

YELM COOPERATIVE

February 18, 2016
Meeting Minutes
Rosemont Retirement Center

Next meeting is Thursday, March 17 @ 6:00 pm at Rosemont Retirement Center

Directors present: Barbara Morando, vice president; Tom Dewell, treasurer; Marilyn Reardon, secretary, Jeevan Anandasakaran, director; Diane D'Acuti, director; Carl Zambuto, director; Heidi Smith, director

Excused: Bill Wyman, president; Barnaby Rintz, YFC general manager

Program managers present: none

Meeting was called to order at 6:00 p.m. by Barbara Morando.

Open Session

No guests present.

Meeting Minutes

January minutes were approved.

February 14 special meeting minutes were approved.

YFC General Manager Report – via Barnaby's reports

January YFC financials were reviewed.

- Monthly sales (total) = \$ 89,885 down 12%
- Average basket size = \$24.91 down 8.3%
- YTD total sales = \$89,885
- # of in store working members = 17
- # of out of store working members = 20
- Capital expense = none
- Extraordinary maintenance cost = none
- Other extraordinary costs = none
- Retained earnings/(loss) = \$7878
- YTD retained earnings/(loss) = \$3716
- Net margin = 4.13%

Financials

Sales for January were not as strong anticipated, but were up overall by 0.5% compared to last year. One thing that had a small effect was the fact that there were five Sundays in January this year, and Sunday is the store's slowest day. This could have reduced sales for the month by about \$1500 based on the average difference between Sunday and other days. The store finished \$15 short of \$90,000, so it is also a testament to how well it did in January last year.

Inventory is down by a few thousand dollars in Barnaby's estimation and that accounts for some of net revenue being high. Funds also paid off a lot of the general manager's bonus during this month, and other bonuses, and paid inventory hours. So the added payroll expenses would have likely made it a near breakeven month had it not been for the selloff of inventory.

Expenses were down by about \$2,000 as compared to Jan 2015, largely due to with reduced marketing expenses (Yelm Cinema ad cancellation).

Working Members

There is no change from last month.

Projects

The freezer broke again, and it is the compressor, so the unit is damaged beyond repair. Why would this happen AGAIN to a unit in the same place that we already had 2 compressors blow out in the previous unit? The refrigeration expert pointed to a problem with our electricity. He believes that two of our units were on the same circuit, and that is a big no-no with this type of equipment. Barnaby had Brian from Aero Electric take a look at it, and he believes that it is a low voltage issue due to the fact that our electrical is wired with two of the three phase electricity that comes in to the building from the power company. This brings our voltage down to 208 or lower which can strain sensitive equipment like compressors that prefer 220 or higher. This was an expensive lesson, and Brian has to do more investigation before he can come up with a solution. Brian does think that the issue could be an inexpensive fix. This issue does not appear to be an immediate threat to our other equipment, but we cannot add to our electrical load until a full check is done. A new freezer from John at Capitol Controls would be about \$3300 for a five year compressor warrantied (and US built) unit similar to the one that failed. And since he would be the service person, we can feel comfortable that the warranty will be properly serviced, which has been a problem in the past. However, if we had purchased a new one, and faulty electrical setup was to blame for the fail, the warranty would be void.

Motion was made and seconded to approve the purchase of a new freezer and repair the electrical. Passed.

Roses restaurant (formerly Garden to Gourmet) has donated a refrigerated case that could work for our cheese and deli meat display for our remodel. It was put into our storage space, which is now exceedingly crowded.

During Board discussion, Barbara reiterated that the YC is on 3 wait lists for a small storage unit in which Gobble items could be taken out of the current storage unit, freeing up more space. Additionally, Tom will look at the Farmers Market items in the current unit to see if any of it can be removed.

Operations

Training is the priority, and Barnaby says he is behind with the production of the training videos, but we have recently had a cashier meeting and Barnaby updated our training manual for cashiering. Nonetheless, training is a big focus looking forward, and Barnaby hopes to catch up with it after his vacation.

Patronage Refund

At this point, Barnaby suggests that the YFC offer half of what it did last year, due to our drop in net revenue. This would mean one-half percent to YC or YFC members, and one percent to 'dual' members. Normally the end of March is when disbursement occurs.

Motion was made and seconded to offer no patronage refund this year, due to infrastructure needs of the store. Passed.

Barnaby will be out of the store on vacation from Saturday, Feb 13th through Monday, Feb 22nd. He will return on the morning of the 23rd.

In regard to increasing control of inventory, Jeevan mentioned that the member portal can be viewed for sales and minimum quantities. Jeevan will tell Barnaby, Debbie and Jutta to view this page. Tom again will look into Co-op Metrics for information that would be helpful to store managers in this matter.

Farmer's Market Report

Suzanne Santos from Olympia has accepted the position of Farmers Market manager. Suzanne has 15 years of experience creating and running Farmers Markets in Austin TX. We are delighted to have someone of her experience coming on board with us. Karen will be assisting with Suzanne's transition into the position, including introducing her to former and current donors and sponsors. Suzanne will begin when she returns from the Oregon Farmers Market Assn. meeting.

There will be a welcome party at Marilyn's house for Suzanne when she returns. Marilyn will create a welcome basket with goodies from the store to be given to Suzanne at the party.

Yelm Cooperative

Treasurer's Report – Tom

January SOA (Summary of Activities)

- Month net revenue: \$2776.40
- YTD net revenue: \$2776.40
- General fund bank balance as of 01/31: \$4895.71
- Line of credit authorized total: \$50,000
- Line of credit owed: \$16,066.71
- Line of credit available: \$33,933.29
- FM support to date: \$4518.88 (unchanged over last month)
- YTD donation revenue: \$0
- January expenses: \$311.43
- Total YTD expenses: \$311.43

Membership

- Total members paid: 122 (69% of total memberships due this month)
- # of memberships due this month: 178
- New members: 15
- Original members renewed: 72
- YC members renewed: 35
- Refunded: 1
- Fully paid: 85 (69.7%)
- Total YC voting members: 507
- Total YFC members: 811
- Total inactive/late: 473
- Member payments received in the month: \$3200.00 (52% of potential payments due this month if paid in full)

- Potential due this month, if paid in full: \$6160.00
- YTD member payments received: \$3200.00

Total estimated annualized member payments: The estimated annualized payments are based on the average monthly member payments-to-date x the remaining months in a fiscal year.

Each month, Jeevan will provide the Board with % of members who paid in full the reported month.

Tom will provide the Board a monthly Quickbooks statement of cash flow with the treasurer reports.

Budget

The 2016 budget was reviewed. Tom will delete the YTD% fulfillment column to streamline the report.

Any changes to the 2016 budget should be sent to Tom. He will resubmit for a final approval vote at the next meeting.

Financial training

Tom has completed the training document and will submit to the Board for review and revision.

Finance training is scheduled at Jeevan's house on Thursday, March 10 from 6-8 pm. Jeevan will send his address and directions.

Goal setting

Jeevan, Heidi, Terry and Carl are the committee. They will meet at Terry's on 2/26 for a brainstorming session.

Membership and Marketing Committee.

Jeevan hasn't gotten enough data to proceed as yet.

The committee can discuss what can be done re: a new member incentive. The welcome gift bags cost approx. \$10 each, which was absorbed by the store. More appropriately, the YC should pay for these. They were a big hit with new members, so this should be revisited.

Gordon's nursery property status

Bill and Terry met with the potential new owner of the nursery property. He had planned to build 6500 sq. ft. of retail space with housing on top. He has decided not to complete the purchase due to concerns about the overall economy and whether all the commercial space could be filled. The Board should let people, including our members, know we are looking for a new property. The current building is requiring major repairs – roof and electrical.

New Business

IRS tax issue

The tax forms for the years 2013 and 2014 needed to be resubmitted due to the YC's change of status to a 501c3 organization. The tax forms were sent off the day they were received from the CPA and the taxes due were paid promptly. However, a new form that was required due to status change was in the packet, but missed. There were taxes due from the calculations on that form. Littlefield and Associates have filed an extension to avoid penalties. Tom will continue to check with them re: the IRS's response.

The Board realizes that the forms should be checked by not only the treasurer, but one more set of eyes. Jeevan has offered to be the second person to review all tax forms and to ensure needed extensions have been filed.

Board succession

There is a need to recruit new Board members to fill certain skill sets. The Board informally discussed who would be the best candidate to become president when Bill retires from the Board after his second term has expired in September. At this point it appears Tom would be the most likely Board member to fill the president position, of course dependent on a Board vote after the AGM. In this case, the Board would need a new treasurer. This is the highest priority for new Board recruitment at this time.

Motion to adjourn was made and seconded. Passed. Adjourned at 8:04 pm.

Submitted by Marilyn Reardon, secretary

Bill Wyman, president

Barbara Morando, vice president