

Yahara River Grocery Cooperative Board Meeting
Future Site of YRGC
229 East Main Street, Stoughton, Wisconsin
6:00 p.m.-8:00 p.m., Tuesday, August 28, 2007

MINUTES

Board Members Present:

Steve Barnes	President
Norma Sampson	Vice President
Myra Hajny	Secretary
Warren Kmiec	Treasurer
Phil Caravello	Member-at-Large
Laura Anderson	Membership Committee
Pam Barnes	Research Committee
Eric Borchardt	Marketing Communications Committee
Debra Carter	Finance Committee
Philana Friede	Fundraising Committee
Homer Howard	Senior Liaison
Glen Timmcke	Product Buyers Committee

Other Committee Members Present:

Mary Condon	Research Committee
Dick Rem	Senior Liaison
Kristine Vaughn	Membership Committee
Marlene Widra	Fundraising Committee

Also Present:

Stephen Lawrence	YRGC Project Manager
Benjamin Exley	Evansville Co-op Steering Committee
Amelia Royko Maurer	Evansville Co-op Steering Committee
Emily Topinka	Evansville Co-op Steering Committee

Steve Barnes called the meeting to order. The agenda for the meeting was reviewed. Steve introduced three visitors who are in the preliminary stages of exploring whether there's an interest, and whether it would be feasible, to start a co-op in Evansville.

On **MOTION** (P. Barnes/Caravello) and unanimous vote the minutes of the August 14, 2007, meeting were approved.

TREASURER'S REPORT

Warren Kmiec reported the co-op assets currently include \$82,550 in the checking account and a \$9,000 CD escrow for a total of \$91,550 (Treasurers Report dated August 24 attached). Warren noted that he is meeting with Peg Sheldon next Tuesday to review the account set up and invited anyone interested to join him. Following discussion related to an email Warren sent earlier in

the week, it was agreed that part of the proceeds from the next YRGC fundraiser (\$200-\$500) should be donated to “Sow the Seeds Fund,” a fund established to provide flood relief to Wisconsin and Minnesota family farmers, as a show of solidarity. Warren noted that he planned to load the newly purchased Windows XP on the co-op computer following the meeting.

PERSONNEL COMMITTEE REPORT

Steve Barnes reported that five people applied for the General Manager position, three applicants were interviewed, and the committee selected and offered the position to Michael Markin, current manager of Harvest Market Cooperative in Barneveld, Wisconsin, who will start work at YRGC on Sunday, September 9. On **MOTION** (Howard/Friede) and unanimous vote the Board confirmed the Personnel Committee’s decision to hire Mr. Markin as well as the stipulations in the statement of employment that Steve sent to Mike:

- ◆ \$37,500 annual salary; bonus to be determined based on co-op fiscal performance
- ◆ \$100 per month contribution to medical insurance
- ◆ 15 days paid time off per year
- ◆ 6 paid holidays (New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day) with straight compensatory time for any hours worked on those holidays.
- ◆ Work cell phone provided by YRGC
- ◆ 5% store discount

The Board further concluded that the Personnel Committee should meet with Mike three months after his start date to review his performance, then periodically as desired.

MARKETING COMMUNICATIONS COMMITTEE REPORT

Eric Borchardt noted that the committee would inform co-op members about the new General Manager and prepare a press release with a photo of Mike Markin for the *Hub*.

Norma Sampson reported that the website had been updated recently to announce reaching the \$100,000 goal and to thank the community for its support. Eric noted that there was a front page article in the *Hub* and that the \$100,000 story was in the *Wisconsin State Journal* today and on the home page of the Willy Street Co-op website. The committee is concerned with how to keep money coming in after reaching the first milestone.

Eric and Norma want to keep the co-op windows on Main Street covered until the store opens, like a “present waiting to be unwrapped.” Eric noted that a few more surveys trickled in, and he will add the data to the results. It was noted that the co-op would eventually need to decide whether to become a member of the Stoughton Chamber of Commerce, and Debra Carter, who is an Ambassador for the Chamber, mentioned that meetings are held at 7:45 a.m. on the 3rd Tuesday of each month and that it costs \$198 to join. Debra noted however that it is not necessary to be a member of the Chamber in order to be eligible for a ceremonial ribbon cutting with the “red coat” Ambassadors.

PRODUCT BUYERS COMMITTEE REPORT

Glen Timmcke reported that there is not much more the committee can do until opening date is known. Glen would like to hand out cards at Farmer's Markets with contact information, and Stephen Lawrence mentioned that the phone, email and fax would be available in about three weeks. Glen noted that this summer's wet weather would likely affect availability and price of certain items. Glen plans to set up committee meetings when financing has been secured and the opening date is firm. He will send committee member changes to Myra Hajny to update the contact list.

PROJECT MANAGER REPORT

Stephen Lawrence noted this is his last meeting as Project Manager but asked if he could continue on volunteer basis serving on the Finance Committee. The Board was happy to accept his offer and looks forward to continuing working with Stephen.

Stephen reported that he has strong leads on funding. North Country Development Fund has assigned a loan officer to the co-op and an application package has been presented to an approval committee. Dane County Development Corporation would work in conjunction with Associated Bank, and Stephen is meeting with an Associated representative on August 29. Stephen has also submitted the same package to Dane County Revolving Fund and Evergreen State Bank. Evergreen is interested in helping the co-op but needs a partner because of underwriting guidelines; they may be able to do a line of credit on their own.

Stephen handed out an outline of projects he will continue to work on and those that he didn't have time to complete. Stephen will work closely with Mike Markin to make the transition as smooth and possible.

Stephen noted that three companies require personal guarantees on contracts that need to be signed: (1) UNFI -- \$35,000-\$40,000 for payment of products ordered on credit; (2) Mercury Payments -- cash transferred to credit card provider each day so should be low risk; and (3) Catapult -- POS lease payments for 60 months to \$40,000. Stephen would be willing guarantee payment to UNFI, but he, and any guarantor, would want an agreement from the co-op to pay personally guaranteed payments first if things didn't work out (possibly establish a line of credit for accounts payable).

Stephen reported that is necessary to buy a support program for the accessories contact with Catapult in order to avoid sending equipment in for service. The cost would be \$3,500 per year for the gold program, which assures a response within 24 hours, or \$2,600 for the silver program. On **MOTION** (P. Barnes/Anderson) and unanimous vote the Board approved the purchase of the gold coverage.

Stephen noted that the store design should be finished up this week and that a structural engineer would look at the space on Friday or next week. Stephen reported that, based on referrals he received from electricians and heating professionals he contacted Dave Grobb of B&B Construction in Cottage Grove. Dave would charge market rates (5%-7%) to act as the general contractor and is excited about the project. On **MOTION** (P. Barnes/Kmiec) and unanimous vote the Board authorized Stephen to go ahead with getting Dave Grobb involved.

Steve Barnes, speaking for himself and the Board, thanked Stephen for the exceptional work he has done for YRGC.

RESEARCH COMMITTEE REPORT

Pam Barnes reported that the committee has determined that the co-op would be spinning its wheels in trying to establish a not-for-profit entity and that the issue should be tabled permanently. Pam asked that anyone who has any leads for possible grants to let the Research Committee know about them. Norma Sampson inquired about the possibility of getting grant money to restore the storefront to its original appearance.

Stephen Lawrence noted that Focus on Energy has approved some money (\$5,000-\$7,000) based on the refrigeration equipment the co-op intends to purchase. Jeff Bingham from Commercial Air is gathering more information needed to submit the final proposal to Focus on Energy.

FUNDRAISING COMMITTEE REPORT

Phil Caravello reported that the very wet Badfish bike event happened, and he thinks the co-op will receive a contribution of about \$700. Phil thanked co-op volunteers for standing in the rain.

Marlene Widra reported that the co-op might be able to have a membership table at St. Ann's Fall Family Festival. The second hootenanny is scheduled for Saturday, September 15, and ten musicians have already expressed an interest in playing. Pleasant Hill Garden Farm is planning to be there, and Marlene's sister-in-law will sell fused glass in honor of the Studio Art Tour.

Norma Sampson reported that she and Philana Friede met with Jan Bruder at Stella's Speakeasy about a chili event at Stella's on Friday, October 5. The committee is planning that chili will be served on the deck from 5:00 p.m. to 8:00 p.m., and the Piper Road Spring Band will begin playing bluegrass music 9:00 p.m. The details are being worked out.

Philana Friede reported that another fundraising event at Stella's is in the works.

MEMBERSHIP COMMITTEE REPORT

Kristine Vaughn reported that there are currently 471 members of the co-op. Philana Friede mentioned there had been some confusion about whether donations would be accepted, and she noted that the membership categories might also be confusing; i.e., she didn't know where to find information on courtesy memberships. It was noted that all of the information is posted on the website, but it may be beneficial to note in particular "IF YOU JUST WANT TO DONATE, please send a check to 229 East Main Street."

ANNOUNCEMENTS

Glen Timmcke noted that he has information about a couple of POS systems with a three week turn-around in case of back-up plan is needed.

The next meeting of the Board of Directors is set for 6:00 p.m., Tuesday, September 11, 2007, at the future site of YRGC, 229 East Main Street.

Respectfully submitted,
Myra Anderson Hajny, Secretary

ATTACHMENT
8/28/07 YRGC Minutes

Yahara River Grocery Cooperative Treasurer Report

Today's date: 8/24/2007 YTD
 Balance as of last report (08/14/07) **\$81,131.12**

INCOME

Member Fees	\$750.00	\$33,572.00
Investments	\$0.00	\$54,250.00
Grants	\$3,543.86	\$12,619.42
Fundraising	\$70.00	\$9,988.77
Donations	\$0.00	\$2,958.81
Sales		
Other	\$0.00	\$230.00
TOTAL INCOME	\$4,363.86	\$113,619.00

EXPENSES

Rent	\$1,800.00	\$9,000.00
Insurance	\$0.00	\$1,027.00
Promotions	\$0.00	\$2,884.79
Personnel	\$900.00	\$5,400.00
Operations	\$0.00	\$868.74
Admin Expenses	\$156.29	\$1,132.34
Membership	\$88.39	\$822.23
Bank charges	\$0.00	\$208.60
Other	\$0.00	\$650.00
Equipment	\$0.00	\$75.00

TOTAL EXPENSE **\$2,944.68** **\$22,068.70**

CD ESCROW \$0.00 \$9,000.00

Current balance to date **\$82,550.30** **\$82,550.30**

8/24/2007

\$0.00