

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

March 26, 2019 5:30 PM

Kitchen Classroom, 308 W. Water St.

**Board Members Present:** Brita Nelson, Scott Hawthorn, Scott Timm, Aimee Viniard-Weideman, Emily Neal, 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), Bill Iverson

***1. Call to Order***

Nelson called the meeting to order at 5:33 p.m.

***2. Board Learning -***

Board wrote thank you notes for the 40+ members who have loaned money so far in the Member Loan Campaign. As of today, we have \$476,500 committed and deposited.

Lester will walk board through remodel progress after the meeting. Things are on schedule. We are hopeful having bulk bins closer to produce will increase bulk sales.

***3. Member Comments - none***

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

***5. Agenda Review***

**Motion:** Viniard-Weideman moved and Hawthorn seconded to **Approve**

**Agenda.** Agenda **passed** by a vote of 6 aye, 0 nay.

**Motion:** Cerbin-Bohach moved and Hawthorn seconded to **Amend Agenda to Add 6.2 Approve Executive Session Minutes for February 2019.** Agenda **passed** by a vote of 6 aye, 0 nay.

***6. Approve Minutes for February 2019***

## **6.1 Regular Meeting Minutes**

**Motion:** Timm moved and Hawthorn seconded to **Approve February 2019 Main Meeting Minutes**. Motion **passed** with a vote of 6 aye, 0 nay.

## **6.2 Executive Session Meeting Minutes**

**Motion:** Hawthorn moved and Neal seconded to **Approve February 2019 Executive Session Meeting Minutes**. Motion **passed** with a vote of 6 aye, 0 nay.

## **7. Consent Agenda -**

**G9: Treasurer's Role**

**G10: Secretary's Role**

**G7: Board President's Role**

**G8: Vice President's Role**

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

## **8. Reports**

### **8.1 GM Report**

#### **Financial Snapshot:**

Sales in February were up over what they were in 2018. We haven't seen that in a while. It was partly because we moved MADD sale to February. March sales are down compared to last year, but we budgeted that because of the project. Sales disruptions due to the project began at the beginning of March.

First quarter so far we're at +2.7% compared to budget. That's good. We're off to a good start. Cash is about the same. That will dramatically change next month when we start seeing member loans as part of the report.

March sales have been pretty good compared to budget. Sales for all Central Corridor were down 1.8% and we were slightly up, so that is a good sign for us. Lester had a meeting with a bunch of central corridor folks going over the last quarter of 2018. The winter disruption of sales due to weather this year were brutal for many. Coops that have never been closed before had to close because of weather. We're not alone.

Wages cost are slightly up. With sales for January, we had to have a minimum number of staff to run the store. The winter weather days compromised our sales, but we're close to budget. Once we've fully renovated, we aren't really raising labor, but sales will go up, so that comparison will be better.

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

We had 10 positions open, then held a job fair and are about to fill all of the openings. We scrambled to make it happen, but it was great. We had five great interviews today. We'll get at least 3-4 offers out of them. This time next week we won't be advertising for jobs anymore.

Our Office Assistant and HR Coordinator has left. Our Front End Manager, will be taking over most of the HR tasks was in charge of, along with her role in Front End. She's a natural and will get more training in that world. She revamped our whole intake training manual. She's worked with every department manager on department specific manuals. She's really great. We'll also hire a part time bookkeeper to help the Finance Manager.

*Board Question: - why are local sales going up and down?* Our main season is coming up. We're expecting it to be above last year because we're expanding meat from 5ft -12 ft and that will be local. Produce is going to look great when done and they are huge in local. Deli is also expanding and using more and more local.

*Board Question: How are we keeping deli employees working?* They are packing and prepping at Spectrum, getting things ready, getting coffee, soups, etc. Many of them were also fine taking unpaid time off, so that has been really great. Many people were ready for a break and are taking a vacation. Next week, we'll have opportunities for employees to help move things - we'll be closed Tues, Wed, Thurs - there will be opportunities to move things out of coolers and freezers - next week will be a lot of work. Monday is the final day we'll be open before closing for three days. Produce will be emptying coolers - a set of doors coming off, all big coolers go out. Produce cases go out, new cases for produce, meat, cheese, deli grab-and-go all come in, produce gets set on Tuesday and Wednesday, up and running on Thursday. First we'll help reset everything in

produce department. Then they'll look up meat, then cheese, then deli grab-and-go.

*Board Question: It seems both HR and Front End Manager would be a full time position. How will it work to have it be the same person?* After looking at the HR work load and talking to other stores our size, we've decided the HR component will take about 10 hours a week. The Front End tasks will be reduced by 10 hours and she will take on the HR tasks. The Front End Assistant will take on the rest of the Front End duties. Our overall admin hours/positions have been way too high according to NCG benchmarks - we've needed to reduce them. It is also hard when people in grocery departments are saying they need more help and we can't give it to them because we can't add staff hours.

*Board Question: is HR first line if there is a problem?* First is the person's manager, then HR or GM. GM will now do intake and exit interviews, as well as legal stuff and a basic intro to the Coop.

*Board Question: What ever happened with the discussion of sharing admin positions across coops?* That was for Finance and IT, but it never went through.

*Board Question: Does NCG have good support/resources for HR training? Do we have enough resources for the legal aspects such as FMLA?* The NCG does have an annual HR conference.

### **Physical Store Update:**

Bulk fixtures are in and beautiful. Most things are in gravity bins. The new location for bulk and the fact that the bins are so easy to use will be great for the department.

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

Grand reopening will probably be in June - we want to make sure it is all done and polished. Deli will open Monday the 8th, except hot bar and salad bar, which will be installed about 12 days after that. Finholt will be done with deli by end of day Friday. We'll clean and move equipment, start setting it up and getting ready.

## **8.2 E1: Ends (Table Until May 2019)**

## **9. Action Items**

### **9.1 Remodel Group Updates**

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

We are slated to send two more emails to the member loan campaign group. Our original goal was \$520,000. We're at \$565,000 total now, and see it going further. More about this in 9.3.

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

We're at \$476,500. It really went fast. We've shut down the calling - we'll still call to follow up with those who have packets out - they've said they are interested but haven't sent anything in yet. We have 40 packets out and we're averaging just under \$10,000 per loan. There are still some larger ones (\$25,000 and \$50,000) that are still likely to come in.

There has been really great communication from Furler. Call nights went well with 4-5 people each night. We had about \$70,000 come in from call nights. Timm logged about 20 hours of work - significantly less than the 60 we projected.

Board commends Timm for his work.

*Board Question: Are we better off with more member loans than really large ones?* It would be hard to pay large loans down one after another - may take longer to get to them paid - diversified is better. If sales don't increase, it will take longer to pay the highest interest rates off. We paid off DB&T two years before the member loan campaign ended. That was \$6000/month. Towards the end of the member loan campaign, it gets easier to pay off. Pro forma says we only need 3% increase each year to meet our goals, after the initial 6% increase.

*Board Question: Might we end up in a position to tell people offering smaller loans that we don't need them?* We'll soon be in a position where we won't take on any more loans. We'll talk more about that in 9.3.

#### **Project Ops**

Current project budget is in GM report. Finholt is on schedule, which is great. Overall project budget has risen. We had assumed our equipment was worth

nothing and it would be best to find someone to take it - Kingsly was going to do this. However, we put everything online and there is a grocery store in Eagle Grove and they pretty much bought everything from us. Kelly Skoda works for Organic Valley - they are coming over to look at a lot of stuff too - they will buy all of our bulk fixtures and shelving for an Organic Valley Farm Store. That is another \$15,000 coming in. We are also expecting \$10,000 of rebates coming from Alliant.

Lester met with Winneshiek County Development Incorporated. He brought up the fact that WCDI is giving Hy-Vee \$525,000 in tax abatement, but not investing in downtown organizations' projects like the Co-op's remodel. WCDI has decided to become a member of the Co-op and invest in a \$10,000 member loan.

## **9.2 Annual Meeting Agenda**

Pulpit is reserved. We'll cover 2018 business quickly, then discuss the new remodel. We'll have pictures. We'll focus on the success of our member loan campaigns, which will hopefully be totally wrapped by then. We will have photos of progress thus far and will open questions for how process as gone.

## **9.3 Member Loan Cap/Goal Discussion/Action**

Lester talked to Lizzy Haywood, GM of People's Co-op in LaCrosse, and Margo O'Brien, GM of St. Peter Co-op. Both have done a similar remodel project as ours. After talking to them, NCG, and to Finholt, we are seeing we'll likely be about 15% over our original estimate. We now believe the project will be about \$600,000.

The original bid used our current produce coolers. The new coolers will be bigger and there will be more of them, meaning we'll need to expand the rack system and run more lines than we previously thought. We feel a 15% increase is pretty reasonable.

Previously, we voted for a \$525,000 Member Loan Campaign. We could have \$550,000 in member loans committed and deposited by next week, and there are still 40 interested members who haven't signed. Our average member loan investment is just under \$10,000. We could easily reach a \$600,000 goal.

**Motion:** Timm moved and Viniard-Weideman seconded to **Raise amount of member loan campaign to \$600,000.** Motion **passed** with a vote of 6 aye, 0 nay.

Board commends Nate, Timm, GM, and everyone else. Timm says Ben was super helpful. He had some really good mailing pieces. We didn't have to second guess ourselves. We had piece of mind that we were doing it right.

## **10. New Business**

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

We only printed 40 total paper ballots this year. Jim and Barb Dale will count again. It is very quick - we just verify the electronic and paper ballots - it took less than an hour last year.

Board discussed best practices in managing the election. Board VP should check in on the election, as should Furler.

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

### **11.1 [Global Governance Commitment - Neal]**

### **11.2 [L5: Financial Condition - GM]**

### **11.3 [E1: Ends - Tabled until May]**

Outgoing board members will meet with Nelson to get packets ready for new board members. Board will also choose a tentative date for a board retreat with new members for new member trainings. New board members will be here for the April 30 meeting.

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

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

## **14. Adjourn**

**Motion:** Timm moved and Viniard-Weideman seconded to **Adjourn Meeting.** Motion **passed** with a vote of 6 aye, 0 nay. Meeting adjourned at 6:51pm.