
180 section" with "immediately before agenda review." Amendment **passed** by a 7-0 vote.

181 Pro: Members don't have to wait until the end of the meeting to hear how their comment will be
182 addressed. It's respectful of member's time if they came just to make a comment and have to
183 leave before the end of the business meeting. Comments can inform the agenda for that meeting.

184 Motion to approve the proposed procedure to address member comments **passed** as amended by a vote of 6
185 ayes to 1 nay (Lyle Luzum).

186 9. Consideration of Items Pulled from Consent Agenda

187 There were no items pulled from the consent agenda.

188 10. Next Monitoring

- 189 • L5: Financial Conditions for 2nd quarter will be completed by David Lester.
- 190 • D2: Accountability of GM will be completed by Lyle Luzum.
- 191 • D3: Delegation to the GM will be completed by Robert Fitton.

192 11. Next Meeting—Tues., July 27, Room 367 Valdars Hall, Luther College Campus

193 12. Executive Session

194 There was no executive session.

195 13. Adjourn

196 **Motion:** Steve McCargar moved and Jon Jenson seconded to adjourn the meeting. Motion **passed** by a 7-0
197 vote.

198 Meeting adjourned at 7:55.

199 Respectfully submitted,
200 Joan Leuenberger, board secretary

201 Documents reviewed:

202 Board Learning Handout on Levels of Involvement

203 Agenda

204 Minutes, May 25 regular monthly meeting

205 GM Report

206 Policy L1 Customer Treatment Monitoring Report

207 Policy L4 Membership

208 Policy D1 Unity of Control Monitoring Report

209 Policy G1 Governing Style Monitoring Report

210 Suggested Procedure for Member In-Meeting Requests