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**Oneota Community Co-op
Minutes for Regular Board Meeting
January 23, 2012 5:00 PM
Luther College Campus, Valders Hall, Room 379**

Board Members Present: Robert Fitton, Gary Hensley, Steve McCargar, Bill Pardee, Lyle Luzum, Jon Jensen, Johnice Cross

GM Present: David Lester

Co-op Staff, Member/Owners, Present: Lynda Sutherland (Bd Admin Asst)

1. Call to Order

President Pardee called the meeting to order at 5:02 PM

2. Board Learning – Mission/Vision relationship to Ends

Skipped by consent of Board

3. Member Comments:

No members present

4. Disposition of Member Comments:

No disposition required (No comments)

5. Agenda Review

Motion: Cross moved and Hensley seconded to **approve the agenda**. Motion **passed** by a vote of 7 aye, 0 nay.

6. Approval of Minutes

Motion: Hensley moved and McCargar seconded to **approve the minutes as presented in draft 2**, as amended.

Motion: McCargar moved and Hensley seconded to **amend the minutes to delete the sentence beginning on line 145: “This will dramatically reduce monthly debt service requirements.”**. Motion **passed** by a vote of 7 aye, 0 nay.

Summary: While member-owner loans are a significant factor, the above statement overstates the impact of paying them off.

Motion as amended **passed** by a vote of 6 aye, 0 nay, 1 abstain (Cross – absent previous meeting)

7. Reports

7.1 GM Report

Financial Conditions: Sales for Dec were up 13% over 2010. Four-week average sales were 8.54% above 2010 (\$72,293). Labor as % of sales averaged 17.75%, above last year's 17.45% and below budget 18.43%. Quick ratio was .79. Current savings balance is \$224,404. Current assets are \$297,355 (26.3% over 2010). 209 new members signed up in 2011 (42 were College Cooperators. Local sales for Dec were 21% (\$69,100), compared to 20% in 2010. For the year, local sales were 21.09% of sales, up .5% from last year. We are looking forward to the audit to help identify any further system modifications that can improve our operations.

Other Financial Updates: It appears we will have about a break-even year, with some aspect of that dependent upon how the auditors will calculate depreciation and taxes. We paid off our first

50 member-owner loan. Next such loans will come due March 2014.

51
52 NCGA/Central Corridor Info: We are working with a firm that NCGA has hired to establish
53 energy standards and monitoring for NCGA Co-ops. As one of the few co-ops with Energy Star
54 status, they are interested in developing metrics and tools that are similar to what co-ops like
55 ours are using so that co-ops will have the tools to measure and compare their carbon footprints.
56 Our Meat dept was recognized by NCGA as one of the top four Meat co-op departments in the
57 country for margin minus labor.

58
59 Store Happenings: Some businesses/organizations who previously purchased flour from the Co-
60 op are now able to do so directly from Co-op Partners, saving the markup they previously paid
61 going through us. The trade-offs to this loss of markup for us are that we can still use our
62 combined purchasing power to get better pricing and, because we don't have to handle the
63 orders and product, saving labor. We are also looking into local, hormone-free chicken
64 purchasing through the Stacyville, IA plant that could benefit both us and Luther/Sodexo.

65
66 Community/Outreach/Other Co-op Projects: We encourage people to sign up to help Decorah
67 become a Blue Zone Community. We will be holding a "Local Producers Forum" to explore
68 expanded opportunities for both local producers and the Co-op. We are working with other
69 entities on funding possibilities to explore feasibility studies on community kitchens and food
70 hub aggregations facilities.

71
72 Physical Store Update: Electrical usage mid-Dec through mid-Jan was up 6.5% over 2010
73 (2010 had a HVAC breakdown for about a week). Gas usage was down 10%. (This year was 15
74 degrees warmer than last year). We are in our first weeks of working with the new GM of
75 CoPOS (our POS system) and service has been excellent so far.

76
77 Staff Updates: Some Café turnover and illness has resulted in a temporary staff reduction.
78 Management Team meetings have been studying how we spend time on different aspects of our
79 jobs and thinking about strategies in a new light. We will be looking at additional ways of
80 identifying customer-related issues like customer service, product selection, price, quality,
81 values, etc.

82
83 Marketing/Special Projects: Numerous classes are schedule for February.

85 **8. Action Items**

86 **8.1 Motion from Elections (sub) Committee**

87 **Motion:** Committee moved (no second needed) to **approve the nominations of the four candidates**
88 **for the Board of Directors election to be held in March, 2012.** Motion **passed** by a vote of 7 aye, 0
89 nay.

90 Summary: The candidates are: Carl "Maxxx" Alstad, Anne Dykstra, Lora Friest, James Meehan

91
92 **Motion:** Committee moved (no second needed) to **not hold a candidate forum this year.**
93 Motion **passed** by a vote of 5 aye, 2 nay (Jensen, McCargar).

94 Summary: The previous two years a candidate forum, open to member-owners, was
95 held, with candidates addressing pre-identified questions prepared by the Board and then
96 open for questions by attendees. Attendance, while fair two years ago, declined
97 significantly last year.

98

99 Pro: This is a tradition that means a great deal to some members. It is a core value of a
100 democratic institution to make candidates available for the public to ask questions of.
101

102 Con: This is not a tradition. It has existed only two years. A public speaking requirement
103 is a big barrier to some people and has little relation to actual Board responsibility. This
104 is not the only way to let people know what candidates stand for. Candidate statements
105 will be sent with each ballot. Without the full context behind some questions, a forum
106 does not necessarily produce dependable answers. Other meet/greet arrangements could
107 be more useful.
108

109 **8.2 Board Report – G2 Board Job Description**

110 **Motion**: Hensley moved and Luzum seconded to **(approve the Board G2 Monitoring Report as**
111 **presented)**. Motion **passed** by a vote of 7 aye, 0 nay.

112 Summary: This policy states that, “The job of the Board is to represent the member-owners in
113 ensuring appropriate organizational performance”. Accordingly, (G2.1) the Board attempts to
114 understand member-owner needs and communicate back to member-owners Board activities.
115 Non-compliance was reported in that the minutes did not get posted to the web site in a timely
116 manner for 3 months. The Board accepted this report of non-compliance and extra care will be
117 taken to assure timely minutes posting. (G2.2) The Board has written policies for: Ends,
118 Governance Process, Board-Management Delegation, and Executive Limitations. (G2.3) The
119 Board evaluates GM performance through monitoring of Ends and Executive Limitations
120 policies. (G2.4) The Board evaluates its own performance through monitoring of Governance
121 Process policies. (G2.5) The Board perpetuates itself through candidate recruitment, on-going
122 learning and training, and self-monitoring.
123

124 **8.3 2nd Reading: Three motions to revise G3, Agenda Planning**

125 **Motion**: Luzum moved and McCargar seconded to **approve the second reading of proposals M1,**
126 **M2, and M3 for modification of Board policy G3 and forward them to a third reading)**. Motion
127 **passed** by a vote of 7 aye, 0 nay.

128 Summary: Details in minutes of December, 2011 meeting.
129

130 **8.4 GM Report L8 Communication and Counsel to the Board**

131 **Motion**: Fitton moved and Jensen seconded to **(approve GM L8 Monitoring Report as presented)**.
132 Motion **passed** by a vote of 7 aye, 0 nay.

133 Summary: This policy states that, “The GM will not cause or allow the Board to be uninformed
134 or misinformed.” Accordingly, the GM (G8.1) has kept the Board informed of relevant trends
135 and events relating to decisions they must make; (G8.2) has submitted timely, accurate, and
136 understandable monitoring data; (G8.3) has informed the Board when the/if the Board appears
137 out of compliance with their own policies; (G8.4) has dealt with all Board members fairly and
138 impartially.
139

140 **8.5 GM Report L6 (postponed from December)**

141 **8.5.1 Executive Session on L6 contingency plans**

142 **Motion**: Luzum moved and Hensley seconded to **adjourn to executive session)**. Motion **passed**
143 by a vote of 7 aye.

144 Summary: Time: 5:54 entered, 6:05 exited.
145

146 **8.5.2 L6 Concluded**

147 **Motion**: Action on motion to **approve GM L6 Monitoring Report** was continued from

148 previous meeting following additional information presented in executive session. Motion
149 **passed** by a vote of 7 aye, 0 nay.

150 Summary: See of L6 Summary from December, 2011 meeting.

151

152 **9. Next Monitoring**

153 GM – GM L9 GM Succession

154 GM – L5 Financial Conditions (Quarterly report; End of Year Financial Conditions

155 Bd – D Global Governance Management Connection (Hensley)

156 Treasurer – Board Budget Results for 2011

157

158 **10. Next Meeting & Current Meeting Evaluation**

159 Tu, February 28, 2012

160 Self-evaluation forms were completed for this meeting.

161

162 **11. Executive Session (optional)**

163 None

164

165 **12. Adjourn**

166 **Motion**: Cross moved and Luzum seconded to **adjourn the meeting**. Motion **passed** by a vote of 7
167 aye, 0 nay.

168 Meeting adjourned at 6:14.

169

170 **Documents Reviewed:**

171 Agenda

172 Discussion of Meaning of Ends 1 & 2 (Board Learning – skipped)

173 Minutes of Previous Meeting

174 GM Report

175 Applications from candidates for Board of Directors (Alstad, Dykstra, Friest, Meehan

176 Board Policy G2 Monitoring Report

177 Motions to Modify Policy G3

178 GM Policy L8 Monitoring Report

179 GM Policy L6 information follow-up

180 GM Policy L6 Monitoring Report (carry-over from Dec)

181 Survey results of previous meeting