

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

Phoenix Rising School
February 9, 2012

Next meeting is Thursday, Mar. 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, member

Members absent: Fran White

New potential Board members present: Tom Dewell, Gretchen Anderson, Lois Willman

Meeting was called to order at 6:02 pm by Bill Wyman.

Meeting Minutes

January minutes were approved.

Welcome

Bill welcomed Tom, Gretchen and Lois to the meeting.

New Board member voting

Marilyn moved; Aaron seconded that Tom Dewell be accepted as a Board member. Passed unanimously.

Bill moved; Marilyn seconded that Lois Willman be accepted as a Board member. Passed unanimously.

Aaron moved; Danielle seconded that Gretchen Anderson be accepted as a Board member. Passed unanimously.

Board member final resignation

Fran White's resignation is final as of tonight.

Danielle Graham resigns as of tonight. Marilyn moved to accept; Aaron seconded. Passed unanimously.

Appointment to Advisory Board

Bill moved; Aaron seconded that Danielle take a position as a food consultant on the Advisory Board. Passed unanimously.

Financial report - Bill

1) Approximately \$3000 of the insurance check received as a result of power outage product losses will be placed in the inventory reduction accounting line. This accounts for frozen items that are not going to be reordered.

2) To orient the new members, Bill reviewed the P&L monthly comparison chart and explained what cost of goods sold means. There will be a physical inventory in the beginning of April.

Treasurer's report - Aaron

1) Aaron presented changes in employee compensation for Board adoption as follows:

- These changes would add \$1400/month to payroll expenses.
- Both managers will be moved to an annual salaried position of \$22,000 for their 28 hours/week. They will be exempt employees. Paid vacation time will be 28 hrs.
- The shift lead position rate will be increased to \$12/hour and be a 24 hr/week position. Paid vacation will be 24 hours.
- The buyer position rate will be increased to \$14.00/hr. for a 20 hr. position. Paid vacation will be 20 hrs.
- The 20 hour IT contract position rate will be increased to \$1083.33/month - \$13,000/year.
- At a future date, if needed, there will be a paid cashier position added. The rate will be the WA minimum wage of \$9.04/hr. and will be a scheduled 18 hr/week position.

Bill moved to adopt; Marilyn seconded. Lengthy discussion ensued which was centered around the feasibility of the revenue of the store being able to support these raises. Passed unanimously.

No dates were established for these changes to be implemented.

2) The monthly P&L was not handed out. By April Board meeting, we will have accurate P&L's. However, Danielle is confident that there is approx. \$15,000/week sales in the store - \$60,000 sales/month. The weighted markup is 35%.

3) The 90 day budget was not handed out. Aaron did not feel the numbers were solid enough yet.

Action: Aaron to develop a 90 day budget and an accurate P&L.

- 4) The inventory reduction sale dollars will not be placed in the working capital fund.
- 5) Annual membership fees will go to the Yelm Cooperative general fund, once the 501c3 designation is received. The general fund's dollars will then be allocated out to the various programs existing under the umbrella Yelm Cooperative.
- 6) The store currently loses money on the Buy Club. There will be a revision in the markups.

Operation Committee Report

1) Bill presented a new communication/reporting structure for committees' interface with the Board. The committees do the research and prepare recommendations. The Board representative(s) on the committee will present the recommendations to the Board before the meeting date via email. This will allow for quick discussion and voting and help incrementally to move the Board out of daily operations.

Bill moved to adopt; Aaron seconded. Passed unanimously.

2) The Annex at RSE will not be open at the February event. A policy needs to be developed and training needs to occur on ScanGenius for the person running the Annex. The person running the Annex must give their time as a working member, not be financially compensated. This is the only way the Annex can make sufficient revenue to warrant running it. If details can be worked out, the Annex may open for the March event.

Action: Bill will talk with Rebecca Galbraith.

Strategic Planning Committee – Tom and Danielle

1) The 1023 application will be submitted by March 2.

2) The purchase agreement for the Vancil Road property expired at the end of January. The SPC and Andrea Levanti have met several times with representatives from the Our Redeemer Lutheran Church, which owns the property, regarding working cooperatively to establish both an educational garden area and proposed Farmers' Market. The space designated by the church for these uses is approx. 48,000 sq. ft.

- A basic site plan was given to the city this morning by Danielle.
- There is a pre-submission meeting with the Yelm Community Development Dept. on Feb. 22nd. to discuss the details of how to move forward with the project.
- The Farmers' Market is considered temporary use.

However, the Board agreed that an interim (1 -2 year) location for the store is necessary because the number of members and products sold have greatly outgrown the 750 sq. ft. store space.

- Bill has been contacted by Kellie Peterson of Gordon's re: a potential sublease for the gift shop building and white house that contains offices. The rent for the gift shop building is \$1850/mon. The white house rent is \$650/mon. The parking lot would be striped by Kellie to accommodate the required number of cars. The couple in eastern Washington who owns the building has never raised the rent the whole time Kellie has been there. To reduce stress on her employees, Kellie requests total confidentiality until a decision is made. There will be a walk through of the facility by the Board at 6:15 pm on Friday night, after Gordon's closes.
- The other potential site is the former Dollar Store in the Nisqually Plaza at the end of the mall. To afford this, the landlord would need to accept a sq. ft. price of approx. 50% less than the asking price and with a term substantially shorter than the standard 5 yr. lease. The real estate agent representing the co-op thinks the attempt should be made but it is unlikely to be accepted.

Other business

1) Wine Buy Club - Bill

Sandy Macauley's 90 day trial for running the Buy Club has ended. Sandy has had a meeting with Bill and Danielle re: the new criteria that she will need to meet and is thinking about it. The new criteria were put in place because, in reviewing the numbers, it was found that the store loses money under the current conditions. Any votes regarding the situation were tabled.

2) Inventory reduction sale – Danielle

- There is not \$25,000 in inventory to be reduced. A more accurate figure is \$15,000 (at the purchased price).
- Pricing for the sale will begin Sunday at 10:00 am. Six people are needed – 2 people per pricing gun. Lois, Gretchen, Bill and Marilyn from the Board agreed to participate.

3) The final tally for the January 28th special membership meeting is 107 yes; 7 no. It was a resounding mandate from the membership in favor of the new direction. Aaron moved to approve the new voting procedure. Bill seconded. There was no discussion. Passed unanimously.

4) Danielle's contract as Buyer Consultant will begin February 10th and end April 13th with the potential to renew at the Board's discretion. She will receive 5 payments of \$700 for a total of \$3500. Aaron moved to accept the contract; Bill seconded. Discussion ensued regarding the amount paid was small, based on the amount of work involved. Passed unanimously.

5) New annual membership start date

It was decided that Aaron and Marilyn go to the Ops committee for them to present recommendations for the rollout to be done via email so it is not delayed until the March Board meeting.

6) The store received a request from the Rainier Education Foundation for a donation for their "Dollars for Scholars" benefit. Marilyn will take the request to Ops committee for them to handle. A food basket was suggested as a potential donation item.

7) The second Thursdays of the month are now the new permanent Board meeting date. It will be continued to be held at the Phoenix School.

8) Danielle has been in contact with a coalition of farmers in eastern Washington in the Yakima area. She will travel there with Jair Robles who has connections with them to begin conversations with them about farmer-direct custom growing orders for grains and beans. The head of the coalition was extremely enthusiastic about the possibility of receiving contracts for custom-grown items.

9) Tom reported on conversations he's had with the First West Coast Bank in Seattle that specializes in loaning to cooperatives, non-profits and community service organizations. This is exciting news re: future growth potential for the Yelm Cooperative, once the 501c3 designation is received.

10) Bill wants a financial training day for Board members so we all speak the same language. All agreed it will be valuable. Danielle suggested one of the financial people might be invited as the instructor from the bank in Seattle or Bellevue that are focused on coops. Managers also need financial training and that will be planned in the future.

11) Lois mentioned that there is a potential new Treasurer, as Aaron has been given a full time position with PRS. Her name is Gay Taylor. She held a high financial position at Beringer Wineries and has moved into our area. She is highly competent. She currently works 20 hrs/week at St. Peter's Hospital in Olympia.

12) Marilyn mentioned that Carol Franks, a competent new working member has agreed to take over the Gift of Gobble from Andrea. Carol has just moved into the area and is settling in. She formerly was office manager for her husband's medical clinic in Minnesota and managed 35 people. She also coordinated similar food basket programs and really enjoys it.

Adjourned at 9:03 pm.

Bill Wyman, president

Aaron Rodriguez, vice president