

**May 19th, 2009 Minutes**  
**Grain Train Board of Directors Meeting**

Brother Dan's Food Pantry 6:00 pm

Present: J.P. Westbrook, Michael Cromley, Allie Greenleaf Maldonado, Amy Maus, Garry Hamons,  
Dan Tosh, Trisha Shattuck, Maggie Daniels, Carrie Livingston - General Manager

**Time Keeper:** Dan

**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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Call Meeting to Order, Quorum (6:01 pm)

2. **Motion to approval the April '09 Minutes** - Mike so moves, Dan seconds the motion. Unanimous approval.
3. **Next Meeting:** Tuesday, 6:00 pm June 16, 2009 - Brother Dan's Food Pantry. Dan moves, Allie seconds.

**General Manager Report (Carrie)**

**Manager's Report to Board for April 2009**

**FINANCIAL**-April sales were at \$230,940.00 compared to \$223,701.00 reflecting a 3% growth over last year for the same month. YTD sales are a little over \$1.5 million showing a 2.3% growth over last year for the same time period. Net income for the year is \$19,700.00 which is a little over what was budgeted but not by much. Net profit for April was \$11,000.00 as compared to a loss last year of \$19,000.00 and this was due to last April being a three payroll period month; May will be a three payroll period month this year.

The finance committee met with Todd Winnell and his partner, Mike, to further discuss the audit process. I have had a discussion since the meeting with David Wilson as well as Todd and JP; there is some work to be done before we can proceed with the audit. I think the policies and procedures that Mike from Bunker Clark will help us put in place will certainly benefit the Grain Train in moving forward.

**OPERATIONAL**-The bakery deli has an anticipated turnover in staff coming up in the next few months. At this point there may be three employees leaving this department within the next few months. John has hired one new employee and will be looking for additional staff over the course of the next month.

Troy hired a new cashier, Nannette Helmbodl, because we coming on our busy season. Having added staff up front for the next few months is a normal procedure for this time of year.

**MEMBERSHIP/MARKETING**- Seven new owners joined last month compared to three in April of 2008. Owner revenue for last month was \$759.00 and was \$640.00 for April of 2008.

I will see each of you tomorrow evening. Please let me know if you have any questions in regards to the report. Carrie

**Minutes resume here:**

J.P. - Please provide Carrie with the B.O.D Monthly agenda.

**Marketing & Member Update** What can Carrie and the Outreach Committee do to increase Owner / Membership on a monthly basis? Some sort of membership drive... Jamie is the Marketing Person. Dan - There is some cross-over between the work of the various committees.

**Finance:** Maggie: Why with a 3% increase in profits, and a decrease in total income can we be showing an increase in profits? Carrie: We have new employees; a new IT person who set up the Point of Purchase system and the website resulting in increased payroll. Dan- Natural Cooperative Grocer Association (NAG) provided baselines for the "living wage" criteria. Wage discussion. Maggie - Livable but also reflective of the economics of the organization. Carrie urges a visit with her to review the numbers and spread sheets in her office. Allie questions if we are "top heavy" on employee payment; the result of a comment made by a banker knowledgeable of the GT finances. Dan suggests; Set a date to review the finances. Middle of June would be ideal for Carrie.

**Tuesday, July 21, `09 Financial Review Meeting w/ Carrie.** Carrie offers to meet earlier if possible once she gets the information gathered.

**Old Business -**

Motion to accept and mail the letter prepared for Michael Mann to answer his question regarding the Board appointment procedure that took place in February. (Please review the March B.O.D Meeting Minutes). Amy motions to accept, Gary seconds. Discussion: The letter provides an explanation of the process of appointments to the Board. **Vote to accept and send the letter:** Seven for acceptance, with Amy voting no.

Amy brought up the concept of a **punch card** for use for those who can't make it to Member Appreciation Day. Members would get 12 punches on a card. **Question:** Would it be acceptable for someone to use the card on 12 consecutive days, or only once per month? J.P. - Utilized for possible use as a Loyalty Rewards Program for those who spend a lot of money with the G.T. J.P. - Will there be those who utilize the card *and* go to Membership Appreciation Day doubling their discount? Carrie - Possibly extend one Member Appreciation Day once per quarter for an entire weekend. Allie- Once we have the Point of Purchase system in place, Owner Appreciation Day becomes obsolete. Gary - On O.K. our sales go up where G.T. averages about \$20,000. The discount that day is 10%. Many non-members shop on that day.

**Amy makes a motion to table the Punch Card system until September. All in favor: Unanimous**

**J.P. motions to approve the Resolution 051909-1 , New Employees Introduced to the B.O.D.** This is a method of tracking trends among Employees. There is flexibility in the wording of this resolution. **Seconded: Gary Unanimous approval.**

**BOARD OF DIRECTORS RESOLUTION 051909-1  
New Employees Introduced**

The undersigned President of the Grain Train Natural Foods Cooperative, Inc., hereby certifies that the following resolution was adopted at a meeting of the Board of Directors held on the 19th day of May, 2009.

**WHEREAS,** the Grain Train Board of Directors believes that positive employment practices and happy employees play an important part in the co-op's success;

**WHEREAS,** it is the responsibility of the General Manager to make the difficult decision to layoff or terminate employees and to determine when the Grain Train needs to hire additional employees;

**WHEREAS,** the Grain Train Board of Directors needs to be informed of employment trends within the Grain Train that may impact business in order to make policy decisions that keep the Grain Train as the employer of choice in Northern Michigan;

**THEREFORE BE IT RESOLVED,** that the Grain Train Natural Foods Cooperative, Inc. Board of Directors hereby approves a policy that requires the General Manager to bring a written report to the Board regarding each employee termination.

**THEREFORE BE IT FURTHER RESOLVED,** that the General Manager shall inform the Board of Directors when new employees are hired, and shall introduce new employees to the Board of Directors as soon as is reasonably possible.

John Paul Westbrook, Board President

Trish motions to accept for discussion resolution **Communications Between Members and The Board**, 2nd by Amy. Trish motions to table ..... Maggie to research alternative methods. Allie motions to table the resolution until the next meeting. Seconded by Gary.

J.P. - There have been different recollections regarding the undocumented Nov. 2008 vote to postpone the Patronage Rebate. We will need 50 ballots to approve the measure. If John Fershie prepares the draft language for the 2009 General Membership Meeting regarding the patronage rebate, we will seek approval for the measure at the 2009 G.M.M. **Motion made by Allie to have J. Fershie prepare the language, and seconded by J.P. Unanimous support.**

**Allie motions to rescind Resolution 041809-5 The David Wilson Audit for the year `08** following the recommendation of the finance committee. **Discussion:** Start in December - Must create policy and controls in phases. Prepare verifiable controls. We have practices but not policy. Maggie - After having read the By-laws, she realized that the Board is responsible for reviewing the finances, preparing audits, etc. J.P. - We are getting more concise. This is a volunteer Board. Previous boards have been casual. Dan - Will we receive the same rate for the audit? Yes.

JP. - **All in favor of rescinding the Audit for 2008.** Unanimous approval.

**Allie- motions to adopt scheduling the audit for 2009,** 2nd by Amy. J.P. - Amend the language to include the term, "**Fiscal year 2010**". Calendar year verse fiscal book year. Grain Train accepts the bid by David Wilson. Take out "for 2009" form section 1. of the Board of Directors Resolution 051909-1 J.P. - **Do we accept the resolution for the audit for 2009? All in favor. Unanimous. Audit for Year ending September 30, 2010.**

### **New Business**

J.P. - Regarding Meg's Resignation letter: Dr. Hal Willens has expressed an interest in filling a position on the Board. We need to start recruiting now, especially anyone who is an accountant. Dan - Would we have a vetting procedure for prequalification. How would we even go about it. "Board Source" listserve. Board Outreach

J.P. motions to appoint Hal Willens to the B.O.D. to fill the position left by Megan . Allie 2nds.

**Discussion:** Amy wants to have someone with financial background. Response: He owns a business.

**Vote: Seven in favor of appointing Hal Willens to the B.O.D. with Amy opposed.**

**Motion by Allie, to elect Trisha as Board Secretary** seconded by Maggie. **Discussion;** J.P- **Vote unanimous.** Treasurer's documents provided by Meg and greatly appreciated by Trisha.

**Amy motions to bring # 5. Resolution directing the GM to bring a list of employee salaries to the Board.** The list must include names, amounts, and dates of hire. Allie seconded.

**Discussion.** Privacy concerns. Auditor states it is the Board responsibility to know this information. Dan - Why do we need to know this? Allie - We do this on the advice of the accountant and as a fiduciary duty of the B.O.D.

Allie - Change the Motion to a Resolution, and we explain why we want this done. Amy requests that the motion be rescinded.

### **BOARD OF DIRECTORS RESOLUTION 051909-?**

The undersigned President of the Grain Train Natural Foods Cooperative, Inc., hereby certifies that the following resolution was adopted at a meeting of the Board of Directors held on the 19th day of May, 2009.

**WHEREAS,** the Grain Train Board of Directors has a fiduciary duty to ensure the financial security of the Grain Train;

**WHEREAS,** the Bylaws places the responsibility of audits upon the Grain Train Board of Directors;

**WHEREAS,** in its 34 years of business, the Grain Train has never had an audit;

**THEREFORE BE IT RESOLVED,**

1. The Grain Train Board of Directors accepts the bid by David Wilson, CPA of Traverse City for an audit;

2. The Grain Train Board of Directors directs the General Manager, Carrie Livingston, to provide payment to the firm as proposed in the bid;
3. The Grain Train Board of Directors directs the General Manager, Carrie Livingston, to be available to assist the firm with the audit as needed;
4. The Grain Train Board of Directors directs the General Manager, Carrie Livingston, to provide any and all documentation, information and assistance without delay requested by the firm in their efforts to complete the audit.

John Paul Westbrook, Board President

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**IN WITNESS WHEREOF**, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
 Maggie 2nd. **Vote: unanimous.**

**Allie motions to have J. Fershie to prepare #6 , JP seconds. Vote: Unanimous**

**Allie motions to #7 Discussion. Vote Unanimous**

**Allie motions to have #15** J. Fershie written statute to reincorporate in writing.  
 Dan - Any thought of incorporating under another state? What are the benefits. JP - met with Orianna `83, took the same language and rephrased it to fit the GT. Comparison between the 1931 vs. the 1983.

Motion to bring J.Fershie. #15 to a vote. Unanimous approval.  
 Allie - Spot check of checkbook register. Segregation of duties. The Board will get a list of all checks per month. Will develop policy through the Finance Committee and monthly Profit & Loss statements. Allie - credit card purchases over \$500 at restaurants in two months. The Board has a problem with alcohol purchased with the GT credit card. Carrie suggests we write a policy on the issue of alcohol. Put the controls in place. JP - Concern over image and the liability standpoint. Board Retreat cost \$3,000. Dan - The Board should have it's own budget. We should plan our own retreat. Cost of retaining J.Fershie: \$1,800.

JP - Motion to Empower Carrie to write down the current Policy, Practices, Procedures for:

Internal controls for;

How Approval and verification of expenses:

How payroll is approved / verified.

Lay out the process of how revenues are received / deposited and verified.

seconded by Amy. Discussion: Vote: unanimous support

### **Committee Updates**

Finance Committee (Allie)

GM Evaluation Committee (Dan) - we did not meet. Prior to the June meeting.

Board Outreach Committee (Dan) - also postponed. will rescheduling. some discussion about the role of the outreach comm. the role of the Board and encouragement of getting members to serve on the board, Member.

Appreciation. Day. Be present. Conversation last night. survey on MAD one

question Educate the members. Health activities linked and have a presence in the community.

Motion for the Outreach Comm. to create and implement a plan of action prior to the June meeting. JP seconds unanimous approval.

Amy motions to devise a survey for owners Allie seconds. Discussion: Wording two questions. simple answer.. Irradiated, genetic. modified. J.P. delegates this responsibility to Amy for preparation for tomorrows Owner Appreciation Day.

Bylaw Committee (Allie) - We're done with the revisions. We need to circulate the information. Word document of the new revisions of the by-laws.

Open Member Forum

Adjournment (8:30 pm) JP motions for adjournment, seconded by Gary.