

Oneota Community Coop
Minutes for Executive Session
Tuesday, December 21, 2010
Luther College Campus, Valders Hall, Room 367

Board Members Present: Robert Fitton, Jon Jensen, Lyle Luzum, Steve McCargar, Steve Peterson, Bill Pardee

GM Present: David Lester

Coop member/owners present: Birgitta Meade, Julie and Rob Fischer, Rachel Brietenbach-Dirks

1. Call to Order: President Steve Peterson called the meeting to order at 5 PM. The Board desks were arranged in a "U" to provide better communication with the audience.
2. Board Learning: The Board listened to about 35 minutes of a taped discussion of Ends Policy Monitoring by five or six General Managers from around the country. The speakers mentioned some spreadsheets, which appear to be available to us, that one of them developed for tracking ends data. A few discussion issues arose, such as the question, "What is our community?"
3. The floor was opened for member comments at 6 PM.
 - 3.1. Birgitta asked how member comments from the "Ideas and Ideals" member linkage meeting are reported to the Board. Steve McCargar read from the report submitted by Bill Pardee of the session on November 30.
 - 3.1.1. A suggestion that the Board members sit so members present at Board meetings can see and hear them has been responded to by adopting a "U" seating.
 - 3.1.2. Rob had asked about a procedure to recommend new products; answered at the meeting by Steve McCargar.
 - 3.1.3. Birgitta had asserted that the Board only the quick ratio and current ratio to evaluate the General Manager. Bill Pardee and Steve McCargar described several of the many measures used in last month's first evaluation of a General Manager, and none of those measures included Quick Ratio or Current Ratio.
 - 3.1.4. Some of the members present at the Ideas and Ideals Meeting asked questions about the use of the results of the survey and about why the results are not made public. David Lester explained that he and his staff designed the survey to determine what products and services fit for our customers, and he didn't want our competitors to see the information about our customer preferences. It was summarized in the Scoop.
 - 3.2. Birgitta repeated her assertion from the Ideas and Ideals meeting that she doesn't understand how the GM is evaluated. Birgitta also asked why the member survey isn't public.

- 3.2.1. Steve Peterson observed that the issue of the use of the member survey, which is not at all used in evaluating the GM, is unrelated to the issue of how the GM is evaluated. He decided to assign someone (unspecified) to write a statement summarizing the GM evaluation process.
4. Agenda Review: Lyle moved to approve; Robert seconded and the agenda was approved 7-0.
5. Approval of Minutes: Lyle moved to approve; Jon seconded, and the minutes were approved 7-0.
 - 5.1. An email letter on the filing of the GM's evaluation letter from the Board was signed.
6. Consent Agenda: None
7. Reports
 - 7.1. GM Report:
 - 7.1.1. November sales were up 15%. Year to date sales are up 11%. The member appreciation day (MAD) sales were great and the sales for the week including the MAD were great. Labor costs are below our target, and up only slightly for the year. Quick ratio is 0.75.
 - 7.1.2. The GM reported on the status of the failed HVAC unit. It happened on a Friday 11 days ago. The web controls warned that the temperature was dropping, providing valuable lead time to address the problem. The heat reclaimed in the tunnel from the refrigeration units' coils significantly slowed the store's heat loss, but as the store cooled, the refrigeration units produced less and less heat in the tunnel. The store temperature dropped as low as 50 degrees. We will receive a large tax credit (in the neighborhood of \$7000) for the new, high efficiency unit, and we will receive a \$1500 credit from Alliant.
 - 7.1.3. Engineering estimates recommend 20 tons of heating/cooling on the roof; this unit is 12.5, so we plan to add another 7.5 ton unit. The store's strong financial performance this year places us in a position to handle these repairs and replacements.
 - 7.1.4. The replacement, now complete, of the rooftop HVAC unit revealed the severe deterioration of the roof. It has no insulation, and many, many leaks. Thanks to Bruce Jordan for bravely shoveling snow from the roof. Water is getting into walls. An inappropriately sealed drain on the roof gave way to leak substantial quantities of water into the bulk section and the offices below the bulk section. The roof must be replaced, but the work can't be done until spring.
 - 7.1.5. Board Member Steve McCargar volunteered to assemble information on possible simultaneous (spring of 2011) installation of photo-voltaic power generation on the roof to be funded by contributions.

- 7.1.6. Jon moved to accept the GM report; Robert seconded, and the vote was 7-0.
- 7.2. Candidate Recruiting: (information only)
 - 7.2.1. Robert reported that the nominations subcommittee of the Board development committee has identified four candidates, all women, who want to run for the two seats to be available. The nominations committee will schedule interviews in January and report their recommendations to the January Board meeting.
8. Action Items:
 - 8.1. GM response to Board Audit Review Memo: The GM reported hiring Hacker and Nelson to do a financial review of the Co-op in compliance with the Board's requirements. Jon moved to approve; Robert seconded, and the Board approved the report 7-0.
 - 8.2. Formation of an ad hoc audit review committee. Steve Peterson proposed forming an ad hoc committee to learn how other co-ops handle audit responsibilities. Is it primarily a Board responsibility, or is it a GM responsibility? How often is an audit necessary, in which the auditors make some independent checks of accuracy? The motion requires a report at the February meeting of the Board. Steve McCargar seconded Steve Peterson's motion, and the Board approved it 7-0. Steve Peterson appointed himself and the absent Joan Leuenberger to the committee.
 - 8.3. Budgeting and Planning (GM) The 2011 Business Plan. The General Manager had submitted a 35 page business plan. The Board reviewed the plan in terms of its compliance with Policy L-6: Budgeting/Financial Planning.
 - 8.3.1. Lyle moved to approve; Steve McCargar seconded. After discussion of the Business Plan, including several appreciations, the Board approved Policy L-6 by a vote of 7-0.
 - 8.4. G6 Governance Investment Policy: Bill Pardee prepared the G-6 policy report, which concluded that the Board complied with its G6 policy. Jon moved acceptance; Lyle seconded, and the report was approved 7-0.
 - 8.5. 2011 Board Calendar: Steve Peterson assembled a calendar of Board activities for 2011, including especially the dates for specific policy monitoring. Steve McCargar moved acceptance. Robert seconded. The calendar was approved 7-0.
 - 8.6. Nepotism sub-policy (final reading): The policy defining nepotism more specifically was read for the third time. Robert moved acceptance; Lyle seconded, and the policy change was approved 7-0.
9. Consideration of items from Consent Agenda: None
10. This room at Luther will be reserved for the next 11 months on the fourth Tuesday, and on the third Tuesday of December, 2011.

11. Next Monitoring

11.1. L8 Communication and Counsel to the Board (GM)

11.2. G2 Board Job Description

12. Next Meeting January Tuesday, January 25, 2011, Room 367 Valders Hall, Luther College Campus

13. Executive Session-GM Employment Agreement

14. Adjourn 8:20 PM;