

**YELM FOOD CO-OP
Board Meeting Minutes**

Phoenix Rising School
January 11, 2012

Next meeting is Wednesday, Feb. 8, at 6:00 pm at Phoenix Rising School.

Members Present: Bill Wyman (President.), Aaron Rodriguez (Vice Pres. and Treasurer), Marilyn Reardon (Secretary, Danielle Graham

Members Absent: Fran White

Guests Present: Tom Dewell, Andrea Levanti

Meeting was called to order at 6:08 pm by Bill Wyman.

Meeting Minutes

- December minutes were approved.

Board member resignation

At the outset of the meeting Bill received an email resignation from Fran White. It was accepted and will be final 30 days from now.

Policy and procedure - Marilyn

Danielle moved to accept the new Incident Reporting Policy and form; Aaron seconded. Passed unanimously.

Action: Marilyn will review them with the Operations Committee next week.

Operation Committee Report

- Bill presented a new communication/reporting structure for committees' interface with the Board. The committees do the research and prepare recommendations. For example, Aaron and Marilyn, as Board representatives on the Operations committee, present the recommendations of the committee to the Board. This will help incrementally move the Board out of daily operations.

Bill moved to adopt; Aaron seconded. Passed unanimously.

- Marilyn reviewed status of computer data safety project. It should be fully implemented by the end of January.

RSE Annex

The Annex can continue if the following conditions are met:

- The person is a volunteer, not a contract person. The co-op cannot make money when paying for this service. Bill reminded us that only the Board president is authorized to sign contracts.
- Inventory taken out and returned is strictly recorded.

Action: Aaron will contact Debbie re: how this should be done.

Treasurer report

- Billy Gordon, CPA, gave a quote on restructuring the chart of accounts. He usually charges \$80/hr. He will charge us \$60/hour. He would charge a total of \$2400 to reorganize, simplify and make useful the chart of accounts. Additionally, he would train Judy Holsinger, YFC bookkeeper on QuickBooks for 10 hrs. at \$60/hr. Discussion ensued. The decision at this time is to allow Danielle and Tom to do the restructuring of the chart of accounts so that it clearly supports the new organization. We do not want a "turnkey" solution; it must be customized. The Board may call on Billy in the future, if needed.
- Debbie Burgan has requested 10 hrs. of consulting time with the National Business Machines to gain additional training and customizing the POS. Danielle moved to approve; Bill seconded. Passed unanimously. Bill reminded us that the managers can authorize expenditures up to \$500.

Strategic Planning Committee report

- To reduce confusion in emails, SPC will identify its emails with SPC in the subject line.
- The committee will use the structure approved at the beginning of this meeting to interface with the Board. They will make recommendations, report and comply with Board directives as required.
- There are currently 3 programs being tracked and developed by the committee – store, farmers’ market and community garden. There was lengthy discussion of the farm-direct-to-store future direction. Trinity Farms will be contacted. The YFC will begin with local contracts first and then move outward. Danielle has excellent experience to carry forward this new direction. There may be 2 separate skill sets – one for grocery buying and one for farm-direct buying. If a produce manager is hired in the future, he/she would be the logical person to develop farm-direct buying.

SPC 1023 Application update

- Tax returns do not need to be attached to the 1023.
- An expedited approval takes 2 months.

Action: Tom will complete a depreciation estimate.

- Before we submit the 1023 to the IRS, the Board secretary must re-file the articles of incorporation with the state of Washington. This is then attached to the 1023. All original and revisions to the original legal organizing documents are required to be submitted with the 1023.

Community garden report – Andrea

Andrea stated she needs to hand off The Gift of Gobble to someone else so she can devote time to the community garden project. She created a procedural guideline that is available for the person who assumes this project.

- She is thinking about events that can bring community involvement and dollars to the garden project. There could be a “Celebrate the Kick Off of the Community Garden” event – tentative date is April 7th. April is National Gardening month. There would be a 9:30 am potluck breakfast, then a viewing of the movie “Dirt”, then the building of beds would begin at 12N.
- An August event could be a “High Summer Feast” as a fundraiser for the greenhouse.
- She will be meeting with Daniel Coverdale on Tuesday re: how Intel set up its sponsorship of a community garden.
- A volunteer crew with serious garden experience is needed. Andrea will take the lead but needs others to assist. Possible crew members are Barry Russell and Jeb Thurow.
- It is important to remember that this is a distinct program separate from the store. It will have its own bank account.
- 50% of the food grown in the garden will go to the local food bank.
- The Time Bank wants to work with us in some way, perhaps by volunteering with us.
- In regard to liability insurance for garden workers, Breckan has advised in the past that insurance companies can be negotiated to design policies for a specific purpose. They are looking for business.

Aaron moved to approve the community garden program. Bill seconded. Passed unanimously.

Treasurer’s Report – Aaron and Board

- Aaron handed out the 2012 budget.
- It was noted that once the 501c3 determination letter is received, donations may be tax deductible retroactive for 27 months prior to that date. This needs to be confirmed by a tax specialist versed in non-profit organizations.
- Once determination is received, we will go for grants. Once the organization is at the \$100,000 grant level, an executive director could be hired.
- The goal is that each program under the umbrella of the new organization is financially self sustaining as immediately as possible.
- Aaron and Danielle will create the new reporting structure to give to Billy Gordon. Target date: 1/18. This structure will reflect the new 501c3 organization. Because of different markup levels, Buy Club wine, general groceries and farmer direct categories need to be separated out.

Action: Aaron will develop a budget for the 1023 by 1/18.

Action: Aaron will create a reconfigured layout for the P&L by 1/18.

Action: Aaron will create a 90 day – February through April – operating budget by 1/18. Board will respond with comments within 48 hours.

Strategic Planning Committee report – Tom and Danielle

Relocation

- Five locations have been viewed. Blockbuster, (\$6000/mon); Hertz, National Auto Parts, Dollar Store, Parker Paints.
- A draft layout for the Dollar Store was shown.

Discussion ensued. The committee members asked the Board for approval to go to Phase 2 in the new location search. Marilyn moved, Bill seconded. Passed unanimously with the caveats from Bill and Aaron that a detailed budget and source of funds is identified and presented to the Board. Both Bill and Aaron have significant reservations about cash flow and the amount of effort involved in relocating.

Inventory Reduction

This was a long discussion.

- We need a list of items that are not moving sorted by department. The next step is for the Board to set the discount percentage for each department.
- The target dollar amount to be recovered from the reduction sale is \$20,000.
- The target level of store inventory should be the same as the purchasing level, approx. \$35,000 - \$40,000 per month.
- Our average markup is 38.6%. It is crucial that we stay about the 10% profit level zone.
- Our reports need to account separately for Buy Club, Wine Club, general groceries, farmer-direct purchases, etc. because there are different markups for each. Danielle recommends that the markup on processed food be lowered to 40% - but only this category.
- A date for the sale needs to be set after consulting with managers.
- A POS key needs to be created to track sale inventory sales; requires interfacing with Debbie.

Action: Bill will ask Debbie to identify non-moving products by 1/16.

Action: Marilyn will contact Andrea to change the cinema ad to promote the sale once a date is set.

Danielle moved; Aaron seconded that the Board approve a reduction in inventory to \$40,000. Passed unanimously.

Buyer Position

Marilyn moved; Aaron seconded that the Buyer position that Florence Vincent is retiring from be offered to Gary DiDonato as a 20 hour position. Gary will be on a 90 day probationary period, as is common in organizations. The remaining 10 hours will be given to Sarah Morgan as shift lead. Danielle will train Gary so he is aligned with the new vision, mission and goals of the co-op.

Action: Marilyn will make the job offer next week.

Action: Marilyn will communicate this to store staff and Judy asap.

Upcoming Membership Meeting

Bill will introduce the vision; Danielle will present the CSO structure; Aaron will present the new annual membership structure and its benefits.

Marilyn moved to not ask membership to vote on the new direction; Aaron seconded. Passed unanimously.

Meeting adjourned at 10:50 pm. Submitted by: Marilyn Reardon, Secretary.

Accepted:

Bill Wyman, President

Aaron Rodriguez, Vice President