

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

January 22, 2018 5:30 PM

Kitchen Classroom, 308 W. Water St.

**Board Members Present:** Brita Nelson, Scott Hawthorn, Flannery Cerbin-Bohach joining remotely, Scott Timm joining remotely

**Board Members Absent:** Aimee Viniard-Weideman, Dennis Pottratz, Emily Neal

**GM Present:** David Lester

**Co-op Staff :** Nate Furler (Marketing Manager)

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

**1. Call to Order**

Nelson called the meeting to order at 5:37 p.m.

**2. Board Learning - none**

**3. Member Comments - none**

**4. Disposition of Member Comments - No member comments**

**5. Agenda Review**

**Motion:** Hawthorn moved and Cerbin-Bohach seconded to **Approve Agenda**. Agenda **passed** by a vote of 4 aye, 0 nay.

**6. Approve Minutes for December 2018**

**Motion:** Timm moved and Hawthorn seconded to **Approve December 2018 Main Meeting Minutes**. Motion **passed** with a vote of 4 aye, 0 nay.

Minutes were amended to remove specific financial information

**Motion:** Timm moved and Hawthorn seconded to **Approve Amended December 2018 Main Meeting Minutes**. Motion **passed** with a vote of 4 aye, 0 nay.

**7. Consent Agenda -**

**L8: Communication and Counsel to the Board**

**G2: Board Job Description**

**Motion:** Hawthorn moved and Cerbin-Bohach seconded to **Approve Consent Agenda**. Motion **passed** with a vote of 4 aye, 0 nay.

**8. Reports**

**8.1 GM Report**

**Financial Snapshot:**

Auditors will provide a review before the next meeting. This year it was just financial review, not the full audit. Next year would normally also be just a financial review, but the Board may consider a full audit because of the project – a full audit is more expensive, but might be a good idea.

We fought like crazy to have a break-even year-end and it looks like we'll be there. With freezer losses, it took a long time for the insurance check, but that will be counted towards 2018 income.

December sales were down almost 1%; however three of the last four weeks were up 9% in sales growth. Last week was compromised by weather, but overall we had more customer traffic. We may have received more traffic because of Quillin's closing, but it may also be excitement about remodel that is bringing more people in. Weather has also been good, which brings more people in. We have more money in the bank now because of delayed bonus payments.

Sales are down 3.7% for the year - we will see more in the full financial report last month. We reduced labor by 4% compared to budget. We didn't make a positive net income mostly due to coupons and maintenance/repairs. Early in the year, we offered mobile coupons; it was a huge hit, but we were too aggressive it worked too well.

Overall payroll is down, partially because of bonuses being in January instead of December.

We're up in labor costs, but looking at that. NCG says 24.5% is a realistic goal for a store our size. We're currently the lowest our store has been in a really long time. CDS consultant Michelle Schry says it is still too high, but Lester says we can't go lower. All managers submit their schedule two weeks out and set labor as a percentage of their sales goals. If their sales goals do better than budget, they can afford to add labor hours. If sales are low, they may need to cut hours. We are clear about these goals and because of this we don't hear complaints about people not getting hours.

### **Community/Outreach/Other Store Happenings:**

We got 180 new members in 2018, which is a good sign. Our goal for 2019 is 250.

Local sales came back a bit in December which is good to see. We finished the year with 25% of sales coming from local sales for the year; 24% for December. We had aggressive goals of 30% in Ends report, and it is our goal. We will keep striving for 30%. We think store design changes will help. We'll increase our meat section from 5ft to 12ft., produce is getting all new produce fixtures... in general, the remodel will enhance local sales.

We also need to be strategic about more produce we need and can get locally.

As we get closer to the remodel, you may see holes in areas and may see something new every day.

We've been working with Spectrum for bulk repack and kitchen processing. The classes are no longer happening this semester because they lost their director and there wasn't enough interest. The Co-op is willing to pay for staff to attend NICC culinary classes if staff agrees to work in deli and stay a certain amount of time. Meanwhile, bulk repacking is still happening at Spectrum. We're trying it for a month, and if it goes well for us and for them, we'll keep doing it.

We switched from bags to 8oz and 12oz containers for repack. This is quicker to repack - instead of having to measure them, they can just fill them. Also, we can recycle these containers and can't recycle plastic bags.

#### **Physical Store Update:**

Our freezers broke-down again - the same ones. We've done something to fix it that hopefully will last until mid-February. So far, so good...

The tunnel project is not as expensive as we first predicted, but it is changing daily. Lester will keep Board up-to-date as things change, not just at monthly Board meetings.

We are working to understand what rebates will be available for the remodel.

The amount we'll earn from selling used equipment will be minimal, but we'll save money just by having someone take it away, and we do have things people will want.

#### **Marketing/Special Projects:**

We had a great workshop from consultant Mark Mulachy. He goes all around the country and teaches a series of classes. He and a few other consultants started "Rising Stars," giving Co-op staff training to learn management skills and move into management. He was the one who originally gave us the weekly deals idea. He'll help us upset stalls in net produce. He is also helping us overcome struggles to find new applicants. He says when advertising for new positions, think about the kind of people we're trying to attract. We're advertising for people to "come join our pack" and other things to make hiring more fun. We are learning what language to use to find the people we want to reach.

### **9. Action Items**

#### **9.1 Remodel Group Updates**

##### **-Communications & Marketing**

##### **-Member Loan Campaign**

Timm spent time on Basecamp, which is an online tool he'll use for the member loan campaign to track assigned tasks and campaign progress. He feels good about the program and will train the rest of the board.

We need to decide an official launch date. We're waiting for official "go" from lawyer, and marketing materials to be finalized. We're also waiting for the 3D renderings to be able to show during member loan campaign. We will be asking for \$575,000.

##### **-Project Ops**

Lester has a general timeline from contractor and is working on specifics, such as close-days, and when will deli be done? (Deli will most likely be closed 3 weeks, which is a week longer than we budgeted for.)

Here is the general timeline: In February, we'll epoxy the floor, add new doors, and address seating areas. The cash office will go away, the wall between registers and the seating area will be lowered in preparation for glass panels. Next we'll redo the meat and cheese area, then back towards the deli. Deli will wrap up the three month project.

We ordered most of the equipment yesterday and it will be here in 6-8 weeks. Most major equipment came in under budget, which is great news. The bad news is the hot bar/salad bar is \$17,000 over budget. Bulk fixtures also came in over budget. Francis Kittleson is the project coordinator.

## **9.2 Articles**

We need to update Articles of Incorporation that have specific number of shares allowed. We have a draft of the revised articles completed, but need lawyer to approve. We'll send out the language 10 days ahead of the annual business meeting. There may also might be discrepancy between Articles and Bylaws, so there may be two changes to make. Nelson and Lester will work to make this happen quickly.

## **10. New Business**

### **10.1 Nomination/Election progress report**

Committee contacted at least 35 members, asking to run for board. Only three have agreed, but they are three great candidates with great strengths. There are three positions open. Leaving are Dennis Pottratz, Flannery Cerbin-Bohach, and Brita Nelson. Once board has nominated candidates, members can still be nominated by petition until February 10. Committee proposes three nominations: Michelle Barness, Bill Iverson, and Andy Sassaman.

**Motion:** Hawthorn moved and Cerbin-Bohach seconded to **Approve Board Nominated Slate of Candidates**. Motion **passed** with a vote of 4 aye, 0 nay.

### **10.2 Annual Business Meeting - April 11, pending location**

Annual business meeting will be April 11. Lester is checking into rental spaces for the meeting. One topic for discussion and approval at annual business meeting is changing the bylaws and articles to increase possible number of regular shares.

## **11. Next Monitoring & Other**

### **11.1 [D: Global Governance Management Connection - Hawthorn]**

## **12. Next Meetings - February 26, 2019 @ 5:30PM**

## **13. Executive Session - none**

## **14. Self-Evaluations - done via internet**

## **15. Adjourn**

**Motion:** Hawthorn moved and Timm seconded to **Adjourn Meeting**. Motion **passed** with a vote of 4 aye, 0 nay. Meeting adjourned at 6:54 p.m.