

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

November 26, 2019 5:30 PM

Kitchen Classroom, 308 W. Water St.

**Board Members Present:** Scott Hawthorn, Scott Timm, Bill Iverson, Detra Dettmann, Emily Neal, Andy Sassman, Michelle Barness

**Board Members Absent:**

**GM Present:** David Lester

**Co-op Staff :** Nate Furler (Marketing Manager) arrived at 5:42

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

**1. Call to Order**

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

**2. Board Learning - Competitor Shops, HyVee Discussion**

Board prepped for Dec. 3 strategic planning meeting by visiting Fareway and Impact, then board members reported one thing each business is doing really well, and one thing Oneota Co-op is doing really well. These responses will be part of the Dec. 3 strategic planning discussion with Paula.

Board noticed some things that were just like ours, some with better pricing.

Coop does well: Local producers. Consistent breakfast; a good hot bar on Saturday mornings. Quality fruits and veg (lot of our future success lies here). Samples of fruit/veg are great “pushers.” Like samples of dinner that I can make. Wellness section is only place can get those things in Decorah - unique, quality products. Co-op does community well - you expect to see people and say “hi” - grocery shopping becomes a community experience. We help create the vibe of Decorah. Produce and gluten-free options. Sampling - gets kids to come in - family friendly - sampling is part of that experience. Kids can run around.

The board read an article about HyVee store models and discussed.

Co-op has a great relationship with Vesterheim, Impact, downtown businesses- we’re heavily focused on business plan. HyVee will be a small store - it can’t be everything to everyone. Co-op is a targeted and loyal based audience. HyVee does convenience really well. Will be more convenience products.

*Board prepping for Dec. 3 strategic planning meeting. Board did homework, then GM will go over*

*Board strategic planning "light" - small piece of day w/leadership team two weeks ago. Spent 9 hours strategic planning and team building.*

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

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

### **5. Agenda Review**

**Motion:** Barness moved and Hawthorn seconded to **Approve agenda**. Agenda **passed** by a vote of 7 aye, 0 nay.

### **6. Consent Agenda - none**

### **7. Approve Minutes for October 2019**

**Motion:** Barness moved and Hawthorn seconded to **Approve Minutes for October 2019**. Motion **passed** with a vote of 7 aye, 0 nay.

### **8. Reports**

#### **8.1 D4: Monitoring GM Performance**

**Motion:** Dettmann moved and Neal seconded to **Approve D4: Monitoring GM Performance**. Motion **passed** with a vote of 7 aye, 0 nay.

#### **8.2 L7: Asset Protection**

**Motion:** Hawthorn moved and Iverson seconded to **Approve L7: Asset Protection**. Motion **passed** with a vote of 7 aye, 0 nay.

This report shows how we're protecting assets at co-op, including insurance coverage. Starts off with cash handling processes, how often inventory done, who is doing payables, has it been checked with auditors, etc. We had financial review done where auditors do spot checks. Full audit is when they dig in deep. Last full audit was 2018. We do that every 3 years. Next will be January 2021. We are getting closer to GM leaving, which will bring a new transition. We'll stick with that schedule. Will have financial review.

Workers comp rate - if not managed well, this can be high. 1 is ideal average.

PCI compliance- hackers couldn't even get into our system to test things. It is a "good fail" - we're safe.

Insurance - board of directors has \$2 million of liability insurance - really good coverage. We upped our liquor liability. We upped employee dishonesty a few thousand. Insurance for the building will get reappraised now that we've remodeled. Insurance for contents, for spoilage and if "something horrible" happens.

We're compliant except 2 points - customer transactions and sales.

### **8.3 GM Report**

Sales in September were slightly up. Oct was slightly down. November we're positive- this week has been great. Last year Thanksgiving was a week ago. Think we'll get double digit growth.

We brought in 150 new members, making equity higher than this time last year. This is a good sign of store health.

Board notes deli is so dark in the morning. Furler reported that this was unexpected and we didn't have money to put in more lights after the fact, but they've noticed it too. We could use another strip up there.

Sales growth is doing well, but it isn't as much growth as we thought it would be with remodel.

Labor schedule is down. Deli is mostly staffed. Overall labor we're doing well and saving.

Local sales: there were issues with local items being tagged. IT Coordinator ran report to help them get them marked again. Overall sales growth not what wanted, but local sales growth pretty good. We're always looking for new local products. Think we'll have local birdseed soon.

Tunnel project savings is on track for 5-6 year payback. Went well for us this year. Alliant is giving us rebate check in the mail. Took work to get that done, but worth it.

We hosted an Energy Breakfast - fun.

We'll be working with Paula on strategic planning. She was here 2008.

Sunday we switched credit card providers- now it is just one swipe and you are done. It is going to be more efficient.

We put in a cut-through in aisle - chip sales immediately went up.

We may be expanding our hours next year.

Board asked about "round up at the register". Management and buyers team votes for who is going to receive donation. We get \$2-3,000 each time. We do 4 roundups for 2 weeks each, once per quarter. We want to keep it to that. Many people like it, but many also get tired of being asked. It can especially target customers who come in more than once in a day. We don't want giving fatigue.

Board asked about having a drop off for plastic bags, Toys for Tots, etc. Terracycle has a program, Tom's will pay for their recycling, etc. Biggest obstacle is space. There are a lot of passionate staff and members.

## **9. New Business**

### **9.1 Set Date for Strategic Planning**

Tuesday, December 3, 6:30-9:30 p.m.

### **9.2 Election Update**

Had meeting- dispersed list of names - have plan and contingency plan with emergency meeting - don't have candidates yet.

### **9.3 Board Budget**

**Motion:** Hawthorn moved and Dettmann seconded to **Approve Board Budget.**

Motion **passed** with a vote of 7 aye, 0 nay.

Total board budget request is \$21,055. Last year nearly \$9000 in board development costs were used to help with the store remodel. Board discussed:

There are options as low as \$5000 for board development, and we could look elsewhere as well.

This year's with Paula is free - next year we'll want development work, considering there will be a GM search. Columinate is a possibility - comes with unlimited consulting hours. Also want board learning. GM would like to stay through the end of May 2021. Not committing to using the money now, but

earmarking the \$9000 for this consultation and board development for a national GM search. We've never done a GM search. We need to set ourselves up to get a GM for next 10-15 years. Note also that just because we're voting on this for the budget, we aren't committing to spend it, and it isn't a promise we'll have it- this is a request - GM will come back with an answer.

We could also get rid of paper mailing at some point, which would save us about \$2000.

Board asked GM why insurance is so high.

GM says it is for potential lawsuits; if something goes wrong with the organization, potential could be to sue board members.

#### **10. Action Items - none**

#### **11. Next Meeting - December 17, 5:30**

##### **11.1 [G3: Agenda Planning - Timm]**

##### **11.2 [L6: Budgeting/Financial Planning - Tabled]**

##### **11.3 [Set alternative meeting date (17th?) - Timm]**

**Motion:** Neal moved and Hawthorn seconded to **Discuss Holiday Gifts.**

**Motion:** Iverson moved and Dettman seconded to **Approve \$1325 for Staff Holiday Gifts.** Motion **passed** with a vote of 7 aye, 0 nay.

#### **12. Executive Session**

**Motion:** Neal moved and Barness seconded to **Move to Executive Session.** Motion **passed** with a vote of 7 aye, 0 nay.

##### **12.1 Executive Session - Discussion of GM Self Eval Revise Employment Contract**

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

#### **15. Adjourn**

**Motion:** Sassaman moved and Iverson seconded to set next meeting for December 17, 2019 at 5:30 pm in the training kitchen and to **Adjourn Meeting.** Motion **passed** with a vote of 7 aye, 0 nay. Meeting adjourned at 7:33 p.m.