

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, October 23, 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
Stephen Lawrence	Finance Committee
Philana Friede	Fundraising Committee
Homer Howard	Senior Liaison
Glen Timmcke	Product Buyers Committee

Other Committee Members Present:

Mary Condon	Research Committee
Jon Hajny	Research Committee
Kristine Vaughn	Membership Committee
Marlene Widra	Fundraising Committee

Also Present:

Mike Markin	YRGC General Manager
Clint Crigger	Prairie Meadow Soap Company

Steve Barnes called the meeting to order. The agenda for the meeting was reviewed. On **MOTION** (Anderson/Howard) and unanimous vote the minutes of the October 9, 2007 meeting were approved.

READ INTO MINUTES

Steve Barnes directed that two actions approved by the Board without a meeting recently (vote by email) be recorded in the minutes.

Borrowing Resolution.

The Board approved the following BORROWING AND CONSENT RESOLUTION:

BE IT RESOLVED That Steve Barnes, the President of the Board of Directors of the Yahara River Grocery Cooperative, be and he is hereby authorized for and on behalf of the Yahara River Grocery Cooperative to borrow from Evergreen State Bank the sum of \$200,000.00 and to sign and execute, from time to time, the note or notes and any other necessary loan documents evidencing the money so borrowed, in such amounts, for such length of time, at such rate of interest, and upon such terms and conditions as to the above named shall seem proper, and deliver the same to Evergreen State Bank.

BE IT FURTHER RESOLVED That the actions of the above named in borrowing the money from Evergreen State Bank for and on behalf of the Yahara River Grocery Cooperative be and the same is hereby in all respects ratified, confirmed, and approved, and this document shall be deemed a Resolution

authorizing this borrowing transaction and a Consent thereto by the Yahara River Grocery Cooperative.

BE IT FURTHER RESOLVED That the foregoing Resolutions shall remain in full force and effect until written notice of its amendment or rescission shall be received by Evergreen State Bank, and the receipt of such notice shall not affect any action taken by the Yahara River Grocery Cooperative prior thereto.

Dated this 19th day of October 2007.

*The resolution and copies of the emails approving the resolution will be retained in the permanent YRGC records.*

#### North Carolina Expenses.

The Board approved expenses up to \$900 for Mike Markin to travel to Boone, North Carolina, to attend POS (Catapult) training next month.

*The record of votes will be retained in the permanent YRGC records.*

#### TREASURER'S REPORT

Warren Kmiec reported that Peg Sheldon will provide balance sheets, profit loss statements and cash flow statements on a quarterly basis; however, her numbers may not match Treasurer's Reports exactly because Peg waits until checks clear for payment, and Warren records them immediately.

Warren distributed a report showing a balance of \$28,305 in the co-op checking account, a \$9,000 CD, and \$41,000 deposited in the money market fund at Evergreen State Bank (Treasurers Report dated October 23 attached).

Warren noted that several individuals have made personal guarantees totaling \$50,000 to Evergreen State Bank to secure a \$200,000 line of credit for the co-op. Stephen Lawrence will provide monthly reports to the bank by making a few adjustments to QuickBooks statements supplied by Peg Sheldon.

#### FINANCE COMMITTEE REPORT

Warren Kmiec noted he and Debra Carter met as a committee on Monday and adjusted the projected start-up budget to \$435,000. This figure represents a \$125,000 shortfall from available funds, and it would be necessary to secure additional loans.

Following discussion of the Finance Committee's recommendation for spending authorization for the General Manager, on **MOTION** (Anderson/M. Hajny) and unanimous vote the Board the approved the following policy:

General Manager can use a charge card to pay expenses for YRGC and will also be a co-signer on checking account at Evergreen State Bank.

General Manager can pay for any delivery of product goods up to \$8,000 without co-signer.

General Manager will have a check co-signed for any other expenses above \$2,000 of budgeted or extraordinary expenses over \$500.

#### MARKETING COMMUNICATIONS COMMITTEE REPORT

Norma Sampson distributed a draft of an ad scheduled to run in two issues of the *14 South Artists* publication that describes local businesses and includes a reference map. She noted that an October update had been sent as an e-blast last week and another would be sent this week for “Pie Benefit for the Pantry.”

Norma reported that she had received an estimate for a sign for the front of the building from Bill Howard of Howard Academy for the Metal Arts. Bill’s bid for \$4,450 includes an 8’x6’6” hand wrought iron frame, a 7’3”x4’6” signboard, a \$100 fee to planning commission for variance to allow sign to swing, and installation. Norma will get another bid or two.

#### FUNDRAISING COMMITTEE REPORT

Philana Friede noted that the committee is working on fundraiser to benefit the Stoughton Food Pantry as well as the co-op. The goal is to sell 300 organic cherry, apple and pumpkin pies by Thursday, November 8. The pies may be picked up on Thursday, November 15, Friday, November 16, and during the hootenanny at the Senior Center pie party on Saturday, November 17.

Philana asked that she be allowed to send a token of appreciation to the Stoughton Hospital cooks who donated a 3-door refrigerator to the co-op. On **MOTION** (P. Barns/Anderson) and unanimous vote the Board authorized Philana to spend up to \$100 on chocolate, wine, roses, or something else appropriate for the three women.

#### GENERAL MANAGER REPORT

Mike Markin reported that he had received good news about electric upgrades and prices. He is expecting plans from the State inspector on Monday, which will be reviewed on Wednesday, so the co-op should know what would need to be done by Friday (November 2). He noted that it looks promising for a coffee cart in the co-op (Stephen Lawrence cautioned that there could be dangers in allowing inexperienced persons to manage the coffee bar). Mike learned that the co-op would be eligible for a beer license at \$60 per year; there would be a one-time \$25 fee for each employee over age 18 for online training; and there would be a \$25 fee for each employee each year to sell beer in the store.

Mike and six potential employees visited Basics Cooperative in Janesville to get an idea of what they might be doing at YRGC. He has asked two applicants for the Assistant Manager position to write an essay on customer service, profit margins and improvements to help him decide which person to hire. Mike thought of a name for the round up program he hopes to initiate -- SNAP (Stoughton Nonprofit Assistance Program).

Mike will prepare and present a revised start-up budget to the Board for review at its next meeting. He will also contact YRGC’s insurance agent Gary Probst in McFarland to get insurance quotes to include in 2008 quarterly budgets.

#### REPORT FROM FORMER PROJECT MANAGER

Stephen Lawrence reported that North Country Development Fund has expressed concern about the following issues:

- (1) YRGC Investment Certificates appear to indicated that investors have a secured loan; however the statement that they are only secured by assets of the co-op was intended to alert investors to the fact that they will be paid only after all debts are paid. Stephen will ask North Country what needs to be done to make the intention clear.

- (2) YRGC will have a high debt equity ratio, and North Country wants an outside consulting firm to analyze key components of labor, sales, profit margins, etc., to assure that the budget development was realistic. Stephen will contact Co-op Development Services about doing the work.

#### MEMBERSHIP COMMITTEE REPORT

Laura Anderson reported that there are currently 521 members of YRGC. Kristine Vaughn asked for an okay to hang a Stoughton Opera House poster in the store window. Marlene Widra and Laura Anderson will take 45-minute shifts from 3:30 p.m. to 5:00 p.m. on Trick or Treat Saturday, October 27, to dispense honey sticks in front of the store.

#### ANNOUNCEMENTS

Steven Barnes questioned whether it is appropriate to solicit demographic information on the employment application. Mike Markin noted that Norma Sampson had removed the data collection sheet from the YRGC website recently.

Steven Barnes noted that the lease should be ready a week from Friday; i.e., after the go-ahead is received from the State inspector.

Myra Hajny noted that Tom Fendrick at Edward Jones on Jackson Street has been storing coolers owned by Brad Natvig. Mike Markin will contact Tom to see if the coolers would be something the co-op could use and to see if Brad would be willing to sell them.

Mary Condon mentioned that the Magic Mill closed, and that may be a source of equipment. Warren Kmiec noted that the Mifflin Street Co-op building has been sold for \$475,000, and there may be money available for community development. Mike Markin will investigate both leads.

On **MOTION** (Anderson/Caravello) and unanimous vote, the meeting adjourned at 8:00 p.m.

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

Respectfully submitted,  
Myra Anderson Hajny, Secretary

Yahara River Grocery Cooperative Treasurer Report

Today's date:	10/23/2007	<b>THIS PERIOD</b>	
Balance as of last report (10/18/07)		<b>\$62,667.98</b>	<b>YEAR TO DATE</b>

INCOME

Member Fees	\$300.00	\$37,926.00
Investments	\$0.00	\$55,250.00
Grants	\$6,985.15	\$28,976.36
Fundraising	\$20.00	\$14,044.77
Donations	\$0.00	\$4,283.81
Sales		
other	\$0.00	\$260.00
<b>TOTAL INCOME</b>	<b>\$7,305.15</b>	<b>\$140,740.94</b>

EXPENSES

Rent	\$0.00	\$10,800.00
Insurance	\$0.00	\$2,197.00
Promotions	\$157.66	\$4,653.29
Personnel	\$367.66	\$8,653.44
Operations	\$0.00	\$961.57
Admin Expenses	\$142.99	\$1,420.13
Membership	\$0.00	\$1,238.39
Bank charges	\$0.00	\$225.70
Accounting	\$0.00	\$1,002.50
Other	\$0.00	\$650.00
Equipment	\$0.00	\$30,634.10

TOTAL EXPENSE	<b>\$668.31</b>	<b>\$62,436.12</b>
---------------	-----------------	--------------------

CD & MONEY MKT	\$41,000.00	\$50,000.00
----------------	-------------	-------------

Current balance to date	<b>\$28,304.82</b>	<b>\$28,304.82</b>
10/23/2007		

DATE	CHECK	PAYEE	AMOUNT	
10/15/2007	AUTO	TAX PAYMENT TRUE VAL	\$367.66	\$0.00
10/9/2007	1073	HARDWARE	\$147.66	
10/19/2007	1074	EVERGREEN BANK	\$41,000.00	
10/19/2007	1075	STATIONERY STORE	\$0.00	
10/19/2007	1076	LABOR LAW COMPL DANE CO PUB	\$142.99	
10/19/2007	1077	HEALTH	\$10.00	
			<b>\$41,668.31</b>	