

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

Phoenix Rising School
March 8, 2012

Next meeting is Thursday, April 12, at 6:00 pm at Phoenix Rising School.

Members present: Bill Wyman, president; Aaron Rodriguez, vice pres. and treasurer; Marilyn Reardon, secretary; Tom Dewell, member; Gretchen Anderson, member; Lois Willman, member
Advisory members present: Danielle Graham

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

Meeting Minutes

February minutes were approved.
February 29 special minutes were approved.

Financial report – Bill and Tom

- 1) Bill and Tom showed the Board the revised P&L statement. It needs to be understood in the total context of the store's financials. Tom showed the Jan/Feb comparison. The P&L is much improved over the former P&L statement but will continue to undergo refinements.
- 2) When store taxes are filed by Doug Littlefield CPA, a complete P&L will be designed for each new program.
- 3) Many metrics will be designed to capture the financial health of each program. The goal is for the Board to have an accurate view to ensure the ongoing financial health of each program.
- 4) Tom handed out a 120 day budget for review.
- 6) Wine Buy Club will be priced at 30% over cost, with no further discounts to anyone.

Strategic Planning Committee Report – Tom, Bill, Danielle

Gordon's relocation

SPC has submitted a store layout and business plan to the Yelm Community Development Department showing YC's proposal for use of the Gordon's Gift Shop. A pre-application meeting with the city is scheduled for March 14th. The YC's proposal has the YFC taking over all sales, both Co-op's and Gordon's gift shop, so that the city sees this as single use of space, not shared usage. Shared usage triggers a new development process with greater associated costs. If both the city and Kellie Peterson accept YC's proposal, we can move in April 2012.

Vancil Road Property

Tom met with Bill Hartel, the owner of the Vancil Road property on Feb. 21. It continues to be a potential building site for a future Co-op structure. Its current taxable value is \$350,000, down substantially from last year. There is a possibility for a lease-to-own contract. Bill proposed a monthly lease of \$1400-\$2000/month. The property contains a 48'x36' steel shed, currently rented to Rite Aid for storage. If YC leases the property, the lease income from the shed accrues to the YC, approx. \$23,000/year. The Board needs to make a decision within the next 90 days or we may lose the lease-to-own option. There is a great potential synergy between this property and the adjacent Our Redeemer Lutheran Church property where the Educational Garden and Farmers Market are planned.

New Programs – Educational Garden

Tom handed out a projected budget for the Educational Garden program. (See attached.) The Educational Garden needs \$25,000 upfront and \$50,000 to run.

The SPC has had a pre-application meeting with the Yelm Community Development Department where an initial site plan and business plan were submitted. The Development Department has given SPC a document outlining requirements such as ADA-compliant access, water usage and landscaping. The largest issue is water usage. This could be metered through a YC meter which is costly to install, or through a shared usage agreement with ORLC.

A barrier at this point is that the ORLC site would be considered by the city to be a new usage of land, requiring a site plan review process and a special use permit requiring public notification and comment. This process takes 8-12 weeks. This delay would cause us to miss the planting window for long term crops but we could plant short term and overwintering crops. The garden will be built by the people who are being educated, as part of their education. The

educational garden is a long term commitment - it will have many permanent features, including fencing, irrigation, sheds and garden beds.

Program Director Andrea Levanti has developed the site plan, mission statement and initial budget to be submitted to the city the week of March 12-16. If the public hearing goes successfully, SPC estimates breaking ground could begin at the end of May.

New Programs - Farmers Market

Tom handed out a very preliminary budget for the Farmers Market based on Tacoma Farmers Market data. The initial plan is to locate it adjacent to the Educational Garden on the ORLC property. This does not require a special use permit; it is considered "special event usage". The largest hurdle to date is finding a Program Director. However, a local farmer has contacted SPC and is very interested in spearheading the project as Director. SPC will meet with her the week of March 12. The target date for opening the Farmers Market is end of May/beginning of June.

IRS 1023 Application

The IRS 1023 application is close to completion. Once updated bylaws are adopted by the Board and the new Director names are filed with the Secretary of State's office, the application can be sent. Lois and Marilyn will complete by March 14.

Fundraising Report – Tom, Bill

- 1) Victoria, Jennifer Braun, Danielle and Bill will be designing a highly professional fundraising plan and materials to raise funds. The goal is to have 20 people donate \$20,000 each. Victoria will develop the materials; Jennifer will make the contacts.
- 2) Tom got a call from a local person who has been a professional grant writer. She may expect to be paid but a grant can pay that cost. She might possibly offer services pro-bono.

Operations Committee Report

- 1) All existing memberships have been uploaded to the POS.
- 2) Membership applications will be available on the website as well as the store.
- 3) On Sunday, March 4th, staff were trained on the POS for the April 1 transition.
- 4) The RSE Annex will be taken down on Sunday, March 11 by Bill, Danielle, Lois, Gretchen and Marilyn. Lois has a 12 ft. trailer and Bill has the tools. The tent will be stored at Lois' house; the equipment will be stored at Marilyn's house. Marilyn will coordinate with Kerri G. at RSE.

Inventory Reduction Sale - Danielle

- 1) The sale has yielded \$8,000 as of 3/8/12 plus \$3,000 held in reserve from insurance claims for items lost the freeze, as these particular items will not be re-ordered.
- 2) 15% of store space is stocked with gluten free products. 50% of gluten free products sit on the shelf for 3 months.
- 3) Historically, sales go much better in springtime. Danielle and Gary will create spaces on the shelves for sales-only items and look at lowering prices further to generate faster sales income.
- 4) \$20,000 at retail price is a more accurate figure for the original total inventory needed to be reduced. There were non-sellable items due to expired dates, so this further reduces the \$20,000 figure.
- 5) It is absolutely crucial to the financial stability of the store to create links between the POS system and all aspects of store operations. . Scan Genius can work in synch with the store's POS. The POS system has tremendous capabilities but has never been properly utilized. This is of the highest priority in the coming months

New Staffing Structure - Danielle

- 1) Danielle recommends the following:
 - (1) Store Manager – will report to the Board; must get Board approval to introduce a new product line; manager becomes the buyer. Buyer position is eliminated.
 - (3) Floor Managers – replaces the 2 current co-manager positions and 1 shift lead position
 - (1) Tech Support – replaces the current contract position and will not contain the term "POS" in the title.
 - Gary DiDonato is offered the Store Manager position
 - Current staff are offered the new positions; Debbie is offered the Tech. Support position. All will be managed by the Store Manager who will have the authority to remove anyone who cannot perform to needed standards.
- 2) Next steps:
 - Dissolve Operations committee and replace with regular staff meetings conducted by the store manager.
 - Develop job descriptions for each position.

- Develop pay structure, including hours, for the new positions – Aaron will produce by tomorrow, Mar. 9th .
- Identify target date of implementation of the new staffing structure and hours needed for the manager position.
– Danielle

3) Votes:

- Marilyn moved, Tom seconded that the new staffing structure be adopted. Passed unanimously.
- Gretchen moved, Lois seconded that Gary DiDonato be offered the promotion to Store Manager. Passed unanimously.
- Marilyn moved, Gretchen seconded that the Operations Committee be dissolved and replaced with staff meetings conducted by the store manager. Passed unanimously.

Bylaws

1) Lois reviewed all previous meeting minutes. She found bylaws passed by those Boards but not recorded in the formal set of Co-op bylaws. These have been added to the formal set of bylaws to be submitted with the IRS 1023 application. We previously received via email the new document that shows the additional bylaws. Aaron moved, Gretchen seconded to adopt the revised bylaws. Passed unanimously.

2) Lois will now begin work on recommending changes to the current bylaws and properly formatting the bylaws document. She will complete this work before the April Board meeting.

New Business

1) The Board is committed to increasing its knowledge of non-profit board membership. Books are being read and there is potential for future training sessions.

2) Lois will coordinate the Co-op's participation in the Yelm Home and Garden Show in April.

3) Marilyn will coordinate the Co-op's participation in the Prairie Days parade.

Adjourned: 9:40 pm

Bill Wyman, president

Aaron Rodriguez, vice president