

Yahara River Cooperative Grocery Store Interim Board Meeting  
Public Safety Building-City Council Room  
321 S Fourth St-2<sup>nd</sup> floor  
Stoughton, WI 53589  
2:00 – 4:30 PM, Sunday, October 8, 2006

Interim Board Members present:

Caroline Werner, Co-chair  
Phil Caravello, Community Representative  
Dick Rem, Senior Co-Representative  
Warren Kmiec, Business Planning Committee Chair

Also present:

Steve Barnes, Research Committee Chair  
Eric Borchardt, Marketing Committee Chair  
Laura Anderson, Membership Committee Chair  
Marlene Widra, Site/Location Committee member

There were three **motions approved** by the Board:

- 1) Minutes of the Sept 24th Board Meeting were accepted without edit.  
(Rem/Caravello) Unanimous vote.
- 2) Approval was given to Laura Anderson of the Membership Committee working with Eric Borchardt of Marketing Committee to print up to 10 thousand consumer surveys and have them inserted into the next edition of the Hub as well as distributed through Stoughton businesses with budget limitation of \$590.  
(Members present pledged \$510 of personal money to cover this expense.)  
(Caravello/Rem) Unanimous vote.
- 3) It is proposed that after our surveys have been collected and tabulated (Oct 31st deadline), we call a public meeting before the end of this year( 2006) by inviting those who have indicated interest in becoming members of a co-op to help finalize our mission and vision statements at this meeting. (Kmiec/Rem)  
Unanimous vote.

**Education Program:** Conference call with Denise Chevalier of Co-Op Development Services in Iowa City, IA In summary Denise spoke of the current spike in new "crossover" co-ops, meaning those that mix natural food products and conventional food products. Capital start up, Seed Fund, and Sprout Loan Fund are available through "Food Co-Op 500". Very soon her organization will have a no-cost food co-op development specialist supported by these funds available to consult with co-ops in their start up phases. Denise began by telling

us that commitment of members, generating momentum and increasing momentum are important for the project to succeed. She emphasized finding reliable and committed people to work on their own at times, in committees, and together. People need to be able to work independently and be accountable to the larger membership and goals. It's important to clarify roles and set parameters for what can be done. She answered specific questions from our members and validated what we've been doing. She mentioned LEAF as a grant or loan fund and will provide us that information.

Denise mentions three basic tools that are very important: 1- Budget development, 2- a Development Time Line (often 18 months on average), 3- Defined Parameters of Service which is built on the group's vision-mission statement. Topics of importance mentioned were: continued membership development throughout all phases, establishing a cash accountability system, and clarity in roles for decision making. The CDS website [WWW.CDSFOOD.COOP](http://WWW.CDSFOOD.COOP) was referred as a source for help. A contact for the more in-depth market analysis with CDS is Peter Davis. After a membership group is organized and a mission statement accepted the next steps would be market assessment, a business plan, a decision point to implement the business plan by the members, incorporation and capitalization, leading to implementation.

### **Reports:**

Dick Rem, Senior Co-Chair reported that YRFC reps (Caroline and Eric) will speak at the October 17<sup>th</sup> coffee hour at Vennevoll. This will probably make contact with 50-60 residents of Vennevoll who will be offered the consumer survey to fill out. Laura Anderson will make surveys available to Skaalen staff through the Main Office of Vennevoll, which will also be the drop-off point for completed surveys from Vennevoll residents.

Phil Caravello reported that survey pick up boxes are now available at the Senior Center, the Library, and City Hall. Caroline distributed these boxes on 9/25. Phil is working on other ideas for involving Stoughton businesses in the distribution of the consumer survey, as he is now doing at his own Bike Shop business on Main St.

Eric Borchardt and Laura Anderson spoke of the plan to print and release surveys in the coming edition of the Hub newspaper (Oct 18 edition) with a return deadline for surveys of October 31st. The cost to print 10k copies was about \$390 and the cost to insert them in the papers was \$200. Members present made pledges to finance this expense with donations. (Werner \$200, Anderson \$60, Kmiec \$50, Borchardt \$50, Caravello \$100, Barnes \$50)

Steve Barnes reported that the legal status of incorporation includes making a lot of choices about how decision making is done by either members, an appointed

Board, or even by staff members of the co-op as Willy St Co-Op has traditionally done. Also the equity investment of members needs to be defined as to what the issuing of stock will be like. Steve requests that his committee receive more direction from the Board on how to proceed with these issues. Since this process is not immediately attainable, the Board asked if an interim legal status could be set up so that some handling of funds could be done as a corporation. Two people present offered to contact lawyers to research what it would take to become a non-stock corporation in Wisconsin for the educational purpose of forming a food cooperative. Even though this may be short of becoming a federal tax-exempt 501.(c)3 group which is a much lengthier process, it might give us a legal identity to open a business account and process some funds and expenses. Eventually we may want to offer stock options, so this interim legal status would have to be changed later. Actual incorporation as a co-op business will come later in the development process after a membership group has been created.

Caroline Werner was concerned about the requirement of bringing forth a full business plan for the co-op project by the grant deadline stated in the Business Ag Grant. This step would seem to take more time than December 1<sup>st</sup>. Laura Anderson noted that the grant expectations spoke of achieving operational status within 2007. This also seems overly optimistic in our case. Steve Barnes commented that being driven by grant timeliness could cause us not to really develop what we need to do to make our co-op responsive to the desired ends of the members and the community. One example might be focusing on the Buying Club approach formulated in the grant that was not a desired goal developed by members. The positives of the current grant opportunity were named as providing needed monies for marketing and project coordination. Caroline Werner will pursue further discussion to explain where we are at with the Ag Grant staff before they decide on our request for funding.

Eric Borchardt reported for Marketing that 91 surveys had already been received and 55 of those indicated that they would pursue membership in the food co-op. Eric believes that we can have a statistically valid result if we collect 540 surveys from the 4800 households in Stoughton. Two members of the Marketing Committee helping with tabulation are Bobbi Jones and Amy Hynek.

Laura Anderson of Membership Committee stated that she is keeping the list of attendees from the City sponsored meeting as well as Vennevoll residents as a separate sub-set of our contacts. Only those who indicated the desire to become members of the co-op are on the potential membership list she is compiling.

Caroline Werner reminded the Board that Laura Dedrick of the Product Buyers Committee has done some contact work with the local produce/meat producers

through the Stoughton Farmers Market and with a meeting with the buyer for the Willy St Co-op.

Caroline brought the concern expressed to her by Laura Dedrick and two other female committee chairs that they are unable to attend Sunday afternoon meetings because of family obligations. Consequently, Caroline Werner will take a survey of the Board to see what the best weekday evening and time is for members.

The next meeting of the Yahara River Cooperative Grocery Store Interim Board will be in the next two weeks. Caroline will notify the Board and committee Chairs of the weekday evening, time, and place once she has that information.

Respectfully submitted  
Warren Kmiec, Secretary Pro-temp