

**Oneota Community Co-op
Minutes for Regular Board Meeting
July 22, 2014 5:30 PM
310 W. Water St.**

Board Members Present: Steve McCargar, Deneb Woods, Brita Nelson, Mike Bollinger, Anne Dykstra, Lora Friest, Alicia Trout

Board Members Absent:

GM Present: David Lester

Co-op Staff:

Member/Owners Present: Jeanine Scheffert (Bd Admin Asst)

1. Call to Order

Steve McCargar called the meeting to order at 5:32 p.m.

2. Board Learning - Procedures Manual

Summary: Board continued to review and discuss the Board Procedures Manual. In September, we will raise a proposal for changes in the Board Election section of the Board Procedures Manual. We will continue to review the rest of the manual from there.

3. Member Comments:

None

4. Disposition of Member Comments:

No member comments

5. Agenda Review

Motion: Dykstra moved and Friest seconded to **Approve Amended Agenda to Replace #8 Consent Agenda with Eden Foods Update.** Motion **passed** with a vote of 7 aye, 0 nay.

6. Approve Minutes from June

Motion: Nelson moved, Bollinger seconded to **Approve Minutes From June.** Motion **passed** by a vote of 5 aye, 0 nay. Dykstra and Friest abstained - they were not present for June meeting.

7. Approve Executive Session Minutes from June

Motion: Nelson moved and Bollinger seconded to **Approve Executive Session Minutes from June.** Motion **passed** by a vote of 5 aye, 0 nay. Dykstra and Friest abstained - they were not

present for June meeting.

8. Update on Eden Foods

Eden Foods is a large producer of organic canned products. They are privately owned and have a conservative CEO that decided, for religious reasons, to opt out of providing contraceptives for employees. There has been a lot of discussion in the coop and natural/organic grocery world regarding whether or not stores should carry these products. The Oneota Food Coop's stance is that our consumers should "vote with their dollars." Eden Foods has been an industry leader in BPA-free canned organics. The Coop has a diverse membership and has a process in place that puts the quality of food as the first priority in deciding what products to sell. David has drafted a letter which will be published in the next Scoop.

9. Reports

9.1 GM Report

GM Report

Financial Snapshot: The Coop continues to do well. We had a slight bump in unloaded labor due to training. If sales don't remain where they are and dip slightly, we might have to cut back a little bit. We're watching this closely. Membership cut back slightly. Local sales continue to be strong.

Community/Outreach/Other Store Happenings: Coop is looking to increase our entry level wage. We need to be careful to do it correctly and in stages. It affects the whole pay scale and can potentially cut into profits. Without an increase, there is the possibility of a federal minimum wage increase harming the business. One of the things the board has committed to is retaining employees. An entry-level wage increase would address our need to retain entry level positions as well as enable them to shop at the store.

Physical Store Update: Our electric energy usage last year was 52000 kWh. We have had a 24% drop in usage. Our gas usage is up. We're using gas to get rid of humidity. Deli sales keep growing, so we're also using more gas ovens, etc.

Our decrease in electricity usage is related to our increase in gas usage, but mostly the decrease is due to replacing lighting, a cooler and installing solar panels.

We're above budget on maintenance. A majority of our maintenance is on coolers and compressors. When sales are above budget, we expect maintenance to also be above budget.

Marketing/Special Projects: The Coop will be giving out over 700 patronage dividends at the end of July. In order to get a dividend check, a member had to spend over \$4,000 at the Coop in 2013. An approximate total of \$22,000 will be given out as patronage dividends. The Coop is considering a "Give-It-Back" option in which members could choose to sign their dividend check and donate it to a chosen organization.

9.2 D2: Accountability of GM

Motion: Dykstra moved and Woods seconded to **approve D2 Accountability of GM.** Motion **passed** with a vote of 7 aye, 0 nay.

No discussion

9.3 D3: Delegation to the GM

Motion: Friest moved and Bollinger seconded to **Approve D3 Delegation to the GM.** Motion **passed** with a vote of 7 aye, 0 nay.

No discussion.

9.4 L5: Financial Condition

Motion: Dykstra moved, Nelson seconded to **approve L5 Financial Condition.** Motion **passed** with a vote of 7 aye, 0 nay.

Summary: We have had a good year so far. We are ahead of budget and our last two quarters of this year are projected to do well. The Coop wants to give back in some form of business improvement. Wage increases are being discussed. We have to be careful with this because next year may not be the same and we don't want to be in the position of having to cut labor.

Inventory and Accounts Payable are high relative to the past. This seems to be the "new normal." It was worth buying extra goods to get to the next price cut-off with UNFI. Having more goods made us sell more. We have more on the floor, less in overstock, and are moving it faster. The Coop staff has been excited to drop some prices and try new things in order to bring our margin further down. Produce, for example, has been doing this with 2 for \$4 organic strawberries.

We've paid off 1/3 of our debt in one year, 80% of member debt in the last 1.5 years, and we are going to eliminate about 1/2 of our bank debt in 9 months. This all puts us in an excellent position to plan what we want to do with our new building. Our new monthly obligation will not be above what we are paying now in the space we are in.

9.5 Treasurers Report

Motion: Woods moved and Nelson seconded to **Approve Treasurers Report.** Motion **passed** with a vote of 7 aye, 0 nay.

Discussion: The board has underspent its budget so far. We have 4 months left to attend upcoming training opportunities.

10. Action Items

10.1 Update on 7/15/14 and 7/17/14 Park Meetings

Discussion:

Board members were available in the Water Street Park for members to ask questions and give comments regarding the Coop's purchase of 310 W. Water St. Member responses have been mostly very positive. In addition, the board has received positive comments on the handling of this real-estate decision that it needed to be confidential, while still keeping the membership involved. Members have expressed appreciation for this board's efforts in connecting with the Coop membership.

10.2 Board Meeting Location for August

Discussion:

Board meetings will be held at 310 W. Water St. starting in September. We are hoping to do so in August if the classroom renovation is complete.

10.3 Member Linkage Quarterly Update

Discussion: Dykstra, Woods, and Trout met with Nate to talk about member linkage. The four reviewed the committee's duties, responsibilities, and purpose. The committee is to report to members and know what members want. If a member is interested in sitting on the Member Linkage Committee please contact one of the committee members. The committee is considering putting store and board meeting highlights up in the front of the store. The committee encourages board members to submit articles quarterly and is brainstorming ideas to increase board's visibility and availability to members.

11. New Business

The Coop will have a Steel Cow "Irene" mural on the side of the building. It was unanimously approved at the City Council meeting. The mural will cost the Coop \$0.

12. Next Monitoring

[G5: Board Committee Principles - Board]

12. Next Meeting: Tuesday, August 26, 5:30 p.m.

13. Executive Session - none

14. Self Evaluation

Nelson will send self-evaluations to board members via email.

15. Adjourn

Motion: Nelson moves and Friest seconds to **Adjourn Meeting**. Motion **passed** with a vote of 7 aye, 0 nay.

Meeting adjourned at 7:34 p.m.