

1 Oneota Community Coop
2 Minutes for Regular Monthly Board Meeting
3 Tuesday, January 25, 2010
4 Luther College Campus, Valders Hall, Room 367

5 Board Members Present: Robert Fitton, Joan Leuenberger, Lyle Luzum, Steve McCargar, Bill Pardee,
6 and Steve Peterson
7 GM Present: David Lester
8 Coop member/owners present: 1 and Coop intern Samantha Anderson

9 **1. Call to Order**

10 President Steve Peterson called the meeting to order at 5:08

11 **2. Board Learning: Monitoring Organizational Ends Policies, part 2**

12 The board used four questions to guide our discussion of what ends monitoring will look like for Oneota
13 Coop in March. 1. What level of detail might be acceptable for David to present to us in March? 2. What
14 do you envision the process of Ends monitoring to be like? 3. How do we think our Ends and our
15 strategic planning are related? 4. Looking at our ends, what are some issues that David will need to
16 interpret to us.

17 **3. Member Comments**

18 There were no member comments.

19 **4. Disposition of Member Comments**

20 There were no member comments.

21 **5. Agenda Review**

22 **Motion:** Joan Leuenberger moved and Lyle Luzum seconded to approve the agenda. Motion **passed** by a
23 6-0 vote.

24 **6. Approval of Minutes**

25 **Motion:** Robert Fitton moved and Steve McCargar seconded to approve the minutes as corrected.
26 Motion **passed** by a 6-0 vote.

27 Con: The regular session minutes are titled from an executive session.

28 **7. Consent Agenda**

29 There were no items on the consent agenda.

30 **8. Reports**

31 **8.1 GM Report**

32 Financial: Sales were up \$9,200 or 3.2% over Dec. 2009. For the year we were above 2009 by 10.4% and
33 \$333,600. Weekly sales are averaging \$66,700 and labor is 17.33% of those sales. The quick ratio is .75
34 and current assets are 116% higher than last year. Cash in savings #3 is \$135,000 and total cash is
35 \$235,000. Hacker Nelson completed their financial review field work in less than a day, below their
36 expected 2 days. The NCGA Central Finance Committee unanimously approved to remove Oneota from
37 the Joint Liability Fund "watch list" and return us to an 8% contribution rate and refund about \$4,000.
38 They expressed their appreciation for our quick financial turn around.

39 Physical Store Update: The HVAC system is functioning better. The new RTU unit will qualify for a
40 rebate but tax credit required too many hurdles. The roof is temporarily patched and quotes are request
41 for replacing the existing roof which will be about \$30,000. Snow was removed from the roof and a drain
42 was covered and heat tape applied to prevent further leaks as the snow melts. The natural gas bill is lower
43 than last year, but the electric bill is up. The Coop passed inspections by the USDA and the State Health
44 Department. We only had to change one thing on the mop sink and have to stop recycling egg cartons for
45 bulk egg customers. A&J Petersburg provided a more competitive insurance package so we will switch
46 to them for 2011.

47 Staff Updates: A situation involving personal use of an e-mail lists has been dealt with according to
48 personnel policies. A management retreat is to be held Feb. 2 to discuss the business plan and upcoming
49 Ends monitoring.

50 Marketing/Special Projects: Because the deli uses 50% local items, the overall store local percent is 21%
51 currently. Oneota provided breakfast to the Decorah Schools in service day and has designed classes for
52 Team Rehab on healthier eating. Oneota will conduct a two-part training for the staff of Opportunity
53 Homes. The staff is thinking of ways to reach more of our community. Samantha Anderson, an
54 environmental studies major at Luther, is working on a survey of Luther students and other projects
55 during J-term. Decorah and the Coop will be focus of upcoming Midwest Living magazine. There is
56 now a written payables procedure and work continues on cash management.

57 **8.2 Board Development-Candidate Recruiting Update**

58 The committee will bring 4 candidates forward as board nominated candidates. The committee asked 30
59 people to run of which four said yes, but only three completed the application packet. One of the four to
60 be nominated applied from the ad on the website. The committee also crafted two questions to be asked
61 to each candidate at the member forum.

62 **8.3 Board Budget Update**

63 For 2010 the board was under its budget spending \$14,748 of its budgeted \$16,650.

64 **8.4 Issues for Board Learning**

65 **Motion:** Steve Peterson moved and Bill Pardee seconded to postpone the brainstorming of additional
66 board learning topics until the next meeting during the board learning segment. Motion **passed** by a vote
67 of 5 ayes to 1 nay (Steve McCargar).

68 Pro: We already discussed some additional topics during this board learning segment.

69 **Action Items**

70 **9.1 L8 Communication and Counsel to the Board**

71 **Motion:** Lyle Luzum moved and Bill Pardee seconded to accept monitoring report L8 Communication
72 and Counsel to the Board. Motion **passed** by a 6-0 vote.

73 Summary: The GM kept the board informed of trends, store performance, and monitoring data so
74 compliance is reported.

75 Pro: Nice to see data ties together from one monitoring report to another. The operational
76 interpretations are clear and simple.

77 **9.2 G2 Board Job Description**

78 **Motion:** Bill Pardee moves and Lyle Luzum seconds to approve monitoring report G2 Board Job
79 Description.

80 Summary: Because the board has policies for itself and the GM and because it monitors those
81 policies and because the board has a process for recruiting and training new board members,
82 compliance is reported.

83 **Amendment**: Steve McCargar moves and Bill Pardee seconds to split the discussion and voting into
84 different components, one for each policy subpart. Amendment **fails** by a vote of 0-6.

85 Pro: There is concern about conclusions to some of the subparts. Members should be able to vote
86 aye on some parts and nay on others. Dealing with separate concerns will allow us to settle them
87 as a full board.

88 Con: Should treat it more like a consent agenda and just remove those segments that are
89 questioned.

90 **Amendment**: Steve McCargar moved and Lyle Luzum seconded to discuss and vote on policy G2.1
91 and G2.4 separately from the rest of the G2 report to allow consideration of whether compliance
92 should have been reported. Motion **passes** by a 6-0 vote.

93 **#1 Motion**: That the conclusion of G2.1 should be changed to non-compliant. Motion **failed** by
94 a vote of 1 aye (Steve McCargar) to 5 nays.

95 Summary: Because the board has acted as a link between member/owners and management,
96 educates itself about member values, and informs the membership of board activities and
97 policy compliance, compliance is reported.

98 Pro: The board did not discuss member comments from a survey during a meeting and
99 therefore missed an opportunity to learn about member values.

100 Con: The board got a summary report from David on the marketing survey he conducted.
101 Not using one opportunity is not sufficient grounds to say the board is not educated about
102 member values. There are alternative ways to learn about member values and the board is
103 using them. For example, the board member linkage committee has held two meetings with
104 members. Also the board has heard a lot of member comments in the past two years.
105 Disagreeing with some members doesn't mean they haven't been heard. No evidence was
106 given that the board is ignorant of member values or operating without thinking of member
107 values.

108 **#2 Motion**: That the conclusion of G2.4 should be changed to non-compliant. Motion **failed** by a
109 vote of 1 aye (Steve McCargar) to 5 nays.

110 Summary: Because the board performed well at its duties of delegation and good governance
111 and specifically because it implemented the improvements planned for 2010 in member-
112 board connection and monitoring, compliance is reported.

113 Pro: The board didn't gather data on staff treatment prior to David's employment as GM this
114 year.

115 Con: The board voted that it gathered sufficient data when this policy was monitored and
116 this should not be an occasion to redebate a prior board action.

117 The motion to accept monitoring report G2 on Board Job Description **passed** by a vote of 5 ayes to 1 nay
118 (Steve McCargar).

119 **9.3 Board Candidate Nominations**

120 **Motion**: The Board Nominating Committee moved that the following applicants be accepted as board
121 nominated candidates for the upcoming 2011 election, which has two positions available: Johnice Cross,
122 Alison Dwyer, Gary Hensley, and Jenna Sicuranza. Motion **passed** by a 6-0 vote.

123 Pro: There are four nominations for two board slots. The nominations are all qualified and seem
124 committed to the Coop and the position if elected.

125 **9.4 Registered Agent for Bienial Report to the State of Iowa**

126 **Motion**: Steve Peterson moved and Steve McCargar seconded to appoint Coop attorney Karl Knutson as
127 registered agent for the purposes of signing the biennial report to the State of Iowa. Motion **passed** by a
128 vote of 6-0.

129 Pro: Board president changes every year and it would be good to have a consistent person responsible for
130 this. Other groups have an attorney do this for the same reason.

131 **9.5 Discussion/Research Board Administrative Position**

132 The board discussed the possibility of hiring a part time administrative assistant and Lyle Luzum was
133 appointed to develop guidelines for this part-time position. An assistant would provide consistency with
134 certain tasks that ever-changing board officers may not be able to provide and cut down on the time
135 commitment required of board members. There is more maintenance required by our high tech world
136 when board communications need to be posted on the web site in addition to the traditional places. This
137 position would have to fit within the board budget. It would be good to get someone or at least a plan in
138 place for the next board.

139 **9.6 Annual Assessment of \$20 Dues Payments for Incomplete Memberships**

140 **Motion**: Steve Peterson moved and Robert Fitton seconded to assess the next annual payment of \$20 on
141 those members who are paying their membership in installments. Motion **passed** by a 6-0 vote.

142 Pro: This is required in the by-laws and is important in conducting the upcoming election.

143 **9.7 CBLD Annual Retreat Date**

144 **Motion**: Steve Peterson moved and Bill Pardee seconded to set April 16 as the date for the retreat for both
145 incoming and outgoing board members with our CBLD consultant. Motion **passed** by a 6-0 vote.

146 Pro: This date fits with Art's schedule and the current board members. It also avoids a conflict with
147 Easter.

148 **9.8 Financial Review Questions**

149 Hacker Nelson had some questions for the board as part of its financial review.

150 First, they need the approved minutes from the December meeting, which Joan Leuenberger will provide
151 to David.

152 Second, the board decided they each wanted a copy of Hacker Nelson's report.

153 Third, on the question of retained patronage dividends:

154 **Motion**: Steve Peterson moved and Bill Pardee seconded to continue to retain the allocated but retained
155 patronage dividends from 2003 and 2004. The motion passed by a vote of 6-0.

156 Pro: Hacker Nelson needs a board decision for its review. The Coop needs to continue conserving
157 cash for capital improvements.

158 Fourth, the board does not have to approve early payment of member loans.

159 **9.9 NCGA Letter Regarding Minimum Sales Volume for Entry**

160 The coop in Stillwater, MN, composed a letter urging the NCGA to reconsider its membership threshold
161 of \$2 million in sales. Many coops think this is against the cooperative principles. David wanted to know

162 if Oneota's board wanted to sign on. The board decided to consider and vote by electronic means on
163 whether to agree.

164 **10. Consideration of Items Pulled from Consent Agenda**

165 No items were pulled from the consent agenda.

166 **11. Next Monitoring**

- 167 • L9 GM Succession
- 168 • L5 Financial Condition: 4th Quarter
- 169 • D Global Governance-Management Connection –Steve Peterson

170 **12. Next Meeting--**Tuesday, February 22, Room 367 Valders Hall, Luther College Campus

171 **13. Executive Session**

172 There was no executive session.

173 **14. Adjourn**

174 **Motion:** Lyle Luzum moved and Bill Pardee seconded to adjourn. Motion **passed** by a 6-0 vote.

175 Meeting adjourned at 7:55.

176 Respectfully submitted,

177 Joan Leuenberger, board secretary

178 Documents reviewed:

179 Ends monitoring reports of three coops: Hunger Mountain, Onion City River Market, and
180 Weavers Way

181 Agenda

182 Minutes, December 21 regular monthly meeting

183 Minutes, December 21 executive session

184 GM Report

185 Report from the Board Development Committee

186 Board of Directors Applications from Johnice Cross, Alison Dwyer, Gary Hensley, and Jenna
187 Sicuranza

188 Final Board Budget for the year 2010

189 Policy L8 Communication and Counsel to the Board GM Monitoring Report

190 Policy G2 Board Job Description Board Monitoring Report