

Oneota Community Co-op
Minutes for Regular Board Meeting
October 22, 2024
5:30 PM

Board Members Present: Bee Lutz, Brennan Allsworth, Bill Iverson, Hannah Breckbill, Nathan Dietzenbach, Piper Wood, Carl Peterson

Board Members Absent:

GM Present: Nate Furler

Co-op Staff: Niki Sanness

Member/Owners Present: Jeanine Scheffert (Board Administrative Assistant)

Wood called the meeting to order at 5:26 p.m.

Motion by Breckbill to approve agenda. Second by Peterson. All ayes, motion carried.

Board Learning D4. No changes.

L7. No substantive changes. Board will investigate language choices.

Motion by Peterson to approve amended September 2024 Meeting Minutes. Second by Lutz. All ayes, motion carried.

Amendment: “We’re working to remove the difference between level 1 and 2 pay” should be “we removed the difference between level 1 and 2 pay”

Motion by Breckbill to report compliance with G6: Governance Investment. Second by Allsworth. All ayes, motion carried.

Motion by Peterson to approve L5: Financial Conditions (Quarterly Report). Second by Allsworth. All ayes, motion carried.

Reporting non-compliance due to three items:

Q3 2024 sales increased by 2.81% vs. 2023, thus short of both budget and NCG benchmark. We will need to report non-compliance with this. YTD sales are 2.60% vs. 2023, which is close to the NCG benchmark (only missing by about \$3,000). Had we not closed the store early for inventory or the Fall Frolic event, we would have likely achieved this goal. Overall, we are still happy to continue to see natural growth close to 3%.

We typically budget to have a 0.50% net income by the end of Q4; typically starting off Q1 pretty slow and gaining ground throughout the year. We will have to report

non-compliance for Q3. Note, we are still well above where we budgeted to be at this point in the year (already achieving the 0.50% goal with one historically strong quarter left to go. We're currently showing a net income of \$18,612.47 YTD vs. our budget of \$6,010.45. Because of this, we have intentionally moved forward with some projects such as revamping of grocery stocking systems, putting money into external training, and doing everything we planned for the Fall Frolic/50th event.

Currently, we have \$0.89 in current assets to cover each \$1.00 in current liabilities. The current ratio includes our inventory. There has been slow, steady progress since Q1 2021 as we have slowly saved up money to repay some member loans. This year, member loans now fall into the "current" category and the ratio dropped. This drop below the benchmark indicates that we do not have enough cash saved up to repay the entirety of the loans that will become due within the next year. You have heard us talking previously about the possibility of repaying a portion with our cash reserves and taking out a loan from DB&T for the balance we will owe. While we report non-compliance, this is something we anticipated and have a plan for. The slight dip this quarter can be explained by the new air conditioning unit we had to purchase. A few years ago, something major like this would have required us to take out a loan; it is honestly remarkable to see that we could easily fund it and have an ever so slight effect on your current (and quick) ratios.

GM Report Sales according to budget were down 1.8% for YTD. Checking and savings are solid. Year over year, we're 2.59% above. Up \$100K, but short according to budget by \$74k. The past few weeks have been excellent, hopefully that trend will remain. Labor is high, but that is okay with sales increasing. Shortfalls compared to budget vs. YoY — budget matters a lot because that is our plan, but good to look at YoY for comparison. Bulk continues to be down, which has been true for a decade. We're planning to put scoop bins back in with the next reset. The biggest budgeted sales excess are nutritional supplements, meat & fish, cheese, and deli.

The deli is up — we focused a lot of attention on not running out of things. Working hard on margins; increased prices last week. Phase 2 of this is investing in software called Parsley that gives us recipe costing. This company works closely with NCG.

HVAC unit is operational. We have a front and back unit that allows us to check on things and monitor humidity levels.

Fall frolic went great. Awesome to see everyone.

Turkey pre-orders happening now.

Stacking of discounts is allowed again.

We removed the differential for part-time and full-time wages — the wage increases have just kicked in.

Filming for grant funded videos are wrapping up. Will start sharing on social media by end of November.

Motion by Dietzenbach to approve Treasurer Quarterly Report (through September). Second by Lutz. All ayes, motion carried.

If we keep going as planned, in Dec. \$500 to staff gifts, everything else inc. board compensation and admin assistant, we'd be at \$28,881, which is over budget. We budgeted \$26,500. This includes community development for the good \$2k, so that can also be adjusted.

Can Grow the Good go into the 2025 budget? Yes, and makes sense if next year we can spend less on election, then the budget will make sense. The Election is currently over \$5k, and anticipate it being much smaller next year.

Financially, the co-op is in an okay place for the board to go over budget. We did the budgeting before co-op has done theirs, but if co-op goes up in budget, we are close to this year anyway.

½ of 1% of the budget amount of previous year, but of this year would be \$27,635, so it will be more next year. Would need to report non-compliance if we go over budget, but would financially be fine.

Treasurer presents draft board budget looking at 2024, move \$2k from community development to staff appreciation.

Breckbill will propose 2025 board budget for next month.

Motion by Lutz to spend \$50 per staff member, not to exceed \$3,000 on holiday gifts for staff. Second by Dietzenbach. All ayes, motion carried.

Nominations Report

Dietzenbach set up a skills matrix. Allsworth reached out to many people. Some have shown interest. Some people said they'd let Allsworth know early next week. O'Connor has sent out election information, so that is accessible on the co-op website.

Skills Matrix Review (Secretary)

Dietzenbach created a heat map. With a younger board, there is less experience being on boards, executive performance review is low, as is risk assessment, but with more experience in agri-value and food industry. These graphs can be shared with potential board members and board review to match our needs with potential board members.

Board Committee Updates

Member Linkage Committee will meet this coming Saturday at 2pm.

Board Development Committee will meet this coming Tuesday.

Upcoming Training Opportunities

What kind of trainings are we looking for? Risk assessment and executive performance review are low in our skills matrix. There is no money left for development this year. There are free sessions with Columinate. In November, we'll come to the meeting with a list of trainings. Could use board learning time to look at trainings next month. Will look for something on executive performance review best practices.

New Business

L7 and policy governance and initiatives. Come to the November meeting prepared to decide what want to ask another board. Furler can also brainstorm what other co-ops we should reach out to. Bluff Country in Winona, Menomonie Market in Eau Claire and Menomonie, Sioux Falls, Just Food Co-op in Northfield, Cook County Whole Foods Co-op in Grand Marais

November Meeting – 5:30 p.m. Tuesday, November 19

11.1 Policy Monitoring

- a. D4: Monitoring GM Performance
- b. L7: Asset Protection
- c. Executive Session – update and revise GM Employment Agreement

11.2 Other Business

- a. Optional Bylaw change regarding paper election mailing
- b. Nominations Report
- c. Discuss Board Budget for Upcoming Year
- d. Discuss next year's board learning plan (What do we want to tell the members we have accomplished next year?)

Motion by Iverson to adjourn to Executive Session – GM Self Evaluation, Verbal Evaluation. Seconded by Allsworth, All ayes, motion carried.

Motion by Allsworth to adjourn meeting. Seconded by Lutz, All ayes, motion carried. The meeting adjourned at 8:06 p.m.