

**Grain Train Board of Directors Meeting** Tuesday, August 18, 2009  
Brother Dan's Food Pantry 6:00 PM

**Minutes Approved:** October 20, 2009 (Sept. BOD Meeting had no quorum.)

**Present:** John Paul Westbrook - President, Michael Cromley - Vice President, Trisha Shattuck - Secretary, Gary Hammons, Amy Maus, Maggie Daniels, Carrie Livingston - Grain Train General Manager

**Time Keeper:** Mike

**Secretary:** Trisha

**Our Mission:** The Grain Train is committed to empowered individuals, vital communities and a healthy Planet. As a Natural Foods Cooperative, we are the trusted source in northern Michigan for high quality, local, organic and natural products at a fair value to our membership and community.

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1. Call Meeting to Order, Quorum (6:00 PM)
2. Open Member Forum - None
3. Approval of July Minutes - J.P. moves approval, Mike 2nds. Unanimous approval
4. Next Meeting: September 15, 2009 at Bros. Dan's Food Pantry, 415 State St. Petoskey, across from Central School main entrance.
5. General Manager's Report to Board for July 2009

**FINANCIAL**-July sales were \$313,915.00 compared to \$300,847.00 last year for the same month reflecting a 4.3% increase in sales for the same month. YTD sales are up 1.96% compared to the same time frame last year. Net income for July was \$33,472.00 compared to budgeted amount of \$38,207.00. YTD net profit is \$66,545.00 compared to budgeted amount of \$62,820.00 reflecting a 2.1% net profit to date which is an average for retail stores in our business.

The Finance Committee met on Tuesday the 11<sup>th</sup> and discussed the upcoming fiscal year budget. It was recommended that we do three budgets: -5% growth, 0% growth, 5% growth

I will have draft budgets for review by the accountant and board by September's board meeting.

Included with the monthly financials is a report that is reflective of sales growth trends among other co-ops that participate in NCGA. This report is helpful in that it shows where the Grain Train falls in sales growth compared to other co-ops. Please let me know if you have any questions in respect to the data contained in the report.

The new owner cards were delivered; perhaps the board could compose a letter to send to our owners expressing the relevance of the new card in regards to the patronage rebate system. I believe the owners should have these cards made available to them as soon as possible.

**OPERATIONAL**-The deli department is continuing to make marked improvement in respect to the efficiency of the daily operations. Meghan has implemented a great staff that works well together under a positive work environment. I expect to see the positive financial results in the next few quarters reflected within the cocolist reports we have access to through NCGA.

**MEMBERSHIP/MARKETING**- Four new owners joined in July of this year compared to four new owners in July of 2008. Owner share revenue for this July was \$470.00 compared to \$855.00 last July. Thanks, Carrie

## Financials:

	Jul 09	Jul 08	% Change	% of Income
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
41000 · SALES	313,914.70	300,847.42	4.34%	100.9%
42900 · SALES DISCOUNTS	-2,810.89	-3,366.03	-16.49%	-0.9%
<b>Total Income</b>	311,103.81	297,481.39	4.58%	100.0%
<b>Cost of Goods Sold</b>				
51000 · COST OF GOODS SOLD	196,940.19	195,404.02	0.79%	63.3%
<b>Total COGS</b>	196,940.19	195,404.02	0.79%	63.3%
<b>Gross Profit</b>	114,163.62	102,077.37	11.84%	36.7%
<b>Expense</b>				
52100 · SALARIES & WAGES	41,911.45	40,076.22	4.58%	13.47%
52200 · OTHER EMPLOYEE EXPENSES	6,727.53	7,192.86	-6.47%	2.16%
53000 · STORE & OFFICE SUPPLIES	6,467.54	4,386.88	47.43%	2.08%
54000 · OCCUPANCY EXPENSES	5,058.80	6,255.68	-19.13%	1.63%
55000 · ADVERTISING/PROMOTION/MEMBERSHIP	3,355.25	1,778.25	88.68%	1.08%
56000 · SELLING EXPENSES	3,537.53	4,255.58	-16.87%	1.14%
57000 · ADMINISTRATIVE EXPENSES	3,463.04	4,942.38	-29.93%	1.11%
58000 · INTEREST EXPENSE	3,370.81	3,974.95	-15.2%	1.08%
59000 · DEPRECIATION EXPENSE	5,500.00	5,500.00	0.0%	1.77%
<b>Total Expense</b>	79,391.95	78,362.80	1.31%	25.52%
<b>Net Ordinary Income</b>	34,771.67	23,714.57	46.63%	11.18%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
64930 · INCOME - DONATIONS	0.00	30.10	-100.0%	0.0%
<b>Total Other Income</b>	0.00	30.10	-100.0%	0.0%
<b>Other Expense</b>				
75970 · DONATIONS	600.00	531.25	12.94%	0.19%
79500 · FEDERAL INCOME TAX	700.00	700.00	0.0%	0.23%
<b>Total Other Expense</b>	1,300.00	1,231.25	5.58%	0.42%
<b>Net Other Income</b>	-1,300.00	-1,201.15	8.23%	-0.42%
<b>Net Income</b>	33,471.67	22,513.42	48.67%	10.76%

## Discussion regarding Financial Report:

J.P. - Last years forecast is on the mark. GM - Currently, 0-5% growth, but with inflation: 0% growth. Deli is making great strides with Megan in charge. She's fiscally responsive. The paper menu is convenient for those wishing to take one for reference. Dan - Bar graphs biannually would be appreciated, and having three "types of budgets" increases GT versatility and responsiveness to economic conditions. Amy questions the Deli labeling regarding its level of accuracy. The food looks good but is it as healthy. Megan uses NCCA recipes.

The BOD needs to prepare an Operations Plan for distributing profits via Member rebates. Also prepare Frequently Asked Questions (FAQ) in anticipation of Member questions for educational purposes. Jamie to provide general suggestions to the BOD, but will rely on the BOD to refine the FAQ document.

Link this FAQ document with the proposed bylaw changes. We need to define "Members". Jamie has such a survey the BOD can use as reference. All this information should be posted on the website.

**Motion**, J.P., Amy 2nds: The Board empowers the General Manager to appoint an employee to prepare hyperlinks for use with the Minutes from the Board of Directors Monthly Meetings, linking documents brought before the board to the BOD Monthly Minutes document.

**Vote:** J.P., Dan, Trisha, Amy, Mike - For Maggie, Gary - opposed

**GM Financials inclusion with the Monthly BOD Minutes questioned.** Trisha - Financial information presented during the BOD monthly meetings is relevant to the Members and should be included with the minutes. Dan urges Trisha to do a comparison with other cooperatives.

**BOD Administrative Assistant** - [An employee who maintains GT BOD documents, takes notes during meetings and links documents electronically to the GT website.] Job description for this position is tabled until the November meeting.

**Motion:** J.P. : The Board empowers the General Manager to form a committee to plan and execute the General Membership Meeting.

**Motion Revised:** J.P., Amy 2nds: The Board empowers the General Manager to establish the venue location for the General Membership Meeting on November 6th, 2009. **Discussion:** Planning and running the event is the responsibility of the Board. The Board will work with Jamie and the General Manager, Carrie to create an agenda / outline, but it is the Board's responsibility to fill in the details. **Vote:** Unanimous approval

**Bylaw Revisions:** Attorney, John Fershee has made changes to the Bylaws the BOD has previously approved. These are changes he urges the BOD to support because the language he uses in his Bylaw revisions will be legally sound and consistent with State statutes. J.P. who is in contact with J. Fershee is supportive of these changes. Revision to be forwarded to the Board.

**Finance Committee Meeting:** The recent meeting at City Park Grill garnered several adroit questions and suggestions for the GM present at that meeting. Emphasis was on conservative budget planning, even to the point of preparing a budget for BOD expenses for the next year.

**J.P. Motions, Maggie 2nds:** The BOD empowers the General Manager to research and determine a budget for BOD expenses for the next fiscal year. **Vote:** Unanimous approval

**Reopen Open Member Forum:** Jamie will forward copies of the previous Ballot Document. She reminds Board members that candidates must have their Declarations of Candidacy in by September 21. Please provide a picture and a Personal Bio. She points out the BOD has not updated the previous Declaration of Candidacy document that she forwarded to the BOD.

**J.P. Motions, Trisha 2nds:** The BOD agrees to utilize the previous Declaration of Candidacy document with dates updated, as is. Vote: Unanimous approval

**Amy Motions, Gary 2nds:** The BOD requests that the Declaration of Candidacy document and information relevant to the BOD election be posted on the website. Dan suggests a friendly amendment suggesting that the information be inserted into the Grain Train weekly e-mails to members. Unanimous approval

**J.P. Motions Adjournment, Gary 2nds: Vote: Unanimous approval 7:44 PM**

**Tabled and continuing or unresolved topics:**

Attorney, John Fershee's Bylaw Revisions to be forwarded to the BOD for review

Board Admin. Assistant job description

Rebate Operation Plan prepared

FAQ document for the Rebate Plan and Proposed Bylaw Changes prepared

BOD Code of Ethics policy prepared

Committee Updates