

## **Finland Cooperative Board Meeting March 8, 2018**

**Present: Honor Schauland, Matt Morris, Kaare Melby, Michelle Duhant, Manager Mike Coyle, AM Karl Klinker**

Meeting called to order at: 6:25pm

MSP Michelle, Matt to approve Feb minutes.

Treasurer's Report - not much. Michelle needs the folder.

\*Honor will get treasurer's folder from Heather and give to Michelle ASAP.

-Manager's Report - Store addition not happening, likely don't need a building permit, but Mike will check with Planning and Zoning just in case and for the future.

Mike is compiling a list of items for POS training so that we get everything needed. Manager on Duty system will be implemented with the next schedule rotation.

-AM Report - AEOA will give us a list of contractors for the store improvement project. The walk-in removal is going good - power disconnected, down to the studs. It is custom built - they used a lot of nails. Hoping it's done by April. Haven't managed to connect to Adam Kofstad about replacement. Sysco left a refrigerated trailer for Lutsen Resort free of charge because they are big customers. Something to check with Mason about. Not much on the deli/house made foods yet - will keep working on it. Karl has been looking into misters for coolers, but hasn't found anything good yet. Will keep researching. Karl and Sue have been plastic wrapping everything and that is helping. Honor sent an equipment grant through the MDA that we could maybe use to buy this equipment once we figure out what we need. Discussion about this grant. Need letters of support - OCA AgroEcology Center, Lindsey/Azure, Community Center.

Mike - Snapshot report - lots of fuel payable because we got a load today. Cash flow is good. Accounts receivable is experiencing good turnover right now. Good gross profit on fuel lately. Loggers hitting it hard, margins are good. Market fuel prices went down significantly today, so we'll get another load soon if that's possible.

Accounts receivable - Karl noticed an overdue account sitting in the parking lot using the wifi and asked him about paying his bill. Some other overdue accounts have recently paid off or made significant payments. Mike did a report on Account #25. Interest charges have been over \$4,000. More than half of what is owed is interest. Mike wants to ask for a \$1,000 payment to show good faith, then the next payment we take away some of the interest. He will talk to the account holder.

MN Dept of Ag Report - Mike and Karl went over it in detail, the only item has been taken care of.

The big food show is over Easter. Karl can't go because he will be out of town for family reasons. Mike's daughter is taking Business Management and needs to do 72 hours of field

study by May in order to get her degree. She is hoping to do it at the Co-op. Mike's ideas are work with margins, go to the food show and train Karl when he gets back after Easter. Margins and how that affects the financials. Use this as a teaching tool - for her and for Karl.

Mike feels store should have a credit card. Store has a debit card, but that's not a good idea for online purchasing. Mike has to use his personal credit card for a lot of things and get reimbursed. Board is in agreement as long as it doesn't carry a balance.

<Karl leaves>

Discuss shopping/mileage. There seems to have been confusion about whether Manager is allowed to shop in Duluth or elsewhere. To clarify, the Board is not paying mileage to Manager, but Manager or other employees may still shop for items that the store needs. Other employees would need to be paid mileage if they are driving on behalf of the store. Maybe Mike's daughter could do some P and L analysis to give us some info on what items are worth the trip to Duluth.

Manager Compensation - Offered a year with a probationary period of 90 days contingent on better communication at which point the option exists to go up to . Mike made a counteroffer later in Feb of . Board would like to stick with their offer and will discuss start date.

<Mike leaves>

Discuss start date of Feb 8th for Manager compensation change, since that is when we said no more mileage. Board is in agreement.

Preparatory discussion for Karl's review.

<Karl comes in>

Karl is asked to describe how he sees himself and his position. He answers: Lots of momentum at the store right now. Things have gone well in the past year. Fill in gaps between employees and Manager. He has goals for the store to embrace members, employees to have a good place to work, break room, etc. What can the store do for the community? If it's feasible, we should do it. If people are asking for it, they are our members, let's give them what they are asking for. Looking at the building, there's a lot of things that need to be fixed. How can we do that? What could be done better? Wants to get membership stuff in better order. Have to prioritize things, without dropping tasks.

<Mike comes back>

Old Business

\*Kaare and Karl will install display TV on Wednesday March 14th.

\*Honor and Lindsey will make a Co-op Community Fund Flier. Honor did apply for an EIN for the CCF.

\*Honor and Karl will work on mailing list Wednesday March 21st.

Discuss logistics of mailing to members and communications plan. Mike will help with labels once mailing list is figured out.

#### New Business

Discuss minutes on website \*Kaare and Honor will meet to work on this. \*Honor can print a couple copies to have in the store for the public.

Discuss Urho's - cupcakes - hot cocoa?

Karl's review - Mike sees Karl as having transitioned to a more managerial approach. Meeting the needs of customers. Karl manufactured a part for this guys snowmobile. Karl and Elaine's idea to take out the walk-in. Innovative ideas and willingness to do things. Karl is reliable and available. Freed up a lot of Mike's time. Conversation about being margin conscious and how to impart that to the rest of the staff. Lots of things bring value to the store, but need a positive bottom line. Karl is starting to do more of that. Priority list for running the store - refining with Karl's help. Paying bills, learning how to order fuel, check registry.

<Mike leaves>

<Karl leaves>

Board discusses review. Discuss Karl's requested raise of . Board agrees to a raise of and give another review in 6 months, at the September meeting, which will be the 1 year anniversary of Karl as the Assistant Manager, and that will be his annual review date moving forward.

Discuss vacancies on the board and how to fill them.

MSP Michelle, Matt to adjourn at 9:37pm