

**Oneota Community Co-op
Minutes for Regular Board Meeting**

October 24, 2017 5:30 PM

Kitchen Classroom, 308 W. Water St.

Board Members Present: Brita Nelson, Scott Hawthorn, Bryan Stuart, Alicia Trout, Emily Neal, Maren Beard arrived at 5:39

Board Members Absent: Flannery Cerbin-Bohach

GM Present: David Lester

Co-op Staff : Nate Furler

Member/Owners Present: Joan and Bill Carlisle, Jeanine Scheffert (Bd Admin Asst)

1. Call to Order

Nelson called the meeting to order at 5:30 p.m.

2. Board Learning -

Steve McCargar - Update and Info on Decorah's Newest Cooperative

Steve McCargar presented Board with information about Decorah's newest cooperative, Waving Grains Bakery. As of October 1, ownership of Waving Grains Bakery has transferred from Jo Berg Iverson to the cooperative, now called Waving Grains Cooperative Bakery.

Oneota Food Co-op is the destination for over 80% of Waving Grains products. McCargar is hoping to increase sales to the co-op by expanding the number of products and the number of units of each product. McCargar has also been selling shares of the bakery and is looking to broaden the bakery's ownership. At this point the primary benefit of being a member owner is the sustenance of the bakery in the Decorah community. Board of the bakery will have to decide how/if it wants to create a retail space and what kind of discounts members would receive in the future. There is always the possibility of a patronage dividend, but the first year will likely be a loss. That being said, McCargar is absolutely confident the bakery will have long-term financial success.

Part of being a cooperative business is having a mandate to help other cooperative businesses. With that in mind, Co-op and Board will discuss potential combined efforts, such as the annual member drive in March and contributing to a Waving Grains member share if the Oneota Co-op has a profitable year.

Board thanks McCargar for the work he has done to save Waiving Grains as a resource for the community.

McCargar will submit an article for the upcoming Scoop.

Board Learning: La Riojana & Buying from Cooperatives

Lester brought a bottle of wine from La Riojana Cooperative for the Board to taste test. La Riojana is a cooperative winery in Argentina that only sells to other cooperatives. They are most well-known for their Malbec, but also have a really good Cabernet and great olive oils. They focused on marketing to cooperatives for two years and raised enough money to pay for organic certification for all of their famers. Their co-op to co-op trade means cutting out the

“middle man” which means more money to support the farmers that grow for them. Oneota Co-op is excited to offer their products and we are looking for other unique products like this that fit our Mission and Ends. We want to go back to our roots, tell our story, and remind people why it is different to purchase from a Coop.

Pro Forma Update

We receive the second revised plan. It still needs some tweaking, but it looks really good. Now we can take the design to a contractor to get a closer bid on the construction. Right now, it is just the development cooperative’s best guess at a deconstruction/construction bid. We will provide them with an actual bid and have them build those numbers into the final pro forma. We’ll ask for at least 3 bids with at least 1-2 of them local. The bids will be based on breaking through the wall, which will mostly be used for seating. GM will keep Board updated on how process goes.

Board Social Media Schooling from Nate

Co-op’s primary social media tool is Facebook, cross-posted to Twitter. Facebook has been good for Co-op as far as reaching out, especially to younger generations. Board had asked how they can use Facebook in a helpful way. Furler explained that Co-op does a number of paid posts, especially for weekly deals, tagging other businesses when appropriate. Events and classes also get posted at times. Furler made sure board members understand how to see Co-op posts in their feed. One of the things Board can do is share posts when it is something they are personally passionate about. This will put the post in front of everyone that is following you and shows it is something you care about. Board can also “invite friends” to events or “leave a review.”

Co-op board meetings are now scheduled as Facebook events so member owners know they are invited to join the meetings.

3. Member Comments - Joan and Bill Carlisle voiced concern about staffing the cafe. What could Co-op offer that others can’t? T-Bocks had to stop serving breakfast on weekends because they don’t have anyone to cook. This is a difficult time for businesses to find staff. There is also a cost of housing problem. There may not be anything Co-op Board can do, but as community leaders, perhaps could mention it to city council. There has been tax abatement for expensive housing; what about tax abatement to encourage lower priced housing solutions? Bill also suggested making cafe options more visually appealing when put on the buffet line.

4. Disposition of Member Comments -

Board and Lester thank Joan and Bill for being concerned about the cafe’s health. Cafe hours have been reduced because we don’t have staff to keep it running. Starting January 1, Co-op will be offering health care. We expect that to attract quality help. The second thing we’re looking into is the possibility of NICC offering a culinary arts degree. Lester has contacted the NICC president, Dr. Wee, asking if he’d consider this. Dr. Wee is intrigued by the idea. As Decorah becomes more of a tourist town, positions in the service industry are becoming super competitive and we have to be able to differentiate ourselves.

A housing study was done and results will be made public at City Hall on November 6, right before the council meeting. The low unemployment rate is great, but we do need affordable

housing in order for people to afford to live and work here. Currently, there are culinary arts degrees in Des Moines and Cedar Rapids, but it is hard to get anyone to come this way, partially because there is not affordable housing. However, with some of these potential changes, especially the addition of health insurance, we hope to have the ability to attract and retain someone capable of creating menus and overseeing the cafe. The Co-op is a great place to work and unlike most other food service positions, it will include health insurance, nights and weekends off, and a 20% discount on all Co-op shopping.

7. Consent Agenda – none

8. Reports

8.1 GM Report

Financial Snapshot:

September had great sales at +3.6%. October is looking good so far at about +2%. Our labor hours are slightly less, but the wages are slightly above budget because we raised more wages. However, total labor is being managed pretty well.

Community/Outreach/Other Store Happenings:

The member survey is about to come out. We refined that last week, with Board's suggestions. It will be really different this year in that many questions are related to where people are shopping outside of the Co-op, because that has changed in past three years. We didn't specifically ask members about the changes in the bulk department, but we did ask "how well does (each department) meet your needs," with room for comment.

Brian Huinker came to an all-staff meeting and took questions about our healthcare offering. Staff are excited to have health care. We will contribute as much as we legally can to HSA plans. We did ask the question about adding member owners, but learned that would not be legal at the moment.

Physical Store Update: (nothing mentioned in meeting)

Marketing/Special Projects: (nothing mentioned in meeting)

8.2 L5: Financial Conditions

Motion: Beard moved and Trout seconded to **Approve L5: Financial Conditions.** Motion **passed** with a vote of 6 aye, 0 nay.

Lester reported non-compliance for sub policies 5.2 and 5.3. Lester felt good that he didn't have to report non-compliance on more than two sub policies, considering the difficulties of the year. It is good to see green bar as highest bar. Net income is still a struggle - it is positive, but it is not to budget. Cafe nailed their margin and we are managing margin, pricing, and controlling waste well in cafe - we just need more staff. There is potential that we won't be profitable this year. We're doing everything we can to be profitable, but it will depend on the last quarter.

8.3 G6: Governance Investment

Motion: Hawthorn moved and Trout seconded to **Approve G6: Governance Investment.** Motion **passed** with a vote of 6 aye, 0 nay.

9. Action Items

9.1 Board Budget Update

Trout created a spreadsheet based on Larry's from last year with the top line of \$17,000, broken down to show what Board has budgeted and spent each quarter. Categories include Board Development, Administrative Assistant, Member Linkage, and Other Board Expenses. "Other board expenses" has included gifts for staff and a memorial. We are currently under budget by about \$7000, with only \$1900 of that allocated. However, the budget was based on Co-op's overall budget which anticipated greater sales than we have seen this year. Board will not try to "spend down" the account.

9.2 Proposed 2018 Board Budget

Trout proposed using last year's budget as a basis for the new budget. Board discussed a few changes, including \$4000 to keep the deluxe version of online voting from Simply Voting, moving some of the Board Development allocation to Member Linkage to help cover Simply Voting and other member linkage projects. Board will discuss further budgeting proposals at Executive Session and will bring a finalized proposed budget to the next meeting.

9.3 Staff Recognition

In the past, Board has given \$25 gift certificates to all employees near Thanksgiving. There are 55 employees, making that \$1375 total in gift cards.

Motion: Trout moved and Hawthorn seconded to **Approve \$25 Co-op Gift Card Per Employee and Purchase of Greeting Cards, Spending up to \$1600 for Staff Recognition.** Motion **passed** with a vote of 6 aye, 0 nay.

Monday 13th is payroll before Thanksgiving, so Board needs to be done with this by Nov. 9. Lester will send Beard staff list, Beard will and put cards & distributed lists in Board folders. Board will handwrite thank you notes, Lester and Furler will put the gift cards in the greeting cards and pass cards out to staff.

10. New Business - none

11. Next Monitoring & Other

11.1 [D4: Monitoring GM Performance - Nelson]

11.2 [L7: Asset Protection - GM]

12. Next Meeting - Tuesday, November 28, 2017 @ 5:30PM

Beard will not be here

14. Self-Evaluations - done via internet

15. Move to Executive Session

Motion: Beard moved and Stuart seconded to **Move to Executive Session Meeting.** Motion **passed** with a vote of 6 aye, 0 nay.