

Minutes: Yahara River Grocery Cooperative Board Meeting

**Fire Station-Training Room,
410 East Main Street, Stoughton, Wisconsin
6:05 p.m. - 8:00 p.m., Tuesday, July 8, 2008**

Board Members and Committee Chairs Present:

Myra Hajny (President); Norma Sampson (Vice President); Warren Kmiec (Treasurer); Marlene Widra (Member-at-Large); Laura Anderson (Membership); Jon Hajny (Research); Glen Timmcke (Product Buyers); Philana Friede (Fundraising); Stephen Lawrence (Business Development)

Other Committee Members Present:

Mary Condon (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. Norma Sampson submitted the minutes from the June 24, 2008 board meeting and the June 27, 2008 special meeting. On **MOTION** (Anderson/J. Hajny) and unanimous vote, the minutes of both meetings were approved.

BOARD TRAINING AD HOC COMMITTEE – Jon Hajny

Jon reported that the Board Training Ad Hoc Committee had contacted Ann Hoyt and that she had agreed to come to the store July 30 for an introductory session. The consensus was to meet at 6 p.m. for about an hour. Philana volunteered to contact Sun Prairie Co-op about the time and date and to confirm if the Sun Prairie Board wants to participate in the training sessions.

RESEARCH COMMITTEE – Jon Hajny

Jon reported that the Research Committee was looking into a grant due this month. He said Mary Condon and Mike Markin were working on the grant and the committee was planning to contact YRGC members Kay Davis, Caroline Werner and Darlene Lausted to help.

USE OF COMMUNITY SERVICE THROUGH STOUGHTON MUNICIPAL COURT – Jon Hajny

Jon discussed the Stoughton Municipal Court's community service program and asked that the co-op become a provider. He said he had discussed the program with Mike Markin who would oversee the youths referred by the court. It could possibly be one or two youths per month for about 15 to 20 hours of community service. On **MOTION** (Sampson/Friede) and majority vote, Mike will pursue having YRGC become a provider for the court community service program.

GENERAL MANAGER'S REPORT – Mike Markin

Mike reported that he and the staff are redoing the shelving in the store per consultant Mel Braverman's suggestions.

He announced that he has not heard from Certco, and is still working with Holiday Wholesale to provide conventional items.

Mike also reported that inventory was completed by Badger Inventory Service on July 8, 2008. He did not close the store and the cost was \$330 for 3 hours of counting. This did not include the bulk section, produce or the basement storage area. Next step is to get the inventory into the computer and QuickBooks.

Mike announced that sales were better this past week—a "ray of hope." He said Tuesday is usually the store's worst day.

SUMMER MEMBERSHIP PICNIC – Philana Friede

Philana reported that members have received several notices about the first summer picnic and membership meeting set for Sunday afternoon, July 13, 2008, at Norse Park.

Marlene Widra reported that she had gotten bubbles for the children, a kick ball, extra tables, paper plates, cups, plastic spoons and forks, and napkins. She said Mike would provide music and she was getting a microphone that could be used during the meeting.

Laura Anderson asked if the store could be closed so employees could come to the picnic. Mike said he would check with the employees who are working Sunday and give them a choice of working or closing to attend the picnic.

RESPONSE TO MORE THAN FOOD NEWSLETTER– Myra Hajny

Myra reported that she had received an email from Caroline Werner in response to the *More Than Food* article about volunteers. Caroline asked that the co-op consider TimeBank. Mike reported that he had checked into TimeBank and they are a draw, for example, 4 hours for 4 hours. He suggested that the co-op could let members know about the program by posting information at the store. Myra said she would visit with Caroline about the program.

Myra announced that she had received an email from a member who was interested in serving on a committee. Norma Sampson reported that there had been three volunteer emails to work at the store. Mike said he had received 30 coupons so far.

Warren Kmiec suggested that the Board consider creating a volunteer coordinator position. Marlene said that as Member-at-Large she could be the volunteer coordinator and would think about it. The board decided to advertise for a volunteer to serve as volunteer coordinator in this week's eblast.

TREASURER'S REPORT – Warren Kmiec

Warren reported that he had sent out two reports (see Attachment 1) by email July 8, 2008, and that financially there is some improvement. June's loss was the smallest so far because of Mike's efforts to trim labor and operating costs and other strategies. Warren announced that he has not had to draw on the remaining \$10,000 line of credit yet, and that the cash flow is improving.

COMMITTEE REPORTS

FINANCE COMMITTEE – Warren Kmiec

The Finance Committee met July 7, and Warren reported that the committee agreed that it was important to approach Evergreen State Bank about increasing the store's line of credit by \$50,000 before the end of July. Warren explained that this would give the co-op time to raise additional funds. Stephen Lawrence volunteered to meet with the bank, and will ask the Finance Committee to meet and prepare the necessary financial reports including the store's inventory. On **MOTION** (Kmiec/Widra) and unanimous vote, the Board approved its intention to increase its line of credit by \$50,000.

BUSINESS DEVELOPMENT AD HOC COMMITTEE – Stephen Lawrence

The committee has not met recently, however, Stephen pointed out that store inventory is becoming a problem because there is no capital to expand it. He reported that the committee's next focus is to work on a membership survey that will stress product mix and inventory. The survey will be online for members with email and mailed to those who don't have email.

Stephen noted that he works with many businesses and believes what the co-op is experiencing is not unusual or too alarming. Many small businesses have start-up problems.

MARKETING COMMUNICATIONS COMMITTEE – Norma Sampson

Norma reported that eblasts are being sent to members every week, the web site is updated weekly, and ads are created for the *Great Dane Shopper* and the *Stoughton Courier Hub*.

MEMBERSHIP COMMITTEE – Laura Anderson

There are currently 921 members. Laura proposed a membership database policy. On **MOTION** (Anderson/Kmiec) and unanimous vote the Board adopted the following:

MEMBERSHIP DATABASE POLICY

The membership database may be sent to Board officers and committee chairs, including temporary and ad hoc committee chairs.

During discussion, general consensus was that the Board's privacy policy should be posted at the top of the membership database and that the database be sent only by request.

PRODUCT BUYERS COMMITTEE – Glen Timmcke

Glen announced that because the committee is non-functioning he is considering resigning. He will meet with Mike Markin to discuss the situation.

FUNDRAISING COMMITTEE – Philana Friede

Philana reported that the next event is the Uff Da International 500 on Sunday, August 17, 2008, at Mandt Park. She asked if liability insurance was in place. Mike reported that liability insurance is up to date and that he is paying the directors and officers insurance July 9, 2008.

Philana said the event will involve a race – motorized wash tubs – a band and dancing, food, and possibly beer. She said the committee will meet in the next week or so to finalize the event.

PERSONNEL COMMITTEE – Myra Hajny

Myra reported that the Personnel Committee did meet to create a review process and feedback for the General Manager. Committee members are developing evaluation forms for the GM, Board officers and committee chairs and employees with the goal to have the evaluation process completed by August 1, 2008.

SNAP COMMITTEE – Warren Kmiec

The SNAP Committee has not met since the last Board meeting. Warren announced that the Shalom Free Clinic is the July recipient and the *Take Stock in Stoughton* for Preserve America grant will receive August SNAP funds.

PRODUCT STANDARDS POLICY AD HOC COMMITTEE – Laura Anderson

Laura referenced the produce standards policy draft that was distributed with the meeting agenda. On **MOTION** (Anderson/Kmiec) and with majority vote the Board adopted the product standards policy as written (see Attachment 2).

VICTORIAN HOLIDAY WALK/RUN COMMITTEE – Marlene Widra

Marlene announced that she has secured Goodman Green as Father Christmas for the Victorian Holiday weekend. Norma said the walk/run is set for Sunday, December 7, and that she is trying to contact Vicki Johnson, Victorian Holiday chair. She also said that the co-op may be asked to roast chestnuts for the holiday weekend.

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

Next meeting: Tuesday, July 22, from 6:00 p.m. – 8:00 p.m.

Location: Stoughton EMS training room.

Respectfully submitted,
Norma Sampson
Vice Chair
Yahara River Grocery Cooperative

ATTACHMENT 1 – TREASURER’S REPORT

See two reports accompanying minutes:

Minutes_2008_07-08_Attachment 1_Profit & Loss.pdf

Minutes_2008_07-08_Attachment 1_Treasurer Report.doc

Yahara River Grocery Cooperative

07/01/08

Profit & Loss

Accrual Basis

June 2008

	Jun 08	May 08	\$ Change
Ordinary Income/Expense			
Income			
4000 · Grocery Revenue			
4001 · Bakery Income	2,330.22	2,971.14	-640.92
4005 · Bulk Goods Income	3,283.70	3,572.23	-288.53
4010 · Dairy Income	9,038.21	10,048.73	-1,010.52
4015 · Deli Meat Income	1,557.20	1,268.91	288.29
4020 · Fresh Meat Income	3,206.26	3,491.64	-285.38
4025 · Frozen Income	2,608.62	2,131.31	477.31
4030 · GM Income-General Merchandise	1,825.15	1,580.50	244.65
4035 · Grocery Income	15,456.91	12,315.12	3,141.79
4040 · Grocery Taxable	2,605.82	1,930.52	675.30
4045 · Health & Beauty Aids Income	2,214.00	2,393.16	-179.16
4050 · Liquor Income	925.70	1,283.87	-358.17
4055 · Produce Income	10,687.97	9,831.37	856.60
4060 · Service Deli Income-Hot & Cold	1,011.09	815.07	196.02
4000 · Grocery Revenue - Other	1,338.01	7,656.70	-6,318.69
Total 4000 · Grocery Revenue	58,088.86	61,290.27	-3,201.41
4070 · Non-Revenue Income	84.70	1,395.64	-1,310.94
4800 · Discounts and Coupons			
4805 · Miscellaneous Discounts	-6,564.58	-4,617.80	-1,946.78
4810 · Senior Discounts	-23.63	-39.89	16.26
4820 · In-house Coupons	-5.00	0.00	-5.00
Total 4800 · Discounts and Coupons	-6,593.21	-4,657.69	-1,935.52
4825 · Vendor Coupon Totals			
4826 · Vendor Coupons	-0.55	-0.75	0.20
Total 4825 · Vendor Coupon Totals	-0.55	-0.75	0.20
Total Income	51,579.80	58,027.47	-6,447.67
Cost of Goods Sold			
5000 · Grocery Cost of Goods Sold			
50000 · Cost of Goods Sold	0.00	0.00	0.00
5001 · Bakery COGS	1,331.35	1,791.89	-460.54
5005 · Bulk Goods COGS	1,764.85	2,019.02	-254.17
5010 · Dairy COGS	3,537.88	6,121.69	-2,583.81
5015 · Deli Meat COGS	910.45	778.60	131.85
5020 · Fresh Meat COGS	1,918.06	2,646.66	-728.60
5025 · Frozen COGS	1,817.31	1,753.85	63.46
5030 · General Merchandise COGS	1,093.06	947.67	145.39
5035 · Grocery COGS	9,902.25	9,430.92	471.33
5040 · Grocery Tax able COGS	1,616.29	1,489.01	127.28
5045 · Health & Beauty Aids COGS	1,245.25	1,272.44	-27.19
5050 · Liquor COGS	717.09	992.05	-274.96
5055 · Produce COGS	6,248.23	6,202.36	45.87
5060 · Service Deli Hot & Cold-COGS	372.92	355.21	17.71
5070 · COGS Non Revenue	-43.00	0.00	-43.00
5000 · Grocery Cost of Goods Sold - Other	0.00	0.00	0.00
Total 5000 · Grocery Cost of Goods Sold	32,431.99	35,801.37	-3,369.38
Total COGS	32,431.99	35,801.37	-3,369.38
Gross Profit	19,147.81	22,226.10	-3,078.29
Expense			
4100 · Returns	1,441.19	1,795.63	-354.44
5200 · Cost of Labor			
5205 · Employee Benefits	100.00	100.00	0.00
5210 · FUTA & SUTA Payroll Taxes	310.43	443.39	-132.96
5215 · Payroll Taxes-FICA & Medicare	1,062.64	1,119.92	-57.28
5220 · Wages & Salaries	13,890.83	14,639.01	-748.18
5245 · Employee Discounts	293.37	464.68	-171.31
5200 · Cost of Labor - Other	0.00	110.00	-110.00
Total 5200 · Cost of Labor	15,657.27	16,877.00	-1,219.73
5300 · Governance			

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Accrual Basis

Yahara River Grocery Cooperative
Profit & Loss
June 2008

	Jun 08	May 08	\$ Change
5310 · Member Services	0.00	100.00	-100.00
Total 5300 · Governance	0.00	100.00	-100.00
5500 · Occupancy Expense			
5501 · Repairs and Maintenance	0.00	1,612.04	-1,612.04
5510 · Licenses	150.00	355.00	-205.00
5520 · Rent	2,400.00	2,400.00	0.00
5525 · Utilities-gas	162.98	379.98	-217.00
5530 · Utilities-Electric	2,660.45	565.75	2,094.70
Total 5500 · Occupancy Expense	5,373.43	5,312.77	60.66
5600 · Promotions			
5620 · Contributions	0.00	70.00	-70.00
5630 · Fund Raising	20.05	0.00	20.05
5640 · Merchandising and Promotions	0.00	19.75	-19.75
6510 · Advertising	1,559.08	1,284.28	274.80
5600 · Promotions - Other	0.00	190.80	-190.80
Total 5600 · Promotions	1,579.13	1,564.83	14.30
6000 · Administrative Expense			
6025 · Office Supplies	181.59	495.90	-314.31
6100 · Professional Fees			
6101 · Accounting Fees	0.00	562.50	-562.50
Total 6100 · Professional Fees	0.00	562.50	-562.50
Total 6000 · Administrative Expense	181.59	1,058.40	-876.81
6200 · Facilities and Equipment			
6220 · Equip Rental and Maintenance	481.25	488.77	-7.52
Total 6200 · Facilities and Equipment	481.25	488.77	-7.52
6400 · Operations			
6410 · Bank Service Charges	145.37	139.54	5.83
6412 · Global Pay STL	388.31	444.34	-56.03
6420 · Miscellaneous Expense	0.00	147.81	-147.81
6430 · Overs/Shorts	450.43	246.58	203.85
6440 · Postage, Mailing Service	7.77	93.18	-85.41
6450 · Printing and Copying	135.73	53.01	82.72
6465 · Small Equipment Purchases	34.04	0.00	34.04
6470 · Supplies	-1,230.41	737.61	-1,968.02
6480 · Telephone, Telecommunications	49.99	228.81	-178.82
6485 · Trash	223.89	310.27	-86.38
Total 6400 · Operations	205.12	2,401.15	-2,196.03
Total Expense	24,918.98	29,598.55	-4,679.57
Net Ordinary Income	-5,771.17	-7,372.45	1,601.28
Other Income/Expense			
Other Income			
6800 · Other Income			
6810 · Interest Income	0.00	71.32	-71.32
6800 · Other Income - Other	500.00	0.00	500.00
Total 6800 · Other Income	500.00	71.32	428.68
Total Other Income	500.00	71.32	428.68
Other Expense			
7000 · Other Expense			
7010 · Sales Tax PAID	27.90	249.09	-221.19
7050 · Interest Expense	1,960.51	1,880.52	79.99
7060 · Vendor Finance Charge/Late Fees	41.84	32.55	9.29
Total 7000 · Other Expense	2,030.25	2,162.16	-131.91
9999 · Ask My Accountant	0.00	25.12	-25.12
Total Other Expense	2,030.25	2,187.28	-157.03

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Accrual Basis

Yahara River Grocery Cooperative
Profit & Loss
June 2008

	<u>Jun 08</u>	<u>May 08</u>	<u>\$ Change</u>
Net Other Income	-1,530.25	-2,115.96	585.71
Net Income	<u><u>-7,301.42</u></u>	<u><u>-9,488.41</u></u>	<u><u>2,186.99</u></u>

TREASURER'S REPORT 6/30/08

	MARCH	APRIL	MAY	JUNE	TOTAL	%
Income						
Sales	\$78,739	\$65,907	\$61,290	\$58,089	\$264,024	100%
discounts		\$3,340	\$4,658	\$6,593	\$14,591	6%
COGS	\$54,075	\$37,703	\$35,801	\$33,873	\$161,453	61%
Net Rev	\$24,663	\$24,863	\$20,831	\$17,622	\$87,980	33%
Expenses						
Labor	\$21,379	\$18,870	\$16,877	\$15,657	\$72,784	28%
Occupancy	\$3,737	\$5,325	\$5,313	\$5,373	\$19,749	7%
Promotions	\$1,111	\$2,985	\$1,565	\$1,579	\$7,240	3%
Admin	\$300	\$406	\$496	\$182	\$1,384	1%
Prof Exp	\$808	\$1,195	\$563	\$0	\$2,565	1%
Equipm	\$552	\$535	\$489	\$481	\$2,057	1%
Operations	\$3,140	\$3,366	\$2,084	\$205	\$8,796	3%
Net Income	-\$6,364	-\$7,820	-\$6,555	-\$5,855	-\$26,594	-10%
Interest +/-	\$1,850	\$1,850	\$2,116	\$1,530	\$7,346	3%
Prof/Loss	-\$8,214	-\$9,670	-\$8,671	-\$7,386	-\$33,940	-13%

CASH \$59,010
INVENTORY \$90,000

EQUIPMENT \$230,783
IMPROV \$95,130

ASSETS \$474,923

PAYABLES \$62,000
TAXES \$4,500
BANK LOAN \$380,000
INVESTORS \$68,840

LIABILITIES \$515,340

ATTACHMENT 2 – Product Standards Policy

Yahara River Grocery Cooperative strives to make informed, fiscally sound and environmentally sensitive decisions about what products to purchase for resale to our community reflecting the needs of its membership. When and where possible, the following guidelines will be followed in making buying decisions at YRGC:

Buy foods and goods produced in the state of Wisconsin or within a 150-mile radius of Dane County and/or goods produced in the Midwest.

Buy products from independent suppliers and producers and from small business owners.

Purchase products that are produced by other co-ops.

Purchase organic products; i.e., foods and non-foods that meet the National Organic Standards Board (NOSB) criteria of organic products. When NOSB organic options are not available, or members request conventional products, we will provide other choices.

Purchase Fair Trade Certified products. TransFair USA, a 501(c)(3) nonprofit organization, is one of twenty members of Fairtrade Labelling Organizations International (FLO), and the only third-party certifier of Fair Trade products in the United States and those products certified to be Fair Trade by TransFair shall be deemed to be certified as Fair Trade for the YRGC.

Buy foods and non-food products produced in a sustainable manner. Sustainable production and farming refers to the ability to produce food and non-food products indefinitely without causing irreversible damage to ecosystem health.