

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

July 24, 2018 5:30 PM

Kitchen Classroom, 308 W. Water St.

Board Members Present: Brita Nelson, Scott Timm, Emily Neal, Scott Hawthorn, Aimee Viniard-Weideman, Flannery Cerbin-Bohach

Board Members Absent: Dennis Pottratz

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 5:34 p.m.

2. Board Learning - Review of Current Remodel Proposal or Remodel Process Update

We are still waiting on Michelle Schry to give us a design from her architect. She received one, but sent it back for refinement. We are also waiting for a quote from a refrigeration place in Red Wing. They will give us a quote for a rack system that will take care of a lot of our refrigeration issues. We are now shooting for an expansion update at the next board meeting. In the meantime, Lester printed off a document Schry shared that outlines roles, responsibilities, and a communications plan for an expansion. It outlines how to create and disseminate the message. A press release and thank you to members will go out this week and next. Schry will attempt to meet with us next board meeting.

3. Member Comments - none

4. Disposition of Member Comments - No member comments

5. Agenda Review

Motion: Neal moved and Hawthorn seconded to **Approve Agenda**. Agenda **passed** by a vote of 6 aye, 0 nay.

6. Approve Minutes for June 2018

Motion: Neal moved and Viniard-Weideman seconded to **Table Approval of June 2018 Main Meeting Minutes**. Motion **passed** with a vote of 6 aye, 0 nay.

Board will discuss amount of detail that goes into meeting minutes before approving June minutes. Minutes should be brief in scope and cover topics discussed, key points, decisions, and actions.

7. Consent Agenda

8. Reports

8.1 GM Report

Financial Snapshot:

Member numbers have been increasing, but sales have not. We are now focusing on the deli to help sales numbers increase. We launched a new menu this week, including a hot bar, and a “choose-your-own panini” option; hot or cold. If we could get the deli back to flat, we’ll be at 3-5% overall sales growth. Liz, the new deli manager is great. She says this has been her hardest job so far. We’ve reduced labor more than our loss of sales growth. We’re hoping we don’t have to cut it more. We’re really focused on sales.

Community/Outreach/Other Store Happenings:

We raised over \$2000 for Kid’s Lunch Club with our “round up at the register” program. We’ll do programs like this once a quarter and will create a process for organizations to request the funds. People were very generous with this program.

We are also in the middle of staff evaluations, done by a third party.

Physical Store Update:

Street closures have been horrible for us. We didn’t have enough notice to prepare by offering more grocery bagging and transport to people’s cars. We lost about \$1000 a day due to street closures.

Marketing/Special Projects:

Nordic Fest will bring more transactions, but total sales will go down slightly. We’re working to get our grab-n-go ready.

Liz McMann from NCG did a brand assessment for us. Furler and Lester are looking it over and prioritizing the marketing work for the upcoming year. Currently, marketing is really focused on Deli.

8.2 D2: Accountability of GM

Motion: Cerbin Bohach moved and Neal seconded to **Approve D2: Accountability of GM**. Motion **passed** with a vote of 6 aye, 0 nay.

8.3 D3: Delegation to the GM

Motion: Neal moved and Timm seconded to **Approve D3: Delegation to the GM**. Motion **passed** with a vote of 6 aye, 0 nay.

8.4 L5: Financial Condition

Motion: Neal moved and Hawthorn seconded to **Approve L5: Financial Condition**. Motion **passed** with a vote of 6 aye, 0 nay.

We were a bit above budget in sales our first quarter, but second quarter was a different story. Part of that is because of Easter being in first quarter this year, but our deli sales loss really hit us hard second quarter. Liz came to us in late April. She had a lot of behind the scenes things to put in place before she launched the menu. Now, third and fourth quarter will look better and we'll get deli up to flat.

Because of all this, Lester is reporting "not compliant" with sales.

Our net income is at a total loss of -\$27; we're down 1.1%. We want to be at +.5% by end of year, so we're off plan and off budget, but we had unusual costs in first half of the year, such as \$8000 in hvac compressor costs. The new company in Red Wing will give us a quote for a new refrigeration system and design that we hope will make a difference. Still, when looking at profit/loss, we're losing a lot in sales. We're \$76,000 under budget in sales. Of that, deli is -\$58,000 and wine and beer is -\$30,000. Some departments are above budget in sales. Our benchmark for the year is now the NCG benchmark of .5%. This was lowered from our previous 1% goal.

Our ratios are not going in the right direction because we don't have the sales. We've paid off a lot of money in the recent past; our debt-to-equity ratio is great.

The overall theme is that we're not happy with how things came out, but we put fixes in to have better second half of the year. Aside from Deli and Wine & Beer, other departments that could use attention are Bakery and Bulk. We're working with Waving Grains to make some improvements in their sales. Bulk has been doing better than the last few years, but is still struggling. We have talked about moving the bulk department to right after produce. That will bring it more to the front and we hope that will help.

8.5 Treasurer: Board Budget

We have spent \$947.03 of our overall \$15,490 2018 budget. We're well within budget and have resources to consider as we move forward. Other expenses we'd typically have throughout the year include Directors and Officers Insurance, employee holiday gifts, and a potential staff appreciation. If we want to hire a consultant or bring in outside expertise, we have the budget to do it.

9. Action Items

9.1 Financial Ad Hoc Committee Update

Financial Ad Hoc Committee comprised of Neal, Nelson, Timm, Pottratz, along with member-owner Carl Peterson, will meet in 1-2 weeks to look at financials coming from Schry, compare them to support documents from the L5, and discuss the financial prudence of making the decision to move forward with the project. With their go-ahead, Lester will delve in the remodel financial decision a little further. We are still looking for other co-op member-owners to join the committee.

10. New Business

10.1 Membership Committee Update

Motion: Neal moved and Timm seconded to spend up to \$4,000 on Staff Appreciation.

Motion: Neal moved and Timm seconded to spend up to \$4,500 on Staff Appreciation that includes dessert for members as well. Motion **passed** with a vote of 6 aye, 0 nay.

11. Next Monitoring & Other

11.1 [G5: Board Committee Principles -Neal]

12. Next Meeting - Tuesday, September 4, 2018 @ 5:30PM

No meeting in August; 2 meetings in September

13. Executive Session - none

14. Self-Evaluations - done via internet

15. Adjourn

Motion: Viniard-Weideman moved and Timm seconded to **Adjourn Meeting**. Motion **passed** with a vote of 6 aye, 0 nay. Meeting adjourned at 6:55 p.m.