

Oneota Community Coop
Minutes for Regular Monthly Board Meeting
Tuesday, November 23, 2010
Luther College Campus, Valders Hall, Room 367

Board Members Present: Robert Fitton, Jon Jensen, Joan Leuenberger, Lyle Luzum, Steve McCargar, Bill Pardee, and Steve Peterson
GM Present: David Lester
Coop member/owners present: 1

1. Call to Order

President Steve Peterson called the meeting to order at 5:03.

2. Executive Session: Evaluating the GM?

Members discussed David Lester's performance during his six months as general manager.

3. Member Comments

There were no member comments.

4. Disposition of Member Comments

There were no member comments.

5. Agenda Review

Motion: Lyle Luzum moved and Bill Pardee seconded to approve the agenda. Motion **passed** by a 7-0 vote.

6. Approval of Minutes

Motion: Bill Pardee moved and Lyle Luzum seconded to approve the minutes as corrected. Motion **passed** by a 7-0 vote.

Con: In line 154, Bill Pardee seconded the motion, not made the motion.

7. Consent Agenda

There were no items on the consent agenda.

8. Reports

8.1 GM Report

Financial: October sales were \$51,000 higher than in 2009 and for the year sales are up 10.7%. October included our best sales day ever-the member appreciation day with sales of \$29,700 compared to the former record of \$18,000. Sales for days surrounding the member appreciation day were not negatively affected by the strong sales of the day. The labor to sales ratio for the past 4 weeks was 18.25%, which is above budget. The quick ratio is .75. Savings continues to grow, with a balance of \$115,000.

Physical Store Update: We switched the roof lights to LED as part of a Decorah Chamber promotion making them more efficient. The credit cards are now processed using Qwest as our internet provider; Mediacom still provides customer WiFi. We purchased new-to-us shopping carts from Fareway for \$5 each that are safer for children. The floor cleaner is already reducing the amount of chemicals used and staff time for cleaning.

Marketing/Special Projects: Local sales remain at 30%. Taste of the Holidays raised \$2,226 for the area food banks, which will be donated in groceries instead of cash this year. Our vendors have been asked to also provide items to donate based upon the success of our event to make an even larger impact. Many of our growers/vendors already donated the food served at the event. The Coop community and staff have been active in support of the Tester amendment to the Senate's Food Safety Bill S.510 to exempt smaller growers from the new food regulations. 11/30 is the next member appreciation sale.

8.2 Board Development--Candidate Recruiting

The committee reviewed the current election process and application packet. The only change will be to include the required notice of the annual meeting in the ballot mailing. Members Georgie Klevar and Lyle Otte have been recruited to serve on the committee. A multi-pronged effort will be made to recruit candidates for the two positions.

9. Action Items

9.1 L7 Asset Protection

Motion: Bill Pardee moved and Robert Fitton seconded to approve monitoring report L7 Asset Protection. Motion **passed** by a 7-0 vote.

Summary: Oneota Coop is out of compliance with subpolicies 7.1 and 7.6 because we do not have *written* procedures for asset handling (cash and cash transactions) and purchasing respectively.

Proposed remediation is that procedures will be written down during 2011. All other subpolicies are in compliance.

Pro: Many organizations don't have their procedures written down.

Con: The insurance review under L7.5 would be better placed in the data section of L7.1.

Motion: Bill Pardee moved and Lyle Luzum seconded: 1. That the GM extend his interpretation of the above policy (L7.1) to include some form of training and monitoring. 2. That he report back to us within three months. 3. That the VP add a note on this non-compliance and remediation recommendation to his table to help us remember to follow-up.

Pro: Staff needs to be training to know how to follow the procedures. We need to at least have an update sooner than a year. To make written procedures easier and quicker, staff can just write down the current procedures used. The GM would only provide a progress report in three months; he wouldn't have to be finished by that time. "Extend his interpretation" isn't meant to dictate how the GM interprets the policy.

Con: The GM has a lot to do already in the near term including finishing the business plan and holding an annual meeting. The board can't dictate the GM's interpretation of our policies; we can only change the policies to make them clearer.

Amendment: Steve McCargar moved and Lyle Luzum seconded to change the time frame for the progress report from three to four months. Amendment **passed** by a 7-0 vote.

Motion as amended **passed** by a 7-0 vote.

9.2 G3 Agenda Planning

Motion: Lyle Luzum moved and Bill Pardee seconded to approve monitoring report G3 Agenda Planning. Motion **passed** by a vote of 6 ayes to 1 nay (Steve McCargar.)

Summary: Compliance is reported in all instances regarding board agenda setting which involves board training, monitoring, and member linkage. Non-compliance is reported in subpolicy G3.4

regarding expeditiously dealing with monitoring reports. Remediation calls for a closer following of Robert's Rules of Order and for board members to circulate action plans in writing prior to meetings to make discussions more efficient. Further monitoring will occur in March to assess progress.

Con: Steve Peterson was too hard on himself as meeting president.

9.3 Board Budget

Motion: Steve Peterson moved and Jon Jensen seconded to approve the board budget for next year.

Motion **passed** by a 7-0 vote.

Summary: The board budget totals \$16,730 and includes items for member linkage, board development, professional fees, and member discount for board members.

Pro: David is OK with this amount because it's very close to the estimated amount used in the store budget.

9.4 L2 Nepotism Subpolicy (2nd Reading)

Motion: Steve McCargar moved and Robert Fitton seconded to approve the second reading of the change to policy L2.2 against nepotism. Motion **passed** by a 7-0 vote.

9.5 Authorization for GM to hire Financial Reviewer

Motion: Steve Peterson moved and Steve McCargar seconded to authorize the GM to choose an auditing firm that qualifies under these criteria: 1. must be independent and impartial; 2. must be at a reasonable cost for services of this sort; 3. must be able to provide sufficient documentation to the board so we can determine compliance with our policies. Motion **passed** by a 7-0 vote.

Pro: We aren't conducting a full audit this year. We are expecting David Lester to justify his choice. Speed of action is an issue since we are approaching year end.

Con: It is standard to have the board or an audit committee hire the financial reviewer so there's less conflict of interest between management and the reviewer.

10. Consideration of Items Pulled from Consent Agenda

No items were pulled from the consent agenda.

11. Next Monitoring

- L6 Planning and Budgeting
- G6 Governance Investment –Bill Pardee

12. Next Meeting--Tuesday, December 21, Room 367 Valdars Hall, Luther College Campus

Motion: Steve McCargar moved and Jon Jensen seconded to discuss the survey comments as part of board learning at the December meeting. Motion **failed** by a vote of 3 ayes (Steve McCargar, Jon Jensen, Bill Pardee) to 4 nays.

Pro: The board is charged with understanding member values and the comments indicate what members want. The discussion could have a time limit allowing time for another topic too. This is the data we have.

Con: We need to move on and learn about Ends monitoring, which happens in March. The member linkage committee and each individual board member learn about member values in other ways. The sample who took the survey was small (only 7% of membership) and self-selecting, therefore not necessarily representative and could lead us in the wrong direction. Survey takers expected their comments were confidential. Comments don't indicate trends constructive to ends policies, just the experience or interpretation of that member.

Motion: Steve McCargar moved and Robert Fitton seconded to discuss the survey comments as part of board learning held in executive session at the December meeting. Motion **failed** by a vote of 3 ayes (Steve McCargar, Jon Jensen, and Robert Fitton) to 4 nays.

Con: Holding learning sessions in executive session precludes members from learning with the board, especially if that becomes a habit. Discussing this still takes time away from Ends learning.

13. Executive Session—GM Evaluation

There was no executive session.

14. Adjourn

Motion: Jon Jensen moved and Bill Pardee seconded to adjourn. Motion **passed** by a 7-0 vote.

Meeting adjourned at 7:49.

Respectfully submitted,
Joan Leuenberger, board secretary

Documents reviewed:

- FY 2010 GM Monitoring Results

- Agenda

- Minutes, October 26 regular monthly meeting

- GM Report

- Report from the Board Development Committee

- Policy L7 Asset Protection GM Monitoring Report

- Proposed Motion and Justification from Bill Pardee regarding Policy L7

- Policy G3 Agenda Planning Board Monitoring Report

- Draft Board Budget for 2011

- Policy L2 Nepotism Proposed Policy Change

- Motion and Justification from Steve Peterson regarding hiring a financial reviewer

- July 10, 2009 Letter from Morris & Associates, CPAs