

Minutes: Yahara River Grocery Cooperative Board Meeting

**EMS Building Training Room, 516 S. Fourth Street, Stoughton, Wisconsin
Tuesday, March 25, 2008 6:00 p.m. - 8:00 p.m.**

Board Members and Committee Chairs Present:

Myra Hajny (President); Norma Sampson (Vice President); Warren Kmiec (Treasurer);
Deb Piper (Secretary); Marlene Widra (Member-at-Large)
Eric Borchardt (Marketing); 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); 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** (P. Barnes/Howard) and unanimous vote, the minutes of the March 4, 2008 meeting were approved.

TREASURER'S REPORT

Warren Kmiec reviewed the Treasurer's Report dated 3/24/08 (Attachment 1). Last week Warren had sent out a report dated 3/14/08 (Attachment 2), thinking the board meeting was last week. The 3/24/08 report measures activity since 3/14/08 as well as year-to-date. In two weeks, we received \$3,070 in new member fees and two certificates of investment. We also received a \$1,000 donation of services from Bill Howard (for part of the extra labor required to hang the exterior sign). There is \$34,000 of inventory in the store not yet paid for. The interest charges are decreasing due to recent federal interest cuts (YRGC's current rate is 6.9%).

An additional \$10,000 was taken out of the line of credit for expenses, leaving approx. \$40,000 available on the l.o.c. Mike Markin reported that we should be receiving a \$1,000-1,200 refund on the bulk bins as well as a \$2,600 rebate from Focus on Energy for energy upgrades in the store.

Myra inquired about the Cash on Hand entry on the report, why it listed as "zero" in the current report. Mike answered that the initial \$2,350 that was taken out for cash on hand was for the store's opening (cash registers/customer service) and remains as an expense. This amount will most likely be reduced to approx. \$1,800, except for weekends/holidays.

GENERAL MANAGER'S REPORT

Mike Markin updated the board on vendors. YRGC will work with Scott Trautmann for a month-long trial on pricing. There will be a temporary display of coffee for Just Coffee, which is building an end cap display for their goods.

Mike met with Certco, Inc. to determine if we can acquire goods from Certco at a reasonable price. Certco will create a pricing sheet to see if they can supply some of the goods that we carry in the store (Mike will use Catapult to compare what we stock vs. what Certco offers). YRGC would have to be a member of Certco to get their pricing (\$1,600 membership). Mike has looked at several comparisons and Certco is lower, so the membership fee may even out. We may be able to get lower prices on traditional items.

Mike shared a document titled "Info Tracker." This tracks sales and receivables, payables, loans and expenses. Mike will e-mail this weekly to the board and committee chairs.

A Compliment/Complaint log is being created. Customers will fill out their form at the front of the store. It will be logged by Lindsey Petersen. Mike will bring the report to the monthly board meeting and will describe how the complaints were handled.

LORI MATTHEWS REQUEST/COMMENTS/CONCERNS

Myra reported that there had been a large amount of e-mail communications between Lori Matthews of Just Coffee and YRGC re: carrying JC coffee in the store. Myra stated that there were important issues raised during those communications: how the YRGC works with cooperatives, the board's stance on fair trade, and working with local vendors. Myra requested that the board write policies on these three topics and asked for volunteers. Laura, Mike, Glen and Jon stepped up and will write drafts of these policies in time for the board to review at the May 13 meeting. Myra will write a letter to Lori to explain that the issues have been brought to the board's attention and action is being taken.

PROPOSED STORE OPERATIONS OVERSIGHT COMMITTEE

Glen Timmcke spoke on Steve Barne's behalf re: Steve's e-mail to the board requesting two things be established: 1) an oversight committee to oversee store operations and 2) a separate budget be created for fundraising. Discussion ensued on the fundraising issue and how fundraising can operate. Does the store budget and Mike oversee? Seed money is needed in order to do fundraising. Mike reported that in the current budget, the board line item for P.R. is \$300/quarter. Laura offered that since membership is doing well right now, that perhaps some of membership's money in the budget could be shifted to other committees like fundraising. Pam stated that fundraising should have its own pot of money. It was determined that Mike will look at the budget to see if he can add additional money to the board P.R. line item. Mike will report at the next board meeting.

Glen returned to the first item in Steve's email re: the store operations oversight committee. Glen offered the following observations:

- we can either create a new committee or assign this to certain members
- we need a well-defined and functioning board and a well-defined and functioning management staff
- as a business we need a system of checks and balances to ensure that store operations run smoothly and to prevent problems

Discussion then followed about board operations and defining the board's role in the store. How does YRGC transition from a working board to a governing board? It's possible that board training (mentioned at last meeting) will occur (\$2,000 for two days), and a grant has been written for training. Eric stated that we should gather the best practices of other coops and boards to determine our path. Marlene stated that some cooperatives are going to Policy Governance where the coop board sets the goals and management is given free reign as a means to attaining those ends – as long as it stays within the boundaries (executive limitations) determined by the board. It takes a two-day retreat for the board and a lot of language already exists for this type of governance (i.e., Weaver Street Market). Myra mentioned that Anne Reynolds, from the UW Center for Cooperatives has offered to speak to the board and answer questions. The board agreed to invite Anne to a special meeting.

While the board needs to determine its path for the long run, an interim plan is needed. Glen reported that as part of his current responsibilities, he will receive training from Mike on the Catapult system to ensure that the invoices are up to date and that the info needed for reports is ready and available.

According to Glen, there are three things that need to be monitored right now:

- 1) inventory (Glen suggests the Product Buyers committee be re-named to the Product Comm.)
- 2) monies (which Warren is doing)
- 3) relations – members, customers and vendors

Glen suggests that current committees can handle these instead of appointing a new committee, which will take time to set up. Mary Condon inquired if we have considered hiring an external company to do an internal operations audit. It was determined that this is too cost-prohibitive. Glen stated that oversight is happening, and it has been increased in the past few weeks. The board agreed to think more about these issues and it will be on the agenda for the next meeting.

PRICING / BUDGET

In the Info Tracker document that Mike distributed, he included two pages evaluating what the costs to the store would be if we drop the store's margin by 1%. He would not reduce the margin across the board, but in several key areas (cereal, beef items, cheeses, etc.).

Warren suggested that we do a survey of our members to determine their shopping experience. We need to make sure we're satisfying our membership. On MOTION (Kmiec/Friede), YRGC should create an electronic survey to gauge the members' shopping experience at YRGC. Discussion ensued about the method of the survey (such as on-line methods like Zoomerang if the survey isn't very long). Philana reported that she had already started to conduct an informal survey of those who have shopped to get their first impressions (to get member testimonials). Eric noted that this is a more anecdotal survey and there are benefits to doing this and a more formal survey.

Friendly AMENDMENT (Borchardt/Friede), Eric suggests that Philana do the more informal survey now. The board can then determine if it wants to do a more formal survey later. MOTION passed.

MEMBER-AT-LARGE REPORT

Marlene Widra reported on three upcoming events:

- 1) Retailer Meetings. Stoughton retailers meet the 3rd Wednesday of the month. Marlene has been attending these meetings but cannot attend the next three meetings. Marlene would like another YRGC representative to attend.
- 2) Stoughton's First Saturdays. On the first Saturday of each month, downtown retailers will be putting some type of display in front of their stores. Marlene suggests that YRGC do hootenannies.
- 3) Artsy Fartsy Fair. The radio show that YRGC was going to sponsor is now going to be a fundraiser for the downtown lights fund. Marlene has offered to help but wants to know if she is doing this as a YRGC rep or on her own.

On MOTION (Widra/Kmiec), Marlene will serve as a representative of the YRGC while working on the Artsy Fartsy Fair and for First Saturdays. Motion passed.

Due to time constraints, the Committee Reports will be tabled until the next meeting. On MOTION (Anderson/P. Barnes), the meeting adjourned at 8:15 p.m.

The next meeting of the YRGC Board of Directors: Tuesday, April 8, 2008 from 6 p.m. – 8 p.m.
Location: Stoughton EMS Building, Fourth Street

Respectfully submitted,
Deb Piper, Secretary

Yahara River Grocery Cooperative Treasurer Report

Today's date:	3/24/2008	THIS PERIOD	Year to Date
Balance as of last report (03/14/08)		\$9,125.86	\$2,515.99
INCOME			
Member Fees		\$3,070.00	\$21,062.00
Investments		\$1,000.00	\$2,000.00
Grants		\$0.00	\$0.00
Fundraising		\$0.00	\$81.00
Donations		\$1,000.00	\$1,100.00
Sales		\$16,521.75	\$58,872.58
Other		\$0.00	\$1,082.56
TOTAL INCOME		\$21,591.75	\$84,198.14
EXPENSES			
Rent		\$0.00	\$4,800.00
Cost of Goods		\$10,112.44	\$86,700.49
Insurance		\$0.00	\$1,005.00
Promotions		\$0.00	\$170.00
Advertising		\$0.00	\$4,058.47
Personnel		\$2,556.46	\$26,845.77
Operations		\$1,378.07	\$5,938.12
Admin Expenses		\$164.28	\$1,876.62
Membership		\$0.00	\$4.00
Bank charges		\$0.00	\$123.50
Credit Card Expense		\$0.00	\$29.01
Accounting		\$0.00	\$1,282.50
Other		\$0.00	\$1,050.17
Site Improvement		\$16,471.49	\$95,796.32
Equipment		\$0.00	\$132,968.97
Donations		\$0.00	\$0.00
Loan repayment		\$0.00	\$0.00
interest charges		\$1,908.21	\$4,088.53
CD & MONEY MKT		\$0.00	\$0.00
TOTAL EXPENSE		\$32,590.95	\$366,737.47
CASH ON HAND		\$0.00	\$2,350.00
LOAN FUNDS		\$10,000.00	\$290,500.00
CurrentChecking balance to date 3/24/2008		\$8,126.66	\$8,126.66

CURRENT LINE OF CREDIT BALANCE**\$359,937.43**

CURRENT PERIOD EXPENSES IN DETAIL

DATE	CHECK	PAYEE	AMOUNT
3/15/2008	#1332	INDY FRUIT	\$646.00
3/15/2008	#1333	STATIONERY STORE	\$19.83
3/17/2008	#1334	WILLY ST GROCERY	\$154.62
3/17/2008	#1335	B & B CONSTRUCTION	\$12,002.49
3/18/2008	#1336	INDY FRUIT	\$975.55
3/18/2008	#1337	AT&T	\$259.14
3/18/2008	#1338	ALLIANT ENERGY	\$538.59
3/18/2008	#1339	UNFI	\$3,502.19
3/18/2008	#1340	FRONTIER NATURAL PRODUCTS	\$32.83
3/19/2008	#1341	HOWARD ACADEMY	\$4,469.00
3/15/2008	#1342	BLUE MARBLE FARMS	\$323.25
3/15/2008	#1343	BURNETT CHEESE	\$494.67
3/15/2008	#1344	CREAM CITY SCALE	\$140.00
3/15/2008	#1345	DOC Electric	\$159.06
3/15/2008	#1346	CULLIGAN WATER	\$140.22
3/15/2008	#1347	FRANK BEER DISTR	\$236.40
3/15/2008	#1348	GOTHAM BAGELS	\$151.50
3/15/2008	#1349	NATURE'S BAKERY	\$330.21
3/15/2008	#1350	L&L FOODS	\$556.74
3/15/2008	#1351	NEW CENTURY FARMS	\$453.75
3/17/2008		AUTO FED TAX PAYMENT	\$2,556.46
3/20/2008	#1352	NATURAL FARMS	\$1,413.32
3/20/2008	#1354	STATIONERY STORE	\$102.44
3/20/2008	#1355	SARA THIESSEN	\$131.40
3/20/2008	#1356	STOUGHTON LUMBER	\$9.66
3/20/2008	#1357	HOLIDAY WHOLESale	\$225.54
3/20/2008	# 1358	HOUMANN'S FISH	\$501.83
3/21/2008	#1359	TASHA'S LOVE TREATS	\$95.00
3/20/2008	#1361	HIGH STAKES RANCE	\$2,094.16
3/19/2008		AUTO LINE OF CREDIT INTEREST	\$1,908.21
3/21/2008	#1364	WILLY ST GROCERY	\$246.85
3/21/2008	#1365	INDY FRUIT	\$712.75
3/24/2008	#1382	STATIONERY STORE	\$6.98
3/24/2008	#1383	HIGH STAKES RANCH	\$155.44
3/19/2008	#1384	CARTRIDGE WORLD	\$54.86
			\$33,706.78

Yahara River Grocery Cooperative Treasurer Report

Today's date:	3/14/2008	THIS PERIOD	Year to Date
Balance as of last report (02/29/08)		\$11,828.01	\$2,515.99
INCOME			
Member Fees		\$13,932.00	\$17,992.00
Investments		\$0.00	\$1,000.00
Grants		\$0.00	\$0.00
Fundraising		\$0.00	\$81.00
Donations		\$100.00	\$100.00
Sales		\$41,909.09	\$42,350.83
Other		\$1,082.53	\$1,082.56
TOTAL INCOME		\$57,023.62	\$62,606.39
EXPENSES			
Rent		\$0.00	\$4,800.00
Cost of Goods		\$28,006.32	\$76,588.05
Insurance		\$0.00	\$1,005.00
Promotions		\$100.00	\$170.00
Advertising		\$758.47	\$4,058.47
Personnel		\$9,045.65	\$24,289.31
Operations		\$335.33	\$4,560.05
Admin Expenses		\$29.14	\$1,712.34
Membership		\$4.00	\$4.00
Bank charges		\$40.00	\$123.50
Credit Card Expense		\$27.07	\$29.01
Accounting		\$0.00	\$1,282.50
Other		\$1,050.17	\$1,050.17
Site Improvement		\$2,199.72	\$79,324.83
Equipment		\$18,129.90	\$132,968.97
Donations		\$0.00	\$0.00
Loan repayment		\$0.00	\$0.00
interest charges		\$0.00	\$2,180.32
CD & MONEY MKT		\$0.00	\$0.00
TOTAL EXPENSE		\$59,725.77	\$334,146.52
CASH ON HAND		\$0.00	\$2,350.00
LOAN FUNDS		\$0.00	\$280,500.00
CurrentChecking balance to date 3/14/2008		\$9,125.86	\$9,125.86

CURRENT LINE OF CREDIT BALANCE**\$274,437.43**

MISSING CHECKS from February report

1244 City Stoughton	\$270.00
1259 Cartridge World	\$44.31
1260 Co-Op Partners	\$4,640.16
1266 Blue Marble	\$273.00
1267 So WI NWS	\$333.28
subtotal	\$5,560.75

New FEB Balance

\$11,828.01

CURRENT PERIOD EXPENSES IN DETAIL

DATE	CHECK	PAYEE	AMOUNT
3/1/2008	#1269	INDY FRUIT CO	\$2,054.90
3/2/2008	#1270	SHELDON ACCOUNTING	\$387.50
3/2/2008	#1271	HIDDEN OAKS APIARY	\$126.00
3/2/2008	#1272	FRANK BEER DISTRIBUTOR	\$289.80
3/2/2008	#1273	GENERAL BEER DISBRIBUTING	\$402.00
3/2/2008	#1274	NATURE'S BAKERY	\$294.45
3/2/2008	#1275	SPIRAL EARTH BOTANICALS	\$894.50
3/2/2008	#1276	TASHA'S LOVE TREATS	\$167.00
3/2/2008	#1277	UNIFIED NEWSPAPERS	\$758.47
3/2/2008	#1278	WILDPEACE BAKERY	\$198.95
3/2/2008	#1279	COOPERATIVE DEVELOPMENT	\$1,050.17
3/1/2008	#1280	BEECHWOOD SALES	\$196.60
3/1/2008	#1281	WILLY ST GROCERY	\$101.75
3/4/2008	#1282	INDY FRUIT	\$1,552.60
3/4/2008	#1283	PHIL CARAVELLO	\$2,000.00
3/7/2008	#1284	BLAIN'S FARM & FLEET	\$64.89
3/13/2008	#1285	HOLIDAY WHOLESALE	\$853.50
3/4/2008	#1286	STOUGHTON YOUTH CENTER	\$210.00
3/4/2008	AUTO	GLOBAL PAY FEE	\$27.07
3/4/2008	BANK FEES--BAGS		\$40.00
3/5/2008	#1287	WILLY ST GROCERY	\$189.76
3/7/2008	#1288	STATIONERY STORE	\$16.14
3/5/2008	#1289	UNITED NATURAL FOODS	\$1,327.80
3/6/2008	#1290	INDULGENCES	\$271.84
3/7/2008	#1291	WILLY ST GROCERY	\$190.09
3/8/2008	#1292	INDY FRUIT	\$2,091.75
3/8/2008	#1293	STATE OF WI REGISTER OF DEEDS	\$13.00
3/8/2008	#1294	COMMERCIAL AIR	\$16,129.90
3/8/2008	#1295	WERNER ELECTRIC	\$1,822.86
3/8/2008	#1296	VOID CHECK	\$0.00
3/8/2008	#1297	SODERHOLM WHOLESALE	\$1,340.36
3/8/2008	#1298	HOUMANN'S FISH	\$2,113.79
3/10/2008	#1313	WILLY ST GROCERY	\$308.30
3/11/2008	#1314	STO OPERA	\$100.00
3/11/2008	#1315	INDY FRUIT	\$1,037.20
3/12/2008	#1316	WILLY ST GROCERY	\$154.85
3/12/2008	#1317	STATIONERY STORE	\$155.61
3/11/2008	#1318	UNITED NATURAL FOODS	\$1,337.67
3/13/2008	#1319	GOTHAM BAGELS	\$250.50
3/9/2008	#1320	NATURAL FARMS	\$870.21
3/14/2008	#1299- #1312	PAYROLL	\$9,045.65
3/14/2008	#1321	JOHN WHITMAN--MEMBER FEE ADJ	\$4.00
3/14/2008	#1322	BEECHWOOD SALES	\$137.00
3/14/2008	#1323	HONEY WAGON SERVICES	\$95.00
3/14/2008	#1324	STOUGHTON LUMBER	\$166.86
3/14/2008	#1325	TRAUTMAN FAMILY FARMS	\$1,755.21
3/14/2008	#1326	CABIBBO'S BAKERY	\$229.00
3/14/2008	#1327	EXQUAL EXCHANGE	\$2,476.45
3/14/2008	#1328	GENERAL BEER DISTRIBUTORS	\$540.50

3/14/2008	#1329 GOLDEN GUERNSEY DAIRY	\$1,124.33	
3/14/2008	#1330 GOTHAM BAGELS VOID	\$0.00	
3/14/2008	#1331 HIGH STAKES RANCH	\$2,094.16	
3/15/2008	#1332 INDY FRUIT	\$646.00	
3/15/2008	#1333 STATIONERY STORE	\$19.83	
	TOTAL EXPENSE		\$59,725.77