

**Oneota Community Co-op
Minutes for Regular Board Meeting
July 24, 2012 – 5:00 PM
Luther College Campus, Valders Hall, Room 367**

Board Members Present: Gary Hensley, Anne Dykstra, Johnice Cross, Steve McCargar, Bill Pardee, Jon Jensen.

Board Members Absent: Lora Friest

GM Present: David Lester

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

1. Call to Order

President Pardee called the meeting to order at 5:09 PM

2. Board Learning – Growing into the Future

Discussion of where revenues could best be spent. There are some terrific strategic opportunities for us that are not very expensive.

3. Member Comments:

None

4. Disposition of Member Comments:

No disposition required – No comments

5. Agenda Review

Motion: Hensley moved and Dykstra seconded to **approve the revised agenda, adding 7.3 D&O Insurance Quote**. Motion **passed** by a vote of 6 aye, 0 nay.

6. Approval of Minutes

Motion: McCargar moved and Hensley seconded to **approve the minutes as presented**. Motion **passed** by a vote of 6 aye, 0 nay.

7. Reports

7.1 GM Report

Financial Snapshot: For the month of June, sales were up 11.6% (\$36,065) compared to 2011. YTD sales through the end of June were up \$213,012 (+11.7%) compared to same period last year. Four week average of transactions/week is at 4,064, and percentage of member sales is down slightly to 74%. Quick ratio is .88. Current balance in savings #3 is \$64,228 plus a 38 \$205,000 CD and Decorah Bank and Trust for a total of \$269,228. Current assets total \$371,053, which is 45.7% above the same period last year. We have signed up 178 new members in 2012. Member share equity is up 12% over 2011. Local sales for month of June were 21% (\$72,961) compared to 21% for June, 2011 (\$65,265). The quarter ending June 30, 2012 was the first million dollar quarter!! We are above budget in sales of \$115,118 which is 6% above plan/budget. Total wages budget has been over spent by \$11,472 (3% above budget/plan). Total payroll budget has been overspent by \$11,472 (+3.0%). Fully loaded labor as a percentage of sales continues to be below budget. Unloaded labor as a % of sales: Budget: 18.43%; actual (current through June): 17.98%.

NCGA/Central Corridor Info: David has decided not to run for NCGA board. NCGA will be releasing the results from its impact study soon.

Store Happenings: An iPod touch has been purchased for staff to use for uploading information to facebook and twitter pages. Vanessa Barrington did a free in-store audit of marketing and merchandising. She is a former marketing director of Whole Foods and a friend of David's.

Community/Outreach/Other Co-op Projects: Charlie Meek of Northwest Alabama RC&D and Local Roots Food Co-op in Buffalo, MN will be visiting the store. Tall Grass Co-op in West Des Moines is financially struggling due to the opening of a Whole Foods store. David is working with Nick McCann on a pilot project for 3 Kwik Stars to sell local foods. The store is now working with the Methodist Church to use its commercial kitchen for classes and training. Johanna is involved with classes for Luther employees that are signed up for the workplace CSA program. Work is complete for the Iowa Public Television programs "Market to Market" and "Iowa Ingredient". They should air in the winter and spring. We will have a table at the Farmer's Market to promote the Co-op on Saturday mornings. The board of directors will be at the table one Saturday a month to communicate with the public and our membership.

Physical Store Update: From mid-May to mid-June, the electrical usage was down 4% compared to same time period in 2011. Gas usage was the same compared to last year.

Staff Updates: Staff will be participating in the biennial staff survey conducted by CDS Consulting Co-op. Two managers, Kristin Evenrud and Jana Klosterboer will be attending the rising Stars II Management Intensive training in Santa Monica CA on Oct. 10-22.

Marketing/Special Projects: Classes this month will feature a Summer Herbs Class on August 20.

7.2 Board Budget (first half 2012)

Summary: There is an omission in the projection because we did not know how much the D&O insurance premiums were going to be. We just got the quote, and it adds about \$3000 to the projection, which is still entirely acceptable.

The coverage is quadrupled, the premiums have about doubled.

8. Action Items

8.1 Member Linkage Committee Report

Motion: The Member Linkage Committee moved and a second is not needed for **the board to staff the table at the Farmer's Market one Saturday per month.** Motion **passed** by a vote of 6 aye, 0 nay.

Summary: The Board will be tending the Co-op table once a month for three months. August 18: Bill & Gary; September 15: Jon & Lora (or Gary); October 20: Johnice & Anne. We will be asking people to take a short survey that will be tabulated. We'll use a different set of questions each Saturday.

8.2 Board Report D2 Accountability of GM

Motion: Cross moved and Dykstra seconded to **approve the D2 Accountability of GM Report.**

Motion **passed** by a vote of 6 aye, 0 nay.

Summary: No comments on this report

8.3 Board Report D3 Delegation to the GM 103

Motion: Dykstra moved and Jensen seconded to **approve the monitoring report on D3: Delegation to the General Manager Report.**

McCargar moved and Jensen seconded to **separate the motion into three parts: D3.2, D3.4 and the remainder.**

Motion to separate passed by a vote of 6 aye, 0 nay.

Motion to approve the report of compliance except for D3.2 and D3.4.

Con: One member objected to the interpretation, “This sub-policy gives the GM *full authority* to do anything (legal) that he or she considers appropriate to achieve any reasonable interpretation of the Ends subject only to compliance with any reasonable interpretation of the Limitations policies” It was also objected that “full authority” need not be italicized, and the report’s author conceded that it need not be.

Pro: The policy says, “the GM is authorized to establish all further policies, make all decisions, take all actions, and develop all activities so long as the GM uses any reasonable interpretation of the Ends and Executive Limitations policies.”

Motion to approve the report of compliance on policy D3 except for D3.1 and D3.4 passed by a vote of 6 aye, 0 nay.

Motion to Approve the report of non-compliance on D3.2 by Jensen, seconded by Hensley. The report alleged over the last 12 months that there were three violations of D3.2. (“The Board will never prescribe organizational means delegated to the GM.”)

Con: One member disagreed about the accuracy of the reported violations. It was agreed informally, as suggested by the report’s proposed remediation, that the most productive response in the future is for the entire Board to take responsibility for correcting violations when they occur.

Pro: Another member and the GM confirmed the substance of the reported violations.

The motion to approve the report of non-compliance on D3.2 passed by a vote of 3 aye (Jensen, Pardee, Hensley), two abstentions (Cross and Dykstra) and one nay (McCargar).

Motion by Hensley, seconded by Dykstra, to approve the report of non-compliance on D3.4 (“As long as any particular delegation is in place, the Board will respect and support the GM’s choice.”) The report alleged two violations over the last 12 months.

Motion passed by a vote of 5 aye (Cross, Jensen, Hensley, Pardee, Dykstra) and 1 nay (McCargar)

8.4 GM Report – L5 Financial Condition

Motion: Jensen moved and Hensley seconded to **approve the L5 Financial Condition Report.**

Motion passed by a vote of 6 aye, 0 nay.

Summary: This was a sensational report. The new element, L5.11 (beginning a new enterprise) was not intended to be interpreted strictly by the dollar amount. David will work on it for the next L5. This is where the “white paper” idea would come into play. It was noted that we operate really well with a conversational relationship rather than sticking stakes in the ground over rigid policy. We are close to the point when unemployment insurance payments will go down. It is very helpful and appreciated to be able to see the sales and margins by department. The biggest factor in the recent success is more people in the community educated on food and there are new people shopping in the store. David was commended on his management style and how he gets the best out of the staff. The comment was made that the population in our county is not growing, so if our sales are increasing, that means we are getting a bigger piece of the pie.

9. Next Monitoring

GM – No reports

Board –G5 Board Committee Principles – Gary RFP – Bill

Employment models for board learning – Steve

10. Next Meeting & Current Meeting Evaluation

Next meeting Tuesday, Aug. 28, 2011

Self-evaluation forms were completed for this meeting.

11. Executive Session (optional)

None

12. Adjourn

Motion: Dykstra moved and Cross seconded to **adjourn the meeting**. Motion **passed** by a vote of 6 aye, 0 nay.

Meeting adjourned at 7:01 p.m..

Documents Reviewed:

Agenda

Minutes of previous meeting

Board Budget

D2 monitoring report

D3 Monitoring Report

Member Linkage Committee Recommendations

Balance Sheet June 2012 YTD Comparisons (1)

Board Tax Reporting

GM Report July 2012

June YTD Budget vs Actual

L5 Financial Conditions 2012 Q2

Larry Neuzil No Real Estate

Profit and Loss 2012 Q2 Comparison

Profit and Loss June 2012 YTD Comparison

Quarterly Margins

Previous Board Meeting Survey Report