

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

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

9 **1. Call to Order**

10 President Steve Peterson called the meeting to order at 5:04

11 **2. Board Learning:**

12 There was no board learning segment this month.

13 **3. Member Comments**

14 There were no member comments.

15 **4. Disposition of Member Comments**

16 There were no member comments.

17 **5. Agenda Review**

18 **Motion:** Joan Leuenberger moved and Bill Pardee seconded to approve the agenda. Motion **passed** by a  
19 7-0 vote.

20 **6. Approval of Minutes**

21 **Motion:** Joan Leuenberger moved and Steve McCargar seconded to approve the minutes after amending  
22 them to fix some errors in proofreading.

23 **Amendment:** Bill Pardee moved and Steve McCargar seconded to amend the presented minutes by  
24 changing line 123 to indicate there are four nominees running for two open slots instead of two  
25 candidates for two board slots. Amendment **passed** by a 7-0 vote.

26 Pro: This better represents the situation since every candidate is running for each slot.  
27 Motion to approve the minutes **passed** by a 7-0 vote.

28 **7. Consent Agenda**

29 There were no items on the consent agenda.

30 **8. Reports**

31 **8.1 GM Report**

32 Financial: Sales for January were up 11.3% over last year, or \$28,500 and continue to be above budget.  
33 Labor the last four weeks averaged 18.17% of sales, slightly above budget, but lower than last year. The  
34 quick ratio is .71. We have \$236,000 of cash on hand.

35 End of Year 2010 Financial Highlights: The top three departments for sales growth during the year were  
36 Meat, Produce, and Books and Gifts. Packaged grocery is our largest department and grew nearly 13%.  
37 Even with all the HVAC issues, our utility bill only grew 6% last year, but costs should be better now that  
38 our system is running more effectively and efficiently. Cash balances are up 116% or \$126,500. We  
39 experienced our first profit in the new store- \$51,000.

40 Staff Updates: The Policy and Procedure Manual was updated in Feb. and changes forwarded to all staff.  
41 The management retreat/workshop to discuss the Business Plan, Departmental Plans, and Ends policies  
42 on Feb. 2 went well. A front-end position will be needed due to expected family leaves being granted to  
43 current staff. The next all staff meeting will be in April to discuss Ends monitoring, the Business plan  
44 and employee wellness opportunities.

45 Marketing/Special Projects: 21 members signed up in January. The Team Rehab classes were a hit. The  
46 Coop has representatives on the Decorah Wellness Committee.

47 Non-Compliance Update: The store has a written cash handling policy now.

## 48 **8.2 Board Development-Candidate Recruiting Update**

49 Robert Fitton reported that the ballots have been printed using a pictorial format. The ballots will be  
50 stuffed on Sat. The committee is asking for feedback from all the candidates on the candidate forum to  
51 see if any procedures should be improved for next year.

## 52 **Action Items**

### 53 **9.1 L5 Financial Condition Report**

54 **Motion**: Lyle Luzum moved and Robert Fitton seconded to approve the report on L5 Financial  
55 Conditions for fourth quarter. Motion **passed** by a vote of 6 ayes to 1 abstention (Steve McCarger)

56 Summary: Compliance is reported because all financial benchmarks were met, resources were used  
57 in accordance with the Ends, and the Coop got an unqualified opinion on its 2010 financial  
58 statements reviewed by Hacker Nelson & Co.

59 Pro: Although our ratios are down after the year-end adjustments, they still meet the required  
60 benchmarks.

### 61 **9.2 L9 GM Succession Report**

62 **Motion**: Lyle Luzum moved and Bill Pardee seconded to approve the report on L9 GM Succession.  
63 Motion passed by a vote of 7-0.

64 Summary: Compliance is reported in part and not reported in part because certain duties of the  
65 emergency successors were not accomplished in the last 12 months. One person did not complete a  
66 monitoring report, one did not attend a board meeting during the year, and no training on the  
67 board/GM relationship was conducted. However, great progress was made towards compliance in  
68 the past year.

69 Pro: Succession planning was really well thought out. A conclusion of compliance and non-  
70 compliance seems accurate given our situation.

### 71 **9.3 Revolving Line of Credit**

72 **Motion**: Steve Peterson moved and Lyle Luzum seconded to authorize the GM to secure a revolving line  
73 of credit for the sum of \$60,000 from Decorah Bank & Trust. Motion **passed** by a vote of 7-0.

74 Pro: Using cash to pay for the new roof would potentially bring the current and quick ratios below  
75 the standard set by the NCGA and put us back on their watch list. Adding this debt would not bring  
76 our debt to equity ratio into noncompliance. Having a line of credit would add flexibility in case  
77 other equipment should fail. The interest rate would be 6%, which is below the rate on our other  
78 debt and charged only on the outstanding balance.

### 79 **9.4 D Global Governance-Management Commitment Report**

80 **Motion:** Lyle Luzum moved and Bill Pardee seconded to approve the report on D Global Governance-  
81 Management Commitment. Motion **passed** by a vote of 7-0.

82 Summary: Compliance is reported because compliance was reported on all D policies during the  
83 year.

#### 84 **9.5 2003-04 Patronage Dividend Issue**

85 Hacker Nelson reclassified the unpaid patronage dividend from long-term liabilities to equity since it  
86 hasn't been paid in a number of years. Hacker Nelson has recommended that the board make a decision  
87 on how to finally resolve this by the end of this year.

88 **Action:** Management was charged with researching the pros and cons of each option and to come back  
89 with a recommendation at the March board meeting.

#### 90 **9.6 Member Linkage Committee Report and Recommendations**

91 **Motion:** The committee moved that in the coming year board members be actively present at 8 member  
92 events and focus its educational work on the Board's long-range planning and strategic thinking, how the  
93 Coop operates, and how the store is doing. Motion **passed** by a vote of 7-0.

94 Pro: It is good to set expectations at the beginning of the year.

#### 95 **9.7 Financial Review Committee Report and Recommendations**

96 **Motion:** The Financial Review Committee moved that Oneota plan to conduct a financial audit every  
97 third year with a review in the other years and that the committee's next charge be to develop questions  
98 for the external auditor to answer that will provide external data for policy monitoring. Motion **passed** by  
99 a vote of 7-0.

100 Pro: The cost of a review and income tax return would be about \$4,000 and an audit and tax return  
101 would be about \$7,000. Larry Neuzil said his department is ready for an audit. The new board  
102 would expect to start with an audit and that could be budgeted by management. We could still have  
103 flexibility to schedule more frequent audits if circumstances dictate, such as change of GM.

#### 104 **9.8 PV Report and Recommendations**

105 **Motion:** Steve Peterson moved and Joan Leuenberger seconded to postpone the discussion of  
106 photovoltaic systems until next month. Motion **passed** by a vote of 7-0.

107 Pro: There is not adequate time to discuss this before our self-imposed meeting end time.

108 Con: Dennis Pottratz came to answer questions about the recommendation.

#### 109 **9.9 Board Administrative Position Report and Recommendations**

110 **Motion:** Robert Fitton moved and Bill Pardee seconded to approve the creation of a board administrative  
111 assistant position. **Motion** passed by a vote of 7-0.

112 Pro: Now is a good time to make this change before the new board is seated. The position is affordable  
113 assuming a stipend of around \$1200/year. Administrative help would reduce reasons for people to avoid  
114 being board officers.

115 **Action:** Lyle Luzum was appointed to create a job description for the new position.

#### 116 **9.10 No Weapons on Premises**

117 **Motion:** Steve McCargar moved and Jon Jensen seconded to add another level of specificity to our L1  
118 Customer Treatment policy. "L1.2.1 Ensure that customers and staff are aware that firearms are not  
119 permitted in the store." First reading of this policy change **passed** by a vote of 5 aye to 1 nay (Robert  
120 Fitton) and 1 abstention (Steve Peterson left before this discussion).

121 Pro: It was believed most members would approve of this policy. Recent changes to Iowa gun law make  
122 it more likely that people will carry weapons with them. Having a policy would make it easier for staff to  
123 handle someone who brought in a gun. This is just a first reading so the policy change can be amended or  
124 struck down on future votes.

125 Con: Some surveyed members thought signage announcing this policy would create a fearful atmosphere  
126 and perpetuate an elitist perception of the Coop. Customer safety is already covered under L1.2 and its  
127 interpretation is up to management, making this a management decision. An immediate decision is not  
128 needed, allowing us time to see what develops in Decorah after the law change. Forbidding weapons  
129 would prohibit police officers from coming in to eat or shop.

#### 130 **10. Consideration of Items Pulled from Consent Agenda**

131 No items were pulled from the consent agenda.

#### 132 **11. Next Monitoring**

- 133 • E1 Ends
- 134 • G7 Board President's Role-Steve Peterson
- 135 • G8 Board Vice Present's Role-Robert Fitton
- 136 • G9 Board Treasurer's Role-Bill Pardee
- 137 • G10 Board Secretary's Role-Joan Leuenberger

138 **12. Next Meeting**--Tuesday, March 22, Room 367 Valdars Hall, Luther College Campus

#### 139 **13. Executive Session**

140 There was no executive session.

#### 141 **14. Adjourn**

142 **Motion**: Bill Pardee moved and Steve McCargar seconded to adjourn. Motion **passed** by a 6-0 vote.

143 Meeting adjourned at 7:00.

144 Respectfully submitted,  
145 Joan Leuenberger, board secretary

146 Documents reviewed:

- 147 Agenda
- 148 Minutes, January 25 regular monthly meeting
- 149 GM Report
- 150 Report from the Board Development Committee
- 151 Policy L5 Financial Conditions GM Monitoring Report
- 152 Balance Sheet for 12/31/10
- 153 Income Statement for the Year ending 12/31/10
- 154 Income Statement for the Quarter ending 12/31/10
- 155 Comparison of Income to Budget for the year ending 12/31/10
- 156 Policy L9 GM Succession Board Monitoring Report
- 157 Survey results of Emergency Successors on their sense of readiness
- 158 Policy D Global Governance-Management Connection Board Monitoring Report
- 159 Draft Procedure for an Administrative Assistant