

**Yahara River Grocery Cooperative
Board of Directors Meeting
Giles Dow Room
381 East Main Street, Stoughton, Wisconsin
6:00 p.m. – 7:30 p.m.
Thursday, May 13, 2010**

Present:

President: Absent

Vice president: Laura Anderson

Secretary: Absent

Treasurer: Absent

Directors: Todd Cieslak, Wade Moder, Spencer Warren, Eric Borchardt

Excused: Warren Kmiec, Regina Hirsch, Dave Sharpe, Deb Piper

Also In Attendance: Jeanine Holzmann, General Manager

Call to Order: The Vice President called the meeting to order shortly after 6:00pm

Minutes: There were no minutes to approve

Treasurer's Report: Laura reported that Deb had said we're spending \$10,000 on inventory but those in attendance didn't know where from. We think future sales but we need this clarified by Deb. Laura also reported Deb wants the board to meet on our financial situation to dive into it deeper. We had a \$12800 week the week prior to Syttende Mai. There is an error in the reports of a \$16,000 loss in January. This needs to be explained. Our aging payables have gone down little by little over time.

Operations (Jeanine's report reproduced below)

Nothing very new is going on. We are busy getting ready for the Syttende Mai weekend. Most everything has arrived with a few left to come in. Prep work is kicking into high gear. The deli is still performing well. Today we have gifted Lora with a \$100 YRGC gift certificate to thank her for what she is doing. We are considering a pay raise for her. Lora has contacted the health department about how we are using the kitchen and we will be communicating with Mike from the health department to assure that we are legal in our choices of how we use our kitchen. We the staff are requesting that we limit ourselves to 2-3 events per year. Putting these events on takes a great deal of time, resources, and effort; and we would love to focus on running a grocery store well. We received a letter from the bank denying our request for \$30,000 to increase product and marketing. So now we need to make plans for our future. Weekly sales continue to climb and membership is growing. We need to form a plan on how to continue.

Other notes related to Jeanine's report: Alcohol and deli are the best selling items. Everything in the store sells now, there is no dead weight. Willy Street Co-op's basket is \$17. Ours is not that different from that, meaning it comes down to getting more people to shop. Laura asked for the number of transactions per day and the average basket, which Jeanine will look into.

Events Committee report: Wade reported that the East Meets West meal drew in 22 people and that it was a great meal. The estimate return is \$250 in profit. For Syttende Mai we now have enough volunteers (many signed up at the last minute).

Membership Committee report: Laura indicated we now have 1012 members.

Personnel Committee report: Laura spoke for the committee in indicating that we're missing Jeanine's review from two directors.

Marketing Committee report: Face book page is up and running with 61 fans. Eric is updating it with information from the enewsletter every other day or so. Eric discussed supporting Syttende Mai with signs from Norma. Eric brought up that the committee was wondering if we'd be interested in doing the Viking Chili Bowl again. In light of Jeanine's comments, it might not be worth the effort. We are looking into Constantcontact.com as the way to more efficiently do our enewsletters. Deb has offered to pay for the first three months at \$30/month. Eric has offered to pay for the next three months after that. The committee has not met for a few weeks and needs to schedule another meeting.

Research Committee report: (Regina's report reproduced below)

Here is the update from Joshua Robinson, lawyer and friend of Olivia Parry.

Regarding setting up a Friends of the Yahara River Grocery Coop non-profit: Yes we could set this up. BUT we need to be very careful of how it is run. This non-profit would have to have a **separate** board of directors, bank accounts, etc. from the YRGC. It is imperative that this non-profit be a separate entity from the coop otherwise we in BIG trouble with the IRS!!

The non-profit sole purpose would have to be educational. For example, the non-profit could sponsor cookouts, dinners, lectures, etc.. That pertains to local and organic products to educate the public about them. We would have to be very careful if we use any non-profit money for marketing -- could only market the lecture series, cookout if had a sustainable/local/organic educational component to it. The non-profit could **not** directly promote the store.

If we decide to go the non-profit realm - I would be more than happy to fill-out the paperwork as I have experience with that for my own non-profit.

The other option that Joshua suggested was to find an existing non-profit in Dane County that has a similar mission. We could use them as a Fiscal Agent (Umbrella Organization or Sponsor) that way we could start writing for non-profit grants ASAP instead of waiting for our non-profit paperwork to go through the state and then through the feds. For example the Wisconsin Partners for Sustainability (<http://www.wiscpsa.org/about>) may be OK with allowing us to work under their organization for grants. The only downside of working under an existing organization is that we would have to pay them a percentage of the grant -- usually 5-20% (no free lunch -- ever). Joshua stated that if we need additional help with this -- to give her a call (I do not know if she would do it pro bono).

YRGC Volunteer Grocery Delivery: I asked Joshua about the liability of having YRGC volunteer deliver groceries to other members. She stated that we need to talk to the YRGC insurance agency, to see what is currently covered and if we need to expand our policy to include deliveries. She suggested that we perhaps have a designated car that has

a record of good maintenance and owner vehicular insurance. But regardless we need to have this new rider included in our current insurance policy.

Regarding other grants: At this time, regarding other grants I sent a list of potential places and opportunities to Spencer to check on. I believe he wasn't going to talk with anyone until we knew what type of corporation we have. With regards to that Deb just sent me that the YRGC is an 1120-C Income Tax Revenue for Cooperative Associations and we are Chapter 185 for WI Articles of Organization. Neither of which would allow us to apply for any non-profit type grants.

Raffle for YRGC: I finally got a hold of the person at the Wisconsin Raffle License place and she said that only non-profits or not for profit organizations can receive a license. The way that taverns can have their "Meat Raffles" is because they are sponsored by the State Tavern League (a non-profit organization).

Other business: The group Chickens In Stoughton? approached Laura about having a table outside the store during Syttende Mai. Discussion ensued and all felt it was not appropriate at this time to allow groups to have a table at our events outside the store. It could open the floodgates if we don't have a policy. Eric **motioned** to table the discussion and to have the board consider a policy for this type of situation. Todd seconded. **Motion carried.**

Laura **moved** to adjourn, Todd seconded. **Motion carried.**

Eric Borchardt, Ad Hoc Secretary

Next Board Meeting:
6:00 – 7:30 p.m.
Thursday May 27, 2010
City Hall - Giles Dow Room
381 East Main Street