

Minutes: Yahara River Grocery Cooperative Board Meeting

EMS Building Training Room, 516 S. Fourth Street, Stoughton, Wisconsin
6:00 p.m. - 8:00 p.m., Tuesday, March 4, 2008

Board Members and Committee Chairs Present:

Myra Hajny (President); Norma Sampson (Vice President); Warren Kmiec (Treasurer);
Deb Piper (Secretary); Marlene Widra (Member-at-Large)
Laura Anderson (Membership), Pam Barnes (Research), Homer Howard (Senior Liaison);
Glen Timmcke (Product Buyers); Philana Friede (Fundraising)

Other Committee Members Present:

Mary Condon (Research) Jon Hajny (Research); Debra Carter (Finance);
Kristine Vaughn (Membership)

Also Present:

Mike Markin (YRGC General Manager)

Myra Hajny called the meeting to order. The agenda for the meeting was reviewed. On **MOTION** (Anderson/Kmiec) and unanimous vote the minutes of the February 12, 2008 meeting were approved. Myra expressed "congratulations!" all around for a successful March 1st store opening.

TREASURER'S REPORT

Warren Kmiec addressed concerns from the January board meeting regarding the cover letter for the auditor's report and some of the language in the letter ("Management has elected to omit..."). He spoke with Peg Sheldon and her response is that this is standard language - it reflects that it is a shorter version of the report, not a full-length auditor's report. Discussion ensued that the language is strong and may appear that the Board is trying to hide something. Since the report is YRGC's and the language in the cover letter may be confusing, on **MOTION** (J. Hajny/Anderson) and unanimous vote, the decision was made to post the financial report without the cover letter.

Warren stated that the annual report has been filed with the Secretary of State with the new board officers, and the official change of address was filed (changed to the store's location). A report, prepared with Peg Sheldon's assistance, was filed with the personal property assets for the company for calendar year 2007. Peg is working on the tax report.

Warren reviewed the Treasurer's Report dated February 29, 2008. See Attachment 1. Warren noted new memberships and credit card purchases are now starting to appear as income. For expenses, the \$810 accounting expense was for the annual report, \$43,335.29 was for product purchases. An additional \$75,000 was taken out of the line of credit to cover some of these expenses.

Mike Markin will work with Warren to learn and operate Quick Books. Mike will take over the daily operations (membership receipts, writing checks to pay creditors, etc.) Warren will continue confirming that membership sales have been inputted (from a Catapult report). Warren will also continue creating the monthly treasurer's report (monitoring on-line checking, etc.) and will report to the Board.

Warren mentioned that the Finance Committee should schedule a meeting with Mike Markin to review the categories and the process of Quick Books and determine if our budget projections are correct (after a month of operations). The meeting needs to be done prior to the next Board meeting. Mike noted that by the end of March the construction expenses should be paid off.

Warren received e-mail from the La Crosse coop conference that he attended last year. He recommends that Mike attend this next conference, which will be held in Portland, Oregon. He also

recommends that we check into whether the UW Extension Center for Cooperatives offers scholarships to attend conferences like this.

BIKE RACK

Marlene Widra reported that the request was made to put the bike rack on city property (in line with the bench and the lamp post). It was passed by the Public Works Commission (for a 2-bike stand) and now needs to pass the Public Safety meeting at the end of March. It's undetermined yet if installation will be the responsibility of the City or the Coop. Several families may be willing to donate toward the expense if it falls to the Coop.

SWINGING SIGN

Norma Sampson reported that the engineering plan for the exterior sign had to be re-designed. The Planning Commission meeting is March 10 and we need people to show up in support. If approved, it will need to go before the City Council to obtain a variance. Homer Howard will contact Bill Howard to check in on the sign's progress.

10-MINUTE PARKING SPOT IN FRONT OF STORE

Marlene Widra reported that the new 10-minute parking sign was placed on the post, directly under the 2-hour parking sign, which is confusing. The language on the sign has since been changed to indicate that the first stall on the block is a 10-minute parking spot.

COMMITTEE REPORTS

MARKETING

Norma Sampson reported that she has been helping with ads for the opening and grand opening. The billboard ads went up this week (billboards on Main St by the Opera House, on Highway N by the Interstate and on Highway 51 South by the Beltline).

There will be a full page in next week's Hub and there have been on-going ads in the Hub and one in the Willy Street Coop newsletter.

Discussion ensued about the email e-blasts. We are receiving a lot of rejected emails after each e-blast. Norma reported that we have been receiving free email services from Fred Leonard. To obtain new email service, it will cost approx. \$75 per month for 5000 emails, which translates to the ability to send only three or four email messages each month. Suggested uses for these emails: weekly sales notices, what's new in produce, events calendar, etc. Mike Markin will look into the budget figures to determine if we can afford to purchase the new service at this point.

Kristine Vaughn reported she received a request from the Stoughton Opera Company to place an ad in their program bulletin for the upcoming "Pagliacci" performance. Mike stated that the advertising budget has been pretty much spent. Several board and committee members volunteered to donate cash in order for YRGC to purchase an ad, at the same time assisting a local company.

The Stoughton Senior Center contacted YRGC that they needed to fill an ad space in their March newsletter. They offered it to YRGC at no cost. They also stated that they would publish several articles in future newsletters (on health, organics, etc) if we want to write something.

MEMBERSHIP

Laura Anderson reported that with the store's opening, we received at least 121 new memberships in a three-day period. Membership count is now approximately 735. Discussion ensued about what to do with the remaining new cards that have not yet been picked up by members. It was decided that the cards will be condensed into several boxes and the store's customer service staff will handle the process. After a few months, we will mail out the cards that still remain. The charge to replace a membership card will be three dollars.

Discussion followed about the "Thank You" party on March 15 and the invitation list. Who, and how many, should be invited? People will send suggested names to Myra.

SENIOR LIAISON

Homer Howard reported that though seniors may have been reluctant to join as members prior to the store's opening; there is more discussion about it now that the store is opened. There have been a few comments from seniors about the prices, but no one has stated that they aren't returning to the store to shop. Homer and Mike have been invited to present to the Stoughton Rotary on March 5.

FUNDRAISING

Philana Friede reported that there are several ideas for new fundraising events and continuing a YRGC presence in the community: a float in the Syttende Mai parade, an old-time radio program at the Opera House (similar to Prairie Home Companion) that could be sponsored by the YRGC; a painted furniture auction; a bed race; and the chili cook-off will continue. On **MOTION** (P. Barnes/Howard) and unanimous vote, the Fundraising Committee will proceed with these four fundraising projects.

RESEARCH

Pam Barnes reported that there are five grants that the committee is currently researching: a grant for an informational program for seniors (on nutrition, etc.); Training and Awareness for staff; Leadership Management training; Stoughton employment placement program for physically and challenged employees; and the "Buy Local, Buy Wisconsin" grant.

YRGC GENERAL MANAGER

Mike Markin reported that it's been a good start since the opening. Approximately 1200 people came through the door on March 1 and there was over \$12,000 in sales (in 460 transactions). There is a need for a full schedule of volunteers to assist during the March 15 grand opening weekend (Philana will organize). The Chamber of Commerce is holding a ribbon cutting ceremony on March 12.

OTHER BUSINESS

Philana asked for some first impressions from some of the volunteers who worked the opening weekend. See Attachment 2.

Marlene Widra reported that the Healthy Lawn Team requested to have a table at the Health Fair at Kegonsa Plaza on March 15. They also requested that they be allowed to have a petition at their table (asking that those who use the Stoughton Public School grounds be required to use sound pest management/natural methods for lawn care). Following discussion, the Board voted that the petition would not be appropriate at this event.

Myra Hajny reported that a UW-Whitewater marketing class is working with the Google On-Line Marketing Challenge. The class will create an effective on-line marketing plan for the coop and we will receive \$200 in free Google ads. YRGC is under no obligation at the end to continue with the AdWords plan. Myra noted that the class is excited about this opportunity.

Marlene Widra reported that the tenant adjacent to the Coop has been responsive to the inquiry about the dog messes outside the store and is currently training the dog to move away from the building!

Mary Onsager from the Stoughton Senior Center has invited YRGC to participate in the monthly Celebration Day at the Senior Center. It involves serving lunch and cleaning up at one of the events during the course of a year. The Board is interested and Myra will contact Mary to see if March is still available for YRGC to do its volunteer shift.

The next meeting of the YRGC Board of Directors: Tuesday, March 25, 2008, 6 p.m.
Location: Stoughton EMS Building Training Room, 516 S. Fourth Street

The decision was made that starting in April, the Board meeting will move to monthly meetings. At that point we will meet the second Tuesday of each month.

On MOTION and unanimous vote, the meeting adjourned at 8:25 p.m.

Respectfully submitted,

Deb Piper, Secretary

Yahara River Grocery Cooperative Treasurer Report

Today's date:	2/29/2008	THIS PERIOD	Year to Date
Balance as of last report (02/11/08)		\$5,530.44	\$2,515.99
INCOME			
Member Fees		\$2,004.00	\$4,060.00
Investments		\$0.00	\$1,000.00
Grants		\$0.00	\$0.00
Fundraising		\$0.00	\$81.00
Donations		\$0.00	\$0.00
Sales		\$441.74	\$441.74
Other		\$0.00	\$0.03
TOTAL INCOME		\$2,445.74	\$5,582.77
EXPENSES			
Rent		\$2,400.00	\$4,800.00
Cost of Goods		\$43,335.29	\$43,335.29
Insurance		\$0.00	\$1,005.00
Promotions		\$70.00	\$70.00
Advertising		\$0.00	\$3,300.00
Personnel		\$8,876.68	\$15,243.66
Operations		\$2,481.58	\$4,180.41
Admin Expenses		\$1,313.20	\$1,413.20
Membership		\$0.00	\$0.00
Bank charges		\$60.10	\$83.50
Credit Card Expense		\$0.00	\$0.00
Accounting		\$810.00	\$1,282.50
Other		\$0.00	\$1.94
Site Improvement		\$2,668.96	\$77,125.11
Equipment		\$0.00	\$114,839.07
Donations		\$0.00	\$0.00
Loan repayment		\$0.00	\$0.00
interest charges		\$1,721.61	\$2,180.32
CD & MONEY MKT		\$0.00	\$0.00
TOTAL EXPENSE		\$63,737.42	\$268,860.00
CASH ON HAND		\$2,350.00	\$2,350.00
LOAN FUNDS		\$75,500.00	\$280,500.00
Current Checking balance to date		\$17,388.76	\$17,388.76
	2/29/2008		

CURRENT LINE OF CREDIT BALANCE**\$349,937.43**

MISSING CHECKS
1259, 1260, 1266,
1267

**CURRENT PERIOD EXPENSES IN DETAIL----CONTINUED
ON NEXT PAGE.**

DATE	CHECK	PAYEE	AMOUNT
#1183 STATIONERY STORE			\$33.73
#1196-1205 PAYROLL			\$3,457.25
#1206 ALL THROUGH THE HOUSE			\$70.00

#1207 SHELDON ACCOUNTING	\$810.00
#1208 DIAMOND DON'S	\$40.00
#1209 STATIONERY STORE	\$105.93
#1210 CHASE CREDIT CARD	\$500.00
#1211 STATIONERY STORE	\$19.53
#1212 LOCKS	\$172.49
#1213 MIDNIGHT MOON	\$7.00
#1214 MENARD'S	\$83.18
#1215 SHOPKO--SMALL EQUIP	\$86.98
AUTO LINE OF CREDIT INTEREST	\$1,721.61
#1216 SORGUM MILLS	\$148.00
#1217 KINOONA FARM	\$90.93
#1218 UNFI	\$4,777.39
#1219 SLINDE INTERIORS	\$427.96
#1220 CASH FOR REGISTER DRAWERS	\$2,350.00
#1221 NATURAL FARMS	\$14,531.33
#1222 HUBERT CO--SMALL EQUIP	\$268.59
#1223 DEPT OF FINANCIAL INST	\$15.00
#1224 DEPT OF FINANCIAL	\$10.00
#1225 COMMERCIAL AIR--heat install	\$2,241.00
#1226 BURNETT CHEESE	\$2,154.53
#1227 HUBERT CO---SMALL EQUIP	\$97.11
PAYROLL #1228-1241	\$5,101.14
#1242 CITY OF MADISON-PUB HLTH	\$1,271.20
#1243 STATIONERY HOUSE	\$40.26
#1245 STATE OF WI REGISTER	\$17.00
#1246 MICHAEL MARKIN--MONHTLY EX	\$149.99
ON LINE BANK FEES	\$15.00
BANK CHARGE FOR BANK BAGS	\$25.00
#1247 ALLIANT ENERGY---HEAT	\$465.70
#1248 NLM RENTAL OFFICE	\$2,400.00
#1249 SILLY YAK	\$229.00
#1250 SHOPKO	\$112.01
#1251 CHASE CREDIT CARD	\$5,000.00
#1252 MENARDS	\$67.21
#1253 SHOPKO	\$202.47
AUTO STATE TAX DEPT	\$168.30
#1254 ANCORA COFFEE	\$338.64
#1255 UNITED NATURAL FOODS	\$1,770.35
#1256 RUSTLIN BROOK FARMS	\$216.00
#1257 BEE GUY FARMS	\$246.00
#1258 STATIONERY HOUSE	\$22.16
#1261 HOLIDAY WHOLESale	\$5,266.49
#1262 WILLY ST COOP	\$391.82
#1263 NATURAL FARMS	\$7,968.31
#1264 AMERICAN BOTTLEING	\$159.50
#1265 WALMART	\$11.52
#1268 HUBERT CO	\$192.71
AUTO BANK CHARGE	\$20.10
TOTAL EXPENSE	\$66,087.42

Opening Day Comments from Volunteers, submitted by Philana Friede

Eric Swenson:

Comparison shoppers were noting many prices for the same goods sold at Willy St. and Whole Foods were significantly higher at YRGC; cereal for instance.

The “wow” factor was in produce. Are there plans to expand this area?

There seemed to be several (many?) “convenience mart” items. Banquet frozen dinners! While it makes sense to appeal to the folks who live in close proximity to the store, over time, I’m not sure you will be able to carry these items.

The biggest thing will be to get the prices right on some of the items people buy often; cereal, etc. I think you will have a relatively small window of time to correct this. You don’t want too many people thinking they can’t afford to shop at YRGC. I realize there is a fine-line between being a grocery store and a specialty store. Your space limitations will require you become experts at this.

Paul Lawrence:

Overall, I’d say the place looks terrific. (With the crowds, I wasn’t able to do much of an aisle-by-aisle analysis, however!) Most of the comments I heard were very positive, as one expects (at least I do) during these kinds of events. But I did hear some not so positive, as well. In a nutshell; too high end/too expensive. Take that for what it’s worth.