

## **Minutes: Yahara River Grocery Cooperative Board Meeting**

**Stoughton EMS Building, Fourth Street, Stoughton, Wisconsin  
6:05 p.m. - 8:00 p.m., Tuesday, May 13, 2008**

### Board Members and Committee Chairs Present:

Myra Hajny (President); Norma Sampson (Vice President); Warren Kmiec (Treasurer);  
Marlene Widra (Member-at-Large); Kristine Vaughn (Membership); Homer Howard (Senior  
Liaison); Jon Hajny (Research); and Glen Timmcke (Product Buyers)

### Other Committee Members Present

Stephen Lawrence (Finance)

### Also Present:

Mike Markin (YRGC General Manager)  
Gary Walker (Woodland Studios)

President Myra Hajny called the meeting to order and introduced Gary Walker, a member of the Preserve America Committee. Gary made a 10-minute presentation and answered questions about the Preserve America grant that would fund a campaign to promote historic Stoughton. The grant would be for a maximum of \$250,000 and requires that Stoughton raise \$250,000 matching funds for a total of \$500,000 to market the community. The fundraising campaign is called *Take Stock in Stoughton* while *Light Up Stoughton* is the marketing campaign. Gary asked the YRGC for a letter of commitment by June 8, and pointed out that Marlene Widra, YRGC Board member-at-large, was coordinating a raffle for the Preserve America Committee.

## **ANNOUNCEMENTS**

Myra announced that Laura Anderson's father, Morris Anderson, had passed away recently. On **MOTION** (J. Hajny/Widra) and unanimous vote an orchid or living plant will be purchased by Kristine Vaughan on behalf of the Board and delivered to Laura's home in memory of her father. A collection was taken to cover the cost.

Myra announced that Eric Borchardt had resigned as Marketing and Communications Committee chair. The Board commended Eric for his work noting that he had been instrumental in creating publicity and getting the YRGC's name on the map.

## **TREASURER'S REPORT – WARREN KMIEC**

Warren reviewed the Treasurer's Report dated 5/05/08 (Attachment 1). He announced that the treasurer's report had been generated from QuickBooks with greater integration from the store's Catapult system; however, it was not a clean transfer and there are some glitches to work out. Warren explained the March discrepancies noting that some information was improperly posted. He pointed out that YRGC's goal is \$100,000 in sales each month and the volume was only \$66,500 in April. To meet projections, the store needs about 1,600 customers a week and in April the average was 900. Mike Markin added that about 60% of the members are shopping and half of those were in only once during April.

Steve Lawrence recommended calculating a percentage basis to more easily compare sales and changes in the financial reports.

## **GENERAL MANAGER'S REPORT – MIKE MARKIN**

Mike reported that the office computer had crashed, a new hard drive is being installed, and the computer should be working soon.

He announced that membership has reached 894; however, only 750 customers shopped at the co-op the week of May 4 to 11 for a total of \$12,609 in sales. The average has been about \$16,000 a week. Mike said that if sales do not improve after Syttende Mai, he would reduce hours and payroll.

He noted that he had done price checks with Basics Cooperative in Janesville and the Viroqua Food Cooperative and prices were similar.

He announced that reaching an agreement with Certco was unlikely because they are proposing YRGC buy 300 cases of conventional items each week. Mike is looking at other options for purchasing goods at lower prices.

He asked the Board to pass a resolution to join the National Cooperative Grocers Association (NCGA) to receive savings on natural and organic items by pooling orders with other cooperatives. On **MOTION** (Kmiec/Widra) and unanimous vote the Board will join the NCGA.

Mike reviewed the Stoughton Nonprofit Assistance Program (SNAP): More than \$400 was collected in March for the Stoughton Youth Center. About \$275 was collected in April but a designee has not been selected. He said SNAP would be one way to raise money for the Preserve America Committee. Mike asked that a committee research SNAP and develop guidelines for selecting monthly recipients.

On **MOTION** (Kmiec/J. Hajny) and unanimous vote, the co-op will participate in the Preserve America campaign.

On **MOTION** (Howard/J. Hajny) and unanimous vote the YRGC will donate \$500 to the Take Stock in Stoughton fundraiser for the Preserve America campaign with the funds to come from SNAP.

On **MOTION** (Kmiec/J Hajny) and unanimous vote a SNAP Sub-Committee will be formed that will select monthly SNAP recipients. The committee will make recommendations and report back to the Board who is receiving SNAP each month.

On **MOTION** (J. Hajny/Howard) and unanimous vote Warren Kmiec will serve as chair of the SNAP Sub-Committee and one of the committee's first duties is to bring back guidelines to the next board meeting.

## **APPROVAL OF MINUTES**

Myra asked if everyone had reviewed the minutes from the April 22, 2008 Board meeting. On **MOTION** (J. Hajny/Howard) and unanimous vote, the minutes were approved.

## **OTHER BUSINESS**

Myra announced that the YRGC had received a \$700 scholarship for the General Manager to attend the CCMA conference June 12 to 14 in Portland. The scholarship covers registration and meals at the conference. The cost to the YRGC would be about \$1,000 for airfare and hotel rooms.

Stephen Lawrence thought it might be more prudent for the YRGC to use the \$1,000 to hire a consultant to find out what "our customers want." Warren suggested conducting a member survey and several focus groups to get customer feedback.

A discussion ensued about ways to increase traffic and consumer sales. Warren volunteered to pursue his focus group suggestion. Stephen and Mike agreed to identify some “expert” consultants by the next board meeting.

Myra suggested that the Board go back to meeting every 2 weeks instead of once a month.

More discussion was held about the proposed Board training. On **MOTION** (J. Hajny/Howard) the Board will table board training until an expert or professional can access the store. Jon **WITHDREW** the motion.

On **MOTION** (Widra) the Board will pursue board governance training with Marilyn Scholl within the \$1,700 budget of the board training grant. The motion **FAILED** for lack of a second.

Jon Hajny volunteered to chair a committee consisting of Marlene Widra and Philana Friede to look at Board training.

## **COMMITTEE REPORTS**

### **Member-At-Large – Marlene Widra**

Marlene reported that she is organizing a city-sponsored raffle to raise funds for Preserve America. The tickets are \$5 each or \$25 for a package of six tickets. The YRGC is joining with many other Stoughton businesses and organizations to create a gift package of more than \$600 in merchandise for the raffle. The drawing will be at 7 p.m. July 31 at the co-op.

### **Marketing – Norma Sampson**

Norma asked that a call for committee members become a priority especially with the resignation of Eric Borchardt as marketing chair. She announced that the web site is updated weekly, and commended Deb Piper for the work that she has done on the weekly e-blasts.

### **Membership – Kristine Vaughan**

Kristine reported that the Membership Committee had reviewed and updated the list of rejected emails generated by the weekly e-blasts. She noted that the next task was to update the non-member emails on the listserv that are being rejected. She thanked Deb Piper and Fred Leonard for the work they had done on updating the YRGC’s listservs.

A discussion ensued about the membership databases and why the Membership Committee is double-entering all of the memberships.

### **Research – Jon Hajny**

Jon reported that the committee has not met recently. Mike Markin announced that the co-op did not receive the Buy Local, Buy Wisconsin grant.

On **MOTION** (J. Hajny/Howard) and unanimous vote, the YRGC board meeting was adjourned at 8 p.m.

Next meeting: Tuesday, May 27 from 6 p.m. – 8 p.m.

Location: Stoughton EMS Training Room

Respectfully submitted,  
Norma Sampson  
Vice President  
Yahara River Grocery Cooperative

# ATTACHMENT 1 –TREASURER’S REPORT

7:07 PM  
05/05/08  
Accrual Basis

## Yahara River Grocery Cooperative Balance Sheet As of April 30, 2008

	Apr 30, 08	Mar 31, 08	% Change
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
1000 · Evergreen State Bank	-1,640.46	10,564.51	-115.5%
1004 · Money Market-Evergreen	41,933.84	41,805.27	0.3%
1005 · Petty Cash	100.00	100.00	0.0%
1006 · CASH FOR REGISTER	2,350.00	2,350.00	0.0%
<b>Total Checking/Savings</b>	<b>42,743.38</b>	<b>54,819.78</b>	<b>-22.0%</b>
<b>Accounts Receivable</b>			
1250 · Membership Dues Receivable	584.00	588.00	-0.7%
1260 · Credit/Debit Card Receivables	1,860.39	0.00	100.0%
<b>Total Accounts Receivable</b>	<b>2,444.39</b>	<b>588.00</b>	<b>315.7%</b>
<b>Other Current Assets</b>			
1010 · CD-Evergreen State Bank	9,221.81	9,221.81	0.0%
1200 · Supplies Inventory	403.87	403.87	0.0%
1205 · Grocery Inventory	66,505.30	68,352.09	-2.7%
1210 · Undeposited Funds	1,177.21	0.00	100.0%
<b>Total Other Current Assets</b>	<b>77,308.19</b>	<b>77,977.77</b>	<b>-0.9%</b>
<b>Total Current Assets</b>	<b>122,495.96</b>	<b>133,385.55</b>	<b>-8.2%</b>
<b>Fixed Assets</b>			
1500 · Accumulated Depreciation	7,773.00	7,773.00	0.0%
1600 · Fixed Assets	325,892.45	327,834.71	-0.6%
<b>Total Fixed Assets</b>	<b>333,665.45</b>	<b>335,607.71</b>	<b>-0.6%</b>
<b>Other Assets</b>			
1750 · Accrued Interest Income	166.68	166.68	0.0%
<b>Total Other Assets</b>	<b>166.68</b>	<b>166.68</b>	<b>0.0%</b>
<b>TOTAL ASSETS</b>	<b>456,328.09</b>	<b>469,159.94</b>	<b>-2.7%</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
Accounts Payable-Equipment	4,533.09	6,475.35	-30.0%
Accounts Payable-Leasehold Impr	4,155.07	5,125.91	-18.9%
1950 · Accounts Payable-Store Supplies	2,833.23	4,148.72	-31.7%
2000 · Accounts Payable-COGS Vendors	28,574.62	20,166.69	41.7%
2010 · Accounts Payable-Utilities, Etc	5,284.21	5,253.57	0.6%
<b>Total Accounts Payable</b>	<b>45,380.22</b>	<b>41,170.24</b>	<b>10.2%</b>
<b>Credit Cards</b>			
2015 · Chase Credit Card	3,403.65	3,207.58	6.1%
<b>Total Credit Cards</b>	<b>3,403.65</b>	<b>3,207.58</b>	<b>6.1%</b>
<b>Other Current Liabilities</b>			
2100 · Payroll Liabilities	3,899.50	5,708.81	-31.7%
2200 · Round-Up Holding Account	507.72	440.09	15.4%
2250 · Sales Tax Payable	404.68	509.57	-20.6%
2300 · Short-term Notes - Credit Line	370,000.00	370,000.00	0.0%
2350 · Gift Card-Unearned Revenue	-103.55	0.00	-100.0%
<b>Total Other Current Liabilities</b>	<b>374,708.35</b>	<b>376,658.47</b>	<b>-0.5%</b>
<b>Total Current Liabilities</b>	<b>423,492.22</b>	<b>421,036.29</b>	<b>0.6%</b>
<b>Long Term Liabilities</b>			
2450 · Accrued Interest Payable	918.13	918.13	0.0%
2500 · Investors - 3 - 5 years	58,822.50	59,250.00	-0.7%
<b>Total Long Term Liabilities</b>	<b>59,740.63</b>	<b>60,168.13</b>	<b>-0.7%</b>
<b>Total Liabilities</b>	<b>483,232.85</b>	<b>481,204.42</b>	<b>0.4%</b>
<b>Equity</b>			

7:07 PM  
05/05/08  
Accrual Basis

**Yahara River Grocery Cooperative**  
**Balance Sheet**  
As of April 30, 2008

	<u>Apr 30, 08</u>	<u>Mar 31, 08</u>	<u>% Change</u>
3000 · Contributed Equity	117,738.58	116,768.58	0.8%
32000 · Unrestricted Net Assets	-71,711.31	-71,711.31	0.0%
Net Income	-72,932.03	-57,101.75	-27.7%
Total Equity	<u>-26,904.76</u>	<u>-12,044.48</u>	<u>-123.4%</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>456,328.09</u></b>	<b><u>469,159.94</u></b>	<b><u>-2.7%</u></b>

7:05 PM  
 05/05/08  
 Accrual Basis

## Yahara River Grocery Cooperative Profit & Loss April 2008

	<u>Apr 08</u>	<u>Mar 08</u>	<u>\$ Change</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4000 · Grocery Revenue	67,687.51	78,738.52	-11,051.01
4070 · Non-Revenue Income	2,196.63	0.00	2,196.63
4800 · Discounts and Coupons	-3,340.19	0.00	-3,340.19
<b>Total Income</b>	<u>66,543.95</u>	<u>78,738.52</u>	<u>-12,194.57</u>
<b>Cost of Goods Sold</b>			
5000 · Grocery Cost of Goods Sold	48,759.05	52,762.57	-4,003.52
<b>Total COGS</b>	<u>48,759.05</u>	<u>52,762.57</u>	<u>-4,003.52</u>
<b>Gross Profit</b>	17,784.90	25,975.95	-8,191.05
<b>Expense</b>			
4100 · Returns	1,246.58	0.00	1,246.58
5200 · Cost of Labor	18,870.28	21,379.06	-2,508.78
5300 · Governance	0.00	159.61	-159.61
5500 · Occupancy Expense	5,325.48	3,737.83	1,587.65
5600 · Promotions	2,309.07	1,111.10	1,197.97
6000 · Administrative Expense	1,086.60	1,099.91	-13.31
6200 · Facilities and Equipment	534.91	551.82	-16.91
6400 · Operations	2,299.54	3,139.98	-840.44
<b>Total Expense</b>	<u>31,672.46</u>	<u>31,179.31</u>	<u>493.15</u>
<b>Net Ordinary Income</b>	-13,887.56	-5,203.36	-8,684.20
<b>Other Income/Expense</b>			
<b>Other Income</b>			
6800 · Other Income	128.57	152.48	-23.91
<b>Total Other Income</b>	<u>128.57</u>	<u>152.48</u>	<u>-23.91</u>
<b>Other Expense</b>			
7000 · Other Expense	2,071.29	2,192.78	-121.49
<b>Total Other Expense</b>	<u>2,071.29</u>	<u>2,192.78</u>	<u>-121.49</u>
<b>Net Other Income</b>	<u>-1,942.72</u>	<u>-2,040.30</u>	<u>97.58</u>
<b>Net Income</b>	<u><u>-15,830.28</u></u>	<u><u>-7,243.66</u></u>	<u><u>-8,586.62</u></u>