

YELM COOPERATIVE

Meeting Minutes
March 13, 2014
Rosemont Retirement Center

Next meeting is Thursday, April 10 @ 6:00 pm at Rosemont Retirement Center

Directors present: Bill Wyman, president; Barbara Morando, vice president; Tom Dewell, treasurer; Marilyn Reardon, secretary; Terry Kaminski, director; Jeevan Anandasakaran, director

Program managers present: Barnaby Rintz, YFC general manager; Karen Rae, FM manager

Meeting was called to order at 5:58 pm by Bill Wyman.

Meeting Minutes

February 13, 2014 monthly meeting minutes were approved.

YFC general Manager Report – Barnaby

YFC financials were reviewed. There was net income of \$4127 for February, which is 2.51% of sales.

- Monthly sales (total) = \$78,395
- Daily sales (average) = \$2800
- Average basket size = \$23.22
- Net profit margin = 9.17%
- YTD total sales = \$164,687
- # of in store working members = 33; gain of 6
- gain of out of store working members = 1 (new Board member)
- Extraordinary maintenance cost = \$1013 – February for more sample trays; LogMeIn software; new office chair
- Capital expense = January - \$109 for scanner unit for POS shell in office; March - \$1460 for deli scale/printer and upgrade to Keystroke.

Marilyn requested a few minor changes to the formatting of the metrics' report for easier viewing. Barnaby will make the changes for the next Board meeting.

In February, the store closed for a day due to snow. The new scanner makes easier the adding, updating and printing of labels. The deli scale/printer will improve ability to price per pound items, including bulk items that will be packaged into bags and then labeled. The upgrade to Keystroke allows staff to share financial data with Quickbooks. The sample trays allow for an increased number of products that can be sampled at one time. LogMeIn allows Debbie to communicate with the computers in the store from a remote location.

Barnaby has submitted a bid to the Board for a new produce case. Bill has talked to Key Mechanical re: the costs for putting the compressor outside vs. inside. There may be a less expensive way to put it outside. Barnaby will ask Key Mechanical for a bid that identifies the major areas of cost, not just a one-number bid as they have done. Before the chiller is installed, the air conditioner will need to be flipped with the louvered vent so the new chiller does not block airflow of the air conditioner. In addition, the mezzanine will need to be taken down and located near the front door.

Bill feels that he and others can complete the mezzanine work for much less than an outside contractor. The RCW allows for Board members to be paid for work if their bid is no more than the usual and customary rate. Bill's bid will be substantially lower than an outside bid. Barnaby has not yet researched electrical or plumbing bids. Overall, we should plan for the new produce chiller costing in the \$28,000 - \$30,000 range. Bill and Barnaby will present the full bid, including electrical and plumbing, at the April Board meeting.

We discussed what is the best institution for an equipment loan. Tom will talk to Twin Star CU and will also research One Pacific Coast Bank and other loan institutions in the area. The Board would like to keep the loan in a local/nearby regional institution if rates are comparable. Barnaby was asked about the payback period for such a loan. At about 8% interest, it would be approx. a 7 year payback period. Bill will also talk with an individual who may be wanting to loan the store the money for this. It was noted that the Board should keep an eye on total debt load as part of their fiduciary responsibility.

In the financial metrics for the store, Barnaby added gross margin ratios as well as net margin ratios because the current financial structure treats working member discounts as a gross margin loss by subtracting it from sales instead of counting it as an expense. Also, Buy Club purchases were counted as an expense instead of 'sales shrink'. Both of these allow for a more accurate view of actual sales margins.

With that perspective, the store is performing quite well. However, there needs to be continued improvement to reduce product loss due to being out of date.

Barnaby is fine with the Board taking a major role in developing a marketing plan but asked that no detailed plan be developed before a marketing survey is held. The survey results will drive many aspects of the plan. Barnaby feels a first draft should be a simple outline.

Farmer's Market Report – Karen

- Facebook, the FM website and the email account are reactivated.
- Bill and Karen met with Glen Schorno and the lease is confirmed for this season at Nisqually Springs Farm. Due to potential sale of the farm, future potential sites will be investigated.
- The YFM oversight committee had its inaugural 2014 season meeting. Vendor policy and guidelines were reviewed, as well as the application form. Market dates are May 11 – October 26th. Initial times will be 10 am -2 pm; closing time will be extended to 3 pm during the height of the season.
- The WSFMA (Washington State Farmers Market Assn.) application has been filed.
- 2014 Vendors Policies & Guidelines and Application forms have been sent out to 76 farmers and artisans from the database. The documents are also available on the FM website and at the Co-op & are advertised through Facebook.

- The county has granted a variance to allow fast food vendors at the market without the need to provide a plumbed bathroom. Karen has approached Arepa who has confirmed interest in testing the market and L&J Burgers who have not yet responded. La Gitana has expressed interest in participating in the market and Karen is meeting with them this week.

Karen has started the application process to become SFMNP (Senior Farmer Market Nutrition Program) certified. SFMNP provides low-income seniors with coupons that can be exchanged for eligible foods (fruits, vegetables, honey, and fresh-cut herbs) at farmers' markets, roadside stands, and community supported agriculture programs. She is waiting on confirmation that the local WIC clinic is willing to administer the program here in Yelm. Marilyn will send Karen contact information for Nola Leyde, interim director of the Yelm Adult Community Center (Senior Center). Tom will send Karen Cindy Marshon's contact information. She is the director of UCBO.

- Karen has also begun the process of becoming SNAP (Supplemental Nutrition Assistance Program) certified. This will take up to four weeks to process. The DSHS will support the market in getting its own POS equipment that will enable the market to wirelessly and securely accept EBT/debit/credit cards. This hardware, along with up to two years' airtime, is a federal government gift. The FM will have to pay transaction fees only. Both the SFMNP & the EBT/credit/debit services will require a lot of communication and education for vendors and customers, plus extra man-hours for market administration. However, Karen sees vast benefits - financially, by increasing the accepted currencies, and, in accordance with our mission, the FM will be encouraging access to fresh, nutritious local food to a broader spectrum of our population.
- Karen will be attending a free 3 hour conference on *Cross-Cultural Success at Your Farmers Market*.

Marketing

- Facebook 'likes' are up from 943 to 1055 (+12%). Facebook is a very effective means of getting ourselves known in the marketplace. My target is 1500 by the peak of the season.
- Karen is focused on getting the market listed in as many on-line resources as possible. We will also be listed in the WSFMA directory and the South of the Sound Community Farm Land Trust Farm Map, both of which are in print form.
- Upcoming Events: Chamber of Commerce meeting, Co-opatopia, PRS Business After Hours
- Karen will introduce herself to the Nisqually Valley News team. She is focused on getting the first FM article in the paper this month.
- Vendor flyers will be posted in community areas over the next 2 weeks.

Sponsorship

- Karen is currently developing packages for the business booth plus one aimed at Credit Union sponsorship. The Board was asked what it would want as a \$1000 level sponsor if it were a business: logos on banner, a high visibility business booth, business highlighted in the FM newsletter and included in NVN stories. Jeevan suggested that there be two \$5000 sponsorship options made available. It would make the \$10,000 goal much easier.

- Once the FM is SNAP certified it has huge opportunities to pair up with church organizations, etc. in sponsorship programs eg: dollar for dollar. These partnerships offer huge exposure of our market to the wider community.

Finances

- Karen is beginning to pull a budget together and is gaining the required information and vision to be able to do a meaningful budget.
- The P&L statement was reviewed. There was a gross income of \$1656.74 and a net income of \$1299.76 from last year's market. Karen has received her first salary payment.

Community Food Education (CFEP) Program & Community Gardens (CG) – Tom

Community Garden

Bill was informed last week that Jason Witherow's property would not be available. His greenhouses were flooded and must be moved to the front of the property where the CG would have been located.

Community Food Education Program

Nothing to report.

Yelm Business Association

- Marketing materials are being finalized for member prospecting to start in April.
- Bill notified the Board that Tammy Merriman from the city reported at the recent Chamber of Commerce luncheon that the city is going to review all ordinances impacting Yelm businesses and is inviting comment. Comments need to be received by April 21. This is a tremendous opportunity for the YC to identify ordinances that caused us difficulties and propose the changes in language we want to see to make Yelm more small business friendly: eg: signage; FM in the city limits; parking, etc. Tom and Bill will take on this task. Barbara will review, as she is familiar with city ordinances.

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Treasurer's Report – Tom

Changes: Barnaby and Karen will now also be sent the YC financial report ahead of the Board meeting. Tom will report membership from now on, not Barnaby. Tom will transfer to Barnaby the YFC metrics of net profit margin and gross margin ratio to be included in Barnaby's YFC financial report.

- Total members paid: January = 136; February = 69
- New members: January = 25; February = 22
- Total voting members: 689
- Total original members: 762
- Bank balances as of 03/09: \$11,386.28

- Line of credit balance: \$5200.00
- Due from FM to YC: \$9369.10
- Net income: \$4176.90

New Business

Website upgrade

An upgrade to the YC website is overdue - WordPress keeps breaking down. Tom has explored a number of vendors who provide upgrades. Bids ranged from \$1250 for basic repair to \$15,000 for a major overhaul and branding consultation. Jeevan, who has a website development business, has offered to upgrade the website for free except for minor out of pocket expenses he might incur. Motion was made and seconded to allow Jeevan to upgrade the website. Passed.

Marketing plan

Jeevan will chair the marketing committee consisting of Barbara, Terry and Tom. The committee will meet Saturday, 3/22 from 1:00 – 3:00 pm to begin planning.

Terry will ask Shan Tung Hsu of the Blue Mountain Feng Shui Institute what he would do for the \$500 regarding the current YFC logo. She will bring the information to the April Board meeting.

Annual YFC goals

By April 25, Marilyn will send out a draft for final review and comment to the Board and Barnaby which incorporates the comments Jeevan made re: combining goals and keep the document short, simple and flexible, as well as comments made at the February Board meeting. Everyone agreed that a goals document is a key piece to drive success of the Co-op.

Board policies

For the April Board meeting Marilyn will present drafts of 3-4 Board policies for review and comment. In addition, she will develop a form and procedure for employees who have formal complaints against managers.

Improving efficiency of Board meetings

- The agenda will identify a start time of 6:00 pm and an adjournment time of 8:00 pm.
- Bill will assign times to each agenda item and control discussion to keep within the total time frame for the meeting.
- All reports will be sent out the Monday before the Board meeting. If there are questions re: the reports, these will be asked via email ahead of the meeting.

Closed session

Motion was made and seconded to adjourn. Passed. Adjourned at 8:10 pm

Submitted by Marilyn Reardon, secretary

Bill Wyman, president

Barbara Morando, vice president