

Agenda
Coteau Community Market
Board of Directors
December 6, 2021 - Virtual Meeting

1. Motion to approve the minutes from the November 1, 2021, meeting
2. Financial report
3. Demand by Brad Drake that his \$500 in stock be bought back from him
4. Motion to approve the board orientation packet
5. Motion to reimburse Annie for \$9.90 for printing
6. Update on 5 West Kemp location
7. Review of 3 month startup budget
8. Open

Adjournment

Coteau Community Market
Board Meeting, November 1, 2021
Via Google Meet

Meeting called to order by board chair Annie Mullin at 6:30 pm. Members present, Mike Mullin, Bruce Stauffer, Stacy Roberts, Jen Moos, and Ron Hagen. Members absent: Brad Drake. Also present Jan Mullin and Roberta Hagen.

Mike made the motion "That Brad Drake be removed from the board of directors in accordance with article 4.4 of the bylaws for conduct contrary to the Cooperative, in that he did on October 30, 2021, refuse to sign a check to pay a producer for product that had been sold by the co-op." Jen seconded the motion. After discussion the motion passed with four yes votes, Bruce and Stacy voting no.

Motion by Jen and second by Mike to appoint Ron as Treasurer. Motion passed with four yes votes, Bruce and Stacy abstaining.

Motion by Jen and second by Ron to approve the minutes from the October 9, 2021 meeting. During discussion Bruce proposed amending the minutes to show that he had asked that a copy of the press release that had been sent out be sent to the board. Stacy shared that she was not happy that the minutes showed that she yelled at the board for three minutes. Stacy moved and Bruce seconded that Bruce's proposed change be made. Motion passed with four votes. Jen and Mike voted no. Bruce made the motion and Stacy seconded that the wording be changed from yelling to expressing frustration. Motion failed with four no votes. Bruce and Stacy voted yes. Jen moved and Annie seconded the motion to approve the minutes as amended. Motion passed with four yes votes. Bruce abstained and Stacy voted no.

Financial report (attached) was presented.

Motion to reimburse Jan Mullin \$290.00 for payment to steak burger producer by Jen with a second by Ron. Motion passed unanimously.

Annie told the board that the owner of the proposed location asked that the co-op make a \$500.00 deposit and sign a lease with the understanding that if we were unable to raise the funds needed to open the store that we would not be held to paying out full year lease. Annie recommended that we pay the deposit and push the start date for the lease off as far as possible. She would negotiate the lease, bring it to the board for review and input, and then back to the owner after final approval.

Mike moved that paying the \$500.00 deposit be authorized with the provision that any lease paperwork comes to the board. Second by Bruce. Motion passed with five yes votes. Stacy abstained.

Motion by Jen to approve \$250 for the co-op to join the Northern Plains Sustainable Ag Society. Second by Mike. Motion passed unanimously.

Annie shared the following with the board:

Statement from Annie Mullin, Board Chair

11/1/2021

I realized shortly after moving to South Dakota in April 2018 that I needed to rebuild the network of local food providers I'd built over the previous nine years where I used to live. Since I was going to be putting in the time and effort anyway, and was finding out fairly quickly that local food was not really easily accessible here, I figured I may as well focus on making that research available to everyone, and began the process of organizing what became known as Coteau Community Market.

Scientists have been saying for my entire life that humans need to change how we as a society treat our environment and ourselves, and yet, nothing has truly transformed in that time. All the recycling in the world has not fixed the fact that we have reached the point where only radical and extreme change will be successful in reversing the course we're on – there is literally no time left to wait. The pervasive droughts, the flooding, the bitter cold in parts of the country that are not prepared for it, the melting of the permafrost, so many different extreme weather events; all of these are glaring proof that what we're doing as a society is killing ourselves with our actions, and that we must quickly and dramatically alter how we live and function in order to have a chance of surviving what is to come.

From day one, the intention for the market has been to be an organization dedicated to doing just that, by providing products that meet strict sustainable and far-beyond organic standards, from as many local sources as could be found, made available in a manner that is as close to zero-waste as possible, available to everyone at affordable prices, and all in a market that would be inclusive and welcoming. The triple bottom line – people, planet, profit – would be the guiding principle.

The world doesn't need another organic version of a conventional grocery store. There are thousands of those, and nothing really has changed because of them. Nor has anything major enough changed because of a grocery store making a half-hearted attempt at being "local" with their purchasing. We're still on a collision course with the apocalypse from the damage being caused as the environment swiftly passes many of the tipping points scientists say are irreversible.

We have the opportunity to do something truly amazing here: to educate people on the very real changes that need to be made to our habits and choices in order to survive what is coming, to build a resilient local community, and to support the many small producers who are trying so hard to do what is right for us and the planet, despite all that is stacked against them. But there should be no doubt that it will continue to take a lot more hard work to make it happen. There's no point in doing all this if we don't do it completely and to the best of our abilities.

Now a bit about my expertise and contributions to the market.

I spent seven years as an award-winning investigative news researcher at a major metropolitan newspaper, and I've continued using that expertise and skills in the fourteen years since working for clients. The work leveraged my ability to take complex data and information, understand and make sense of it, and then turn around to explain it in plain English to the

person who needed to know what it meant. Not once in those seven years did the paper have to run a correction for a mistake in my work. That's unbelievably rare.

I have donated over \$100,000 a year of my professional services since June 2018 to Coteau Community Market. The services rendered include, but are not limited to:

- Legal research, writing, and filing (incorporation, bylaws, EIN, etc.)
- Market analysis and co-op financial research (saving the market an estimated \$10,000 and \$6,000 respectively)
- Legal research (food prep and processing, health code, securities, interstate commerce, employment laws, etc.)
- Evaluation and research on point of sales systems, merchant account services, wholesalers, etc.
- Contract negotiations (location, wholesalers, fiscal sponsor, etc.)
- Any other research needed for operation of the market (co-op organization and best practices, policy governance, products and companies, equipment, business plan, etc.)
- Budgeting – industry research and preparation
- Bookkeeping
- Preparing and filing taxes (both federal and state sales taxes; saving the market a minimum of \$300-\$550 a year for the federal taxes, while still having the books reviewed each year by a CPA who specializes in food co-op finances)
- Web design, maintenance, hosting, and mail server setup/maintenance (reimbursed at below my normal charge via \$300 of in-kind stock each year for hosting only)
- Policy drafting
- Graphic design and layout
- Designed and hand painted a market tablecloth for use at events
- Technical writing and editing
- Grant writing
- Presentations to community members and organizations
- Networking
- Volunteer every year at the NPSAS conference in exchange for registration and meals, saving the market about \$350 and spending the whole four days talking with producers and networking
- Acting general manager from day one to try to circumvent issues many food co-op boards struggle with especially during the transition from organization to running the co-op, and also because there is a lot of work that must be done that cannot (and should not) be done by committee
- And so much more

I bring up the information about my background and all this work not to brag or to be thanked (though seriously, who doesn't like to be thanked?), but to make everyone aware of how much work has been put into the market so far and how much the market has benefited from my professional skills and expertise in the process. I'm happy to put in the effort and time, because what we're doing here matters, like almost nothing else I've worked on in my life.

The result of this dedication and passion on my part is the fact that – unlike most food co-ops, which take an average of 5-7 years to open, according to FCI (Food Cooperative Initiative) –

Coteau Community Market is already there just three years after incorporation, even with one and a half of those years being derailed by the pandemic.

The fact that the grant coordinator for our region from Wells Fargo's community grant program offered the market a grant on the spot at the end of the pre-application interview says a great deal. She read the market's website and campaign materials, talked with me for thirty-five minutes, and as a result – despite the fact the market is not a nonprofit – was excited to get to support the project, on the strength of our commitment to sustainability, accessibility, and inclusiveness.

We've recently been contacted by another co-op starting their expansion capital campaign: "I've just come across the efforts of Coteau Community Market and have been impressed at how you have structured and communicated your campaign to your community" and asked if I could chat with them about it.

Numerous current members of the market have thanked us for all the work being done to make this very necessary amenity available in our community. Many people and businesses have read the information provided or listened to myself and other members describing what we're trying to do and have joined us in trying to make the market happen.

We are not changing course or watering our goals down now. There is simply too much at stake.

Motion to affirm existing policies and mission by Jen with second by Mike. After discussion the motion passed with four yes votes. Brad and Stacy abstained.

Jen left the meeting.

There was some discussion about budget needed to open a store front. Mike made a motion that a special meeting be scheduled to discuss only the budget to open the store and the design layout, Ron seconded the motion. Discussion went directly to when would work for the meeting, no vote on the motion occurred.

Below is the email Stacy asked to have recorded as official business. (NOTE: This email is in response to an email sent by Ron.)

"Wow, is all I have to say. No I lied, I have a lot to say.

Annie, you passed the ball back to Bruce to do research on honey and that is what he did. This is not "an issue", it is information that is potentially useful for the CCM board. Bruce got some information, and Brad brought some more to the table, all of which was shared. As I am part of a group working on cottage food laws with DRA and the state government, this information is useful to myself, DRA, and the CCM, as it might help streamline rules that make it difficult for small producers to get their products (and yes more than just honey) into retail stores, like the CCM.

If part of the mission of the COOP is promote local, sustainably raised foods foods, then why would this information not be useful, who care when and who collects it?

I also do not like the constant scolding from you on raising money. In my case I was VERY clear that I was not going to be very helpful with fundraising and memberships. As previously discussed, I do not live in Watertown, I am new even to my community, and I do not know anyone with deep pockets in this area. I have promoted the CCM to everyone that I know who might be interested, but they are NOT INTERESTED until a store is OPEN. I have even caste my net beyond SD to try and raise money, but as out of state people can not buy stock and they are highly unlikely to ever use a membership, it is a very hard ask, however I have managed to get some money, as paltry as you seem to think it is. I have been personally shamed into buying stock (right when my well went out, do you know how much it cost to dig a new one), which is not acceptable. I was never told that the expectation of being on the board was to invest any further than being a member. I have offered thousands of dollars worth of FREE design skills, because these I have in spades, and I was / am will to do for the CCM without any expectation of compensation. But I was basically told to shut up and butt out. That is would be up to the general manage to make ALL of those choices, well what if you were not the presumed GM? Would you being willing to let someone else make those choices?

I had hoped to voice these concerns at a face to face meeting which NEVER happened. The more it was request the more push back was received. I am appalled at your handling of e-mail communications. Other people can raise questions, share information, or ask for information over and over and get no response and best and be insulted at worst. However the moment we don't jump like trained dogs and respond to your e-mail, you give us a dressing down. Personally I sent you rough floor plans and inspiration pictures for the retail space months ago after our meeting in May, and heard NOTHING from you, even after I asked you if you got them because I was traveling and wanted to make sure they went through, hint that is a polite way to ask you to respond to the hours of work I put into them and the Pinterest page I set up. I wanted for a month and then re-sent them to the entire board. To say I was insulted by the response is an understatement to say the least. I brought up my willingness to do this work at two meetings and was never told not to, in fact I was encouraged. I am very confused as to why half of the board would not want to take advantage of my skills and enthusiasm for helping the CCM. I never said that I wanted to have final say and design the space on my own. I was saying I was willing and able to do the work, and then work with the board to finalize and develop a design plan, scope of work and work schedule in order to get the space open in a timely and cost affective manner.

If half of the board does not see having a design plan and scope of work as a vital part to the success of the market, yes it is as important as raising money, then we have no business opening a retail location. A budget has been created for opening the store that half of the board did not have any part in developing and if we were actually working together we might be able to creatively brainstorm and possibly find a way to get the store open on a smaller budget, so that we can keep investors engaged and entice new investors.

I am very concerned with how this organization is currently working, or not working. We have asked people to invest and we have a responsibility to use those funds wisely. At this point I am not comfortable promoting the CCM until these issues are addressed and I hope we can do this during our next call.

I want this e-mail to be recored as official business, I do not want it brushed off as sour grapes or a personal issue. I have over 30 years of professional work experience to know how to not take things personally, this is all business.

Stacy”

On the open:

Bruce and Stacy resigned from the board.

Meeting adjourned at 8:29 p.m.

Mike Mullin, Secretary

Annie Mullin, Chair

Approved Date

DRAFT

Financial Report

October 28, 2021

	Details	Total
Balance October 4, 2021		\$23,886.53
Income		
Membership equity		\$100.00
Individual	\$100.00	
Institutional	\$0.00	
Student	\$0.00	
Stock		\$0.00
Donations		\$1,055.75
Member sales		\$0.00
Non-member sales		\$0.00
Sales tax collected		\$0.00
Sales tax collection allowance		\$0.00
Total income		\$1,155.75
Expenses		
Administration		-\$8.51
COGS		-\$49.84
Fixtures		\$0.00
Governance		\$0.00
Legal		-\$50.00
Marketing		-\$200.09
Operating		\$0.00
Sales tax remitted		\$0.00
Total expenses		-\$308.44
Balance October 28, 2021		\$24,733.84

1 new member

CDF (water purifier)

2021 Q4

printer paper

mileage reimbursement (steak burger)

annual report to SD SOS filed

printing, GLMC donation, reimbursements

Capital Campaign Summary				
May 13 through October 28, 2021				
What	Pledged	Received	Outstanding	Count
Stock	\$34,000.00	\$13,000.00	\$21,000.00	17
Direct donations	\$1,440.00	\$1,440.00	\$0.00	6
Tax-deductible donations	\$6,750.00	\$1,800.00	\$4,950.00	6
Memberships	\$5,100.00	\$5,100.00	\$0.00	39
Totals	\$47,290.00	\$21,340.00	\$25,950.00	
campaign goal	\$120,000.00			
% of goal	39.41%			

Financial Report

December 6, 2021

	Details	Total
Balance October 28, 2021		\$24,733.84
Income		
Membership equity		\$200.00
Individual	\$200.00	
Institutional	\$0.00	
Student	\$0.00	
Stock		\$500.00
Donations		\$20.00
Member sales		\$449.00
Non-member sales		\$0.00
Sales tax collected		\$29.19
Sales tax collection allowance		\$0.00
Total income		\$1,198.19
Expenses		
Administration		-\$250.00
COGS		-\$290.00
Fixtures		\$0.00
Governance		\$0.00
Legal		\$0.00
Marketing		\$0.00
Operating		-\$5.35
Sales tax remitted		\$0.00
Total expenses		-\$545.35
Balance December 6, 2021		\$25,386.68

2 new members

steak burger

2021 Q4 partial

NPSAS membership

steak burger

credit card fees

Capital Campaign Summary				
May 13 through December 6, 2021				
What	Pledged	Received	Outstanding	Count
Stock	\$34,000.00	\$13,000.00	\$21,000.00	17
Direct donations	\$1,460.00	\$1,460.00	\$0.00	7
Tax-deductible donations	\$6,750.00	\$1,800.00	\$4,950.00	6
Memberships	\$5,300.00	\$5,300.00	\$0.00	41
Totals	\$47,510.00	\$21,560.00	\$25,950.00	
campaign goal	\$120,000.00			
% of goal	39.59%			

Coteau Community Market Board Member Orientation Packet

Thank you for becoming or considering becoming a board member for Coteau Community Market.

If you don't understand something, please ask. Chances are, if you don't understand, other members of the market may not either.

What is Coteau Community Market?

Coteau Community Market is a member-owned, near-zero-waste, cooperative, local food market in Watertown, South Dakota. The goal is to have a store front open year-round, filled with as much locally produced, sustainable, healthy, and affordable food as can be found, that meets the market's product policy. Gaps in types of local products that can be obtained will be filled in with regional, national, and international products that meet the market's product policy.

What Coteau Community Market is not

- A nonprofit
- Food pantry
- Restaurant
- Deli
- Bakery
- Butcher
- Kitchen
- Farmers market
- Online-only store

What the CCM Board of Directors Is

The Coteau Community Market Board of Directors is a governing board, meaning that it sets policies and oversees the operation in general of the market. Board members must be members of the co-op (Bylaws 4.1).

What is a Board Member's job?

Board members are **representatives** of the general membership.

The job of the Coteau Community Market Board of Directors is three-fold:

1. Advocacy
2. Writing policies
3. Hiring and overseeing the General Manager

The specifics of these responsibilities are explained in more detail below.

What is not a Board Member's job

- Micromanaging the General Manager
- Bossing employees
- Organizing the store
- Setting prices
- Choosing products to be carried in the market
- Doing any of the day-to-day activities required to run the market

As with any co-op member: suggestions, questions, and problems should be brought to the attention of the board chair and the GM.

Expectations of Board Members

Expectations before your first meeting as a board member:

1. Read the articles of incorporation
2. Read the bylaws
3. Read all past minutes
4. Go through the market's entire website
5. Understand what a conflict of interest is as it pertains to board members (Bylaws 4.8)
6. Ask questions if you don't understand what you've read.

General expectations:

1. Attend board meetings (Bylaws 4.4)
2. Be prepared for all board meetings by reading the documents prepared or emails sent with information for the meetings
3. Read and provide feedback to all email communications promptly and regularly
4. Ask questions
5. Support all board decisions, once decided, in public. This doesn't mean you can't disagree in board discussions (alternate points of view are vital for an organization to function at its best). It does, however, mean that once the board has come to a decision, you do not contradict or badmouth the decision or the other board members to the membership or general public. Doing so is grounds for removal from the board for conduct contrary to the cooperative (Bylaws 4.4).

Again, if you have any questions or need clarification, say so.

Board Members' Jobs

(Bylaws 4.1 and commonly accepted practices)

Advocacy

First and foremost, you must believe in the mission and goals of the market. You should be able to explain why the market is important to you, our community, our collective health, and the planet. Why would you want to be on the board, if you can't?

Do you need every detail memorized? No. But you *should* know where to either find that information or who to ask about it.

Especially during capital campaigns, it is important to talk with **everyone** around you about the market, share why it's important, and why their participation (actual and financial) is needed.

Policies

Policies are the broad brush strokes that state the goals and mission of the market, without focusing on details for implementation. They're the bedrock that outlines the basic premises of the co-op, the guidelines that the general manager will put into practice on a day-to-day basis in the market.

Board members are responsible for understanding existing policies, collaborating on new policies as needed, and periodic review of policies.

Hiring and overseeing the General Manager

The board is responsible for finding and overseeing the general manager. This entails understanding the GM's job description, as well as evaluating how the GM is implementing the co-op's policies.

The board is responsible for understanding, evaluating, and giving input on the budgets and financial information the GM is responsible for maintaining.

Board Positions and Responsibilities

(Bylaws 4.9 and commonly accepted practices)

Chair

Coordinates and organizes board meetings. Guides the board in the process of their jobs. Acts as spokesperson for the board and the market. In the absence of a general manager, acts as general manager for any activities or responsibilities that would normally be handled by the GM.

Vice Chair

Helps chair. In the absence of the chair for a board meeting, runs the meeting.

Secretary

Takes minutes. Coordinates with the board chair to communicate with the co-op membership and general public. Assists the chair with the annual report to the South Dakota Secretary of State. In the absence of the chair and vice chair, runs the meeting.

Treasurer

Works with the general manager and/or board chair to provide oversight of the financial activities of the co-op. The treasurer's job in this co-op is oversight: taking care to ask reasonable questions that an ordinary, prudent person would ask in the same situation, not auditing or balancing the checkbook.

Information Board Members need to know

Organizational

The annual report to the South Dakota Secretary of State is due November 1st. The chair and secretary are responsible for submitting the required information.

Financial

The co-op's/market's business checking account is at Reliabank, negotiated with no charges for deposits or withdrawals. No interest is received on the account. The chair, vice chair, and treasurer are the signatories on the account. Currently, the chair is the only officer with a debit card for the account. Once the GM is hired, they will be added as a signatory and issued the debit card.

Bookkeeping and federal taxes are currently being done by the chair. Taxes are sent to a CPA who specializes in food co-ops to be checked over before submission to the IRS. Once the market opens, federal taxes will be prepared by the CPA.

State sales taxes are due quarterly. Once the market opens, they will be due monthly. The GM is responsible for reporting these. The chair is currently handling this responsibility as acting GM.

Signatories on the checking account need to be in Watertown, because producers want to be paid when they deliver, and deliveries can't always be scheduled in advance. This is part of working with small, local producers.