

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

March 27, 2018 5:30 PM

Kitchen Classroom, 308 W. Water St.

**Board Members Present:** Brita Nelson, Bryan Stuart, Alicia Trout, Maren Beard, Emily Neal, Flannery Cerbin-Bohach until 6:15 p.m.

**Board Members Absent:** Scott Hawthorn, Flannery Cerbin-Bohach left at 6:15 p.m.

**GM Present:** David Lester

**Co-op Staff :**

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

**1. Call to Order**

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

**2. Board Learning - Member Survey Results**

**3. Member Comments** - none

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

**5. Agenda Review**

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

Amendments:

Add Firearms Discussion to New Business 10.2

Remove Treasurer's Report from Consent Agenda, add to Reports 8.3

**6. Approve Minutes**

**6.1 February 2018 Main Meeting Minutes**

**Motion:** Beard moved and Neal seconded to **Approve February 2018 Main Meeting Minutes**. Motion **passed** with a vote of 6 aye, 0 nay.

**7. Consent Agenda**

**7.1 G10: Secretary's Role**

**7.2 G7: Board President's Role**

**7.3 G8: Vice President's Role**

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

## **8. Reports**

### **8.1 GM Report**

**Financial Snapshot:** March is looking really good at +4.5% with -10% in cafe. We are focusing on the cafe now - if we can get them back to flat, we'll be in really great shape.

This year's MAD sale was \$10,000 more than last year's and the week after the sale, we were up 4.5%, which is really good. We've had good weather, good luck, and good work.

We have created new position: Lead Chef. We split the duties so our Front Counter Manager is Joy; she's really good at grab-and-go and bakery cases. We're spending money to attract a Lead Chef who is food and local focused and used to managing people. We're interviewing great candidates. Once we have a Lead Chef, dinner and catering will start being offered again. The sky's the limit for our cafe once we are fully staffed.

Overall, the majority of our store doing really well. It is good to see.

Weekly sales look good. Jan/Feb labor saw us cutting back on shifts. This set us up to have a good first quarter. We will know for sure when we do inventory to see our cost of goods. For sure, our labor is good and sales are at or above goal - which we haven't seen since early 2015. We're happy.

**Community/Outreach/Other Store Happenings:** Membership drive is a little lower than last year. Our goal was 60 new members and we got 45.

Local sales: Theresa does really well at checking and found a glitch in our POS that made local UNFI products not show up, so last month wasn't accurate and didn't record as high as it should have. We're above last year's numbers. February should have been reported to be equal to last year. We're doing better than most co-ops in Central Corridor regarding local sales.

**Board Question:** How do you feel about Finance Manager position?

**A:** Not having health insurance is killing us on this one. We have had good candidates, but they have dropped out because we can't pay what they need or they've accepted another job. The position is still open. We're taking an advertisement out this week and will advertise locally and within NICC.

**Board Question:** If we don't find someone to hire, can we outsource some of it?

**A:** Yes, some of it, such as payroll, but some might be delayed. There is nothing major we couldn't outsource, but Larry has always been really quick to have numbers for us.

We've convinced Larry to stay until June 10. He doesn't want to leave us high and dry, but that is his last date.

### **Physical Store Update:**

**Board Question:** Have you talked to the consultants regarding the store reset/expansion?

**A:** Yes, on Friday and went over the existing plan. Finholt is having harder time giving us firm numbers on what we've drawn so far. They don't want to give a number and then have it be off when getting into the real remodel, so they're firming up questions and they'll give us numbers within the next week. They've brought in Decorah Electric and Casper Plumbing and Heating to weigh in.

We'll see how close they come. They said something like \$155,000 for deconstruction - we're trying to firm up so we have a real good idea of how much it will cost. We're pretty sure on equipment costs and fees, but the construction part is the big question.

**Board Question:** Phasing a remodel?

**A:** Once we form a committee, we'll look at the full scope of what need to do. The first phase is getting the upstairs ready for office space, clearing up the current basement space, and creating new space for a walk-in cooler to start a meat program. That moves Marketing out as well, and gets that space ready for remodel. We'll get steps clearly defined. David is excited to start thinking about the sequencing of the project.

**Marketing/Special Projects:** Lester did an audit for Stillwater Co-op, River Market. GM at River Market one is retiring in 4 months and the management team needed help to get back on right track. They weren't doing any competitor shops and had no idea what their competitors were doing. They are good at finance and co-op metrics, so they understand their numbers well, but they lost track of other things, especially creative aspects of the co-op such as signage. Lester and two other GMs did the audit with two NCG staffers. NCG organizes the audit and writes the report at the end. GMs do one-on-one interviews of management and learn a lot in the interviews to present at the end. We're doing a lot of great things at our store but it is also good to be exposed to new ideas and things we should implement while also sharing knowledge with other stores.

We had a store audit done in 2009 when things were going badly for us. We had hosted a Central Corridor round table at Hotel Winneshiek four years ago through which participants did a quick audit of our store for 2-3 hours and writing down impressions, but haven't done a full one in a while. Lester brought report sheets back from the audit he just did and gave them to the L team. He had them pretend they'd never been in our store before and audit different departments, then go through their audits together afterwards.

## 8.2 E1: Ends

**Motion:** Trout moved and Stuart seconded to approve **E1: Ends**. Motion **passed** with a vote of 6 aye, 0 nay.

Reporting full compliance. Ends can look at the overall question “Did we move forward or not?” If we look at it all together, we did. This is Lester’s favorite report of year because we can see progress and areas we need to work on. It is cut and dry and tells us how we are doing. After tonight, Lester will show to management team and staff to show how we’re doing. It doesn’t end here tonight. It continues all year. We’re seeing positives in organic sales, produce sales, and sales in general. We’re positive for the year, which not a lot of co-ops can say. We stopped the decline of member sign-ups, and that’s good. Energy usage is down - perhaps because fewer people in store, but we’ve also really made significant improvement - we’ve spent money on maintenance and repairs. Employee retention is a highlight because we reversed a trend. Community donations are up, in spite of the fact that we could have reversed that. We had a lot of requests - people asking us for \$50 gift certificates, etc. We increased giving and maxed out that budget - people really asking for a lot of money and donations.

Areas we need to improve include attracting more low-income shoppers. We went down on EBT shoppers, probably due to lack of AmeriCorps. We should tell Green Iowa AmeriCorps they should sign up. We’ll look into it further. Fewer people will qualify for SNAP benefits, but that hasn’t hit yet. Classes are down. Andrea is doing more sampling and has focused her efforts on Saturday sampling. That helped with sales, but means she has less time to do classes.

Profit/net income: our job is really on getting the cafe department staffed and back on track.

**Board Question:** What about if you show your WIC card, you get % off, or if you use EBT can get x% off? Amazon does something like that. The cards are proof of low income.

**A:** we can give discounts for whatever we decide. Lester says he’ll look at it and see how to do it.

**Board Question:** Do we have sign-in window that says we accept EBT? Could we pair it with something about additional discount, or bulk shopping to stretch money?

**A:** We could do that - maybe on Tuesdays, for example.

**Board Question:** Was surprised that on survey there were a lot of price comments that jumped out - that things are overpriced. Could you comment?

**A:** There are certain things that are expensive, but we can also name items we have at lower price than WalMart. There are less expensive things. Also, surveys are good for

learning trends. Everyone wants low prices and high wages for workers and we get that, but we also have to be realistic.

**Board Question:** Would it hurt us to do discounts for EBT?

**A:** There is a cost to us, but we would still make money on it overall, even if not with every sale.

**Board Question:** Will people find it worth spending EBT money here, or would they look for other places with lower prices to stretch their money? And doesn't it meet the Ends to be more accessible to community to get more people in? And also on business side, at what point does more people in the store and more mean prices go down?

**A:** This is a nice way we could provide benefit to low income folks in town. Some co-ops brought in WIC products like Coke and Kraft - things that are qualified for WIC - and members didn't like it. We want to stay true to our mission.

**Board Comment:** The tricky thing is showing card - those cards don't disintegrate when they are no longer eligible, so we have to be okay with fact that someone might take advantage - or do they have an expiration date?

**Board Question:** It would be great to set the bar on this, but there are likely to be other co-ops who would have done it already. Can we see how they did it and what worked for them?

**Board Question:** Would there be a grant that Board could apply for? Something like the Double Up Food Bucks Program? That one may have to be for produce.

**A:** It might be a USDA or a community foundation that does this. But USDA did do it at some point of 2 for 1 on produce. Neal will look into this. Stuart also wants to be on committee and will research to see if any co-ops are doing anything like this. We'll have looked into it by May meeting. This could also be an opportunity for Board to look into nonprofit arm that gives us opportunity to apply for nonprofit grants.

**Board Question:** Do we still provide meals for county jail?

**A:** That ended about 2 months ago. It came down to us not able to do it because of how things were happening at cafe.

### **8.3 Treasurer's Report**

**Motion:** Neal moved and Beard seconded to **Approve Treasurer's Report.** Agenda **passed** by a vote of 6 aye, 0 nay.

Trout reminded Board that Treasurer is to chair any committee for hiring an auditor or making financial decisions.

### **9. Action Items**

### **9.1 Annual Business Meeting Prep**

Date of Annual Meeting is Monday, April 16 at Pulpit Rock Brewery in the big room, 7:00 p.m. Board members are encouraged to attend. Annual Board report will come from the board. Furler and Lester put it together and bring food. Board President gives report and VP gives talk about elections and announces results. Nelson will follow up with Hawthorn to remind him. Sometimes we have had special guest speaker. We talked about having the first SILT project discussed, but right now is a temporary situation. We will mention that we're forming a committee to see if we're financially feasible to do a remodel, we'll say where we are with the primary drive, etc. There are also big things with NCG - one of them is a potential system health care to be offered through the NCG.

### **9.2 Earth Day - Need for Board Volunteers**

Earth Day is Sunday, April 22 in the park from 5-7pm. Nate will email Board about this.

\*Flannery left at 6:15.

### **9.3 Annual Meeting Agenda**

Agenda for Annual Meeting includes Welcome, President's Report, GM Report, Finance Report, and Announcement of New Board Members.

**Board Question:** Can we recognize Larry? Are there rules about Board recognizing staff? Should it be less publicly? He's worked more closely with Board than other staff, but we don't recognize other staff that are leaving.

Minutes from last Annual Meeting will be sent by Secretary.

### **9.4 Open Board Position**

Stuart has one more year left in his Board term, but needs to resign after April. He feels confident doing it in this moment because we have four great candidates running for Board. Board discussed a communication plan and approach to deal with this. We're in the middle of a board election, so Board discussed giving the two candidates with the most votes a three year position and the "third place" a year a one year term. However, that is not what they are actually running for. Board discussed appointing a person to take his place, perhaps someone who has been on the board before, but feel there is no one ready to do that. Board agreed that the top three of current candidates would be elected. The election will be announced at the Annual Meeting and we'll do it all at once. We want to let candidates know right now, so Beard will write email and send to candidates, cc'ing board committee.

## **10. New Business**

### **10.1 Board Election Update**

15.5% of our membership has voted. Last year about 20% voted.

### **10.2 Firearms Discussion**

We had an incident over weekend. In the last six years, we've done a straw poll with the board a couple of times, asking if we should we have a sign that says no firearms allowed in the co-op. Previous boards and GM have decided - not unanimously - that we shouldn't have a sign, because IA became open carry state and with conceal and carry, we didn't do it because businesses that were choosing to do it became lightning rods in the discussion, with active gun people saying, "we want members to come into such-and-such-a-store at such-and-such-a-time" with their guns.

Now with open carry being the law, we had our first 2 people in the store openly carrying guns, obviously wanting us to know they were carrying guns. Our current practice is to ask people to remove them and come back.

If a business asks you to do that and there is any discussion past that, the person risks the ability to lose their open carry permit; if you don't comply, you are trespassing.

Kristin did a really great job of handling it: people were worried about it, she addressed it, they removed their guns, came back in, and they weren't happy about it. They came back in, wanted their membership returned. We returned it.

We had a good discussion with management. We have a member of our management team that has conceal and open carry position. They have been through the training and know rules. If there is a sign that says "This is a firearms-free zone," most owners would respect that and it won't even be an issue. We might be at the point where we wanted to do this. Officers of the peace are exempt from that. We talked with Bill Nixon and he says it is happening everywhere. He also says if we have any issues with anyone that saying "no" or pushing it, to call them right away. Our primary concern is that we would never want a staff person to have to approach someone with a gun to ask them to leave. We could get push back, but it is less likely than it was a few years ago. We don't want our 16 year old cashier to have to deal with it.

We remember the bathroom incident from 4 years ago: a group of guys were passing through town, a guy went to bathroom, came back out, another customer came to front desk and said "someone's guns are hanging on a hook in the bathroom." They had forgotten their guns. A kid could have gone in there. He came in and grabbed it without issue, but people were unsettled by it.

Straw poll indicated Board is comfortable with adding a firearm free sign. We'll do it quietly and have staff training on what to do if there is any pushback. Right now courthouse and bank have similar signs, don't know if others do.

Board notes that it isn't an overall anti-gun stance and having no-guns in a business shouldn't be a problem, but it is tricky because issues like guns are sometimes seen to be divided along party lines, even though they shouldn't be.

We'll hang a sign to show it is just the policy we already have. So far, it hasn't been a stated policy, but stating it comes off as a policy and that comes off better. We'll call it a "firearm-free zone" and that should make it less of an issue for pushback. The

bathroom story illustrates why it is important. There are a lot of kids that run around in the co-op. We want staff and customers to feel safe.

**11. Next Monitoring & Other**

**11.1 [12.1 L10 Board Logistical Support - GM]**

**11.2 [12.2 L Global Executive Constraint - GM ]**

**11.3 [12.3 G4 Board Code of Conduct - Neal]**

**12. Next Meeting - Tuesday, April 24, 2018 @ 5:30PM**

This will be the meeting when off-going members Beard, Trout, and Stuart come for only the beginning of the meeting. Board Learning will happen after outgoing members leave. Beard, Trout, and Stuart will give their binders to new members.

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

**15. Executive Session - none**

**16. Adjourn**

**Motion:** Trout moved and Beard seconded to **Adjourn Meeting**. Motion **passed** with a vote of 5 aye, 0 nay. Meeting adjourned at 6:48 p.m.