

Minutes: Yahara River Grocery Cooperative Special Meeting

**Home of Jon and Myra Hajny, Stoughton, Wisconsin
6:10 p.m. – 7:30 p.m., Tuesday, July 29, 2008**

Board Members and Committee Chairs Present:

Myra Hajny (President); Norma Sampson (Vice President); Deb Piper (Secretary);
Marlene Widra (Member-at-Large); Laura Anderson (Membership);
Homer Howard (Senior Liaison); Jon Hajny (Research); Glen Timmcke (Product Buyers);

Other Committee Members Present:

Kristine Vaughn (Membership); Stephen Lawrence (Business Development)

Also Present:

Mike Markin (YRGC General Manager), Phil Caravello, Kevin Pomeroy

Myra Hajny called the meeting to order. The purpose of this special meeting is to discuss the 5% member discount and the viability of changing the discount to a member dividend, to be paid during the store's profitable years.

Stephen Lawrence started with some background. First, looking at what other cooperatives are doing with member discounts. Most co-ops say that a member discount is not the best method, creating a two-tier price structure. There was an article several months ago in the Cooperative Grocer newsletter, stating that a member discount is not a "best practice" for co-ops. With YRGC's one-time membership fee of \$75, it is relatively easy for people to recoup that investment quickly with the member discount.

Stephen continued with how a member discount affects the store's bottom line. Currently, member discounts cost the store approximately \$2,300 per month. He then continued that while changing the structure of member discounts to a dividend payout might be something that we should look at in the future; he does not believe it is the best idea to implement this at this time.

Laura Anderson stated that the Board could make the decision to change the member benefits because they are not part of the YRGC by-laws. However, she also does not believe that this is the best thing for the Board to do right now.

Jon Hajny raised the question about how dividends would be distributed, to members or to all customers? He stated that it is not clear-cut that the YRGC can distribute dividends to members only. This will require some more research on how other Wisconsin cooperatives are distributing dividends. The task has been assigned to the Research Committee to determine how this change would take place.

The general consensus of those present at this special meeting was that changing the member discount benefit is not a viable or preferable option at this point. It may be re-visited once the store's financial situation becomes more stable.

Norma Sampson suggested a test with members to determine if they would be willing to voluntarily relinquish their member discount to help the Co-op in the short term.

Myra will send a note to the board members who receive the additional 5% discount (for their service to the Co-op), asking them if they would volunteer to give up their additional discount to help the Co-op.

Laura suggested that the Co-op provide the members with a list of the cost-cutting measures that have been taken so far, including the actual costs.

Kevin Pomeroy stated that he has contacts with people at the Willy Street Co-op and believes that they would be willing to help out the YRGC. In fact, it is part of Willy Street's mission to help other co-ops. They have extra staff right now that might be able to assist. The question is in what form does the store need Willy Street's assistance? Myra will contact Willy Street's Board President to initiate those conversations.

Two questions were raised: What is our plan? (The YRGC plan for 1 month, 6 months, 1 year, etc.). What is our potential? It will take all members to reach that potential. And sometimes sacrifices have to be made now in order to reach the goals down the road. The board needs to keep communicating with members about the store's long-range plans, what the store could grow into and how everyone plays a part in those plans.

On MOTION (Widra/J. Hajny) and unanimous vote, the meeting was adjourned at 7:25 p.m.

Respectfully submitted,
Deb Piper
Secretary
Yahara River Grocery Cooperative