

Agenda
Coteau Community Market
Board of Directors
February 7, 2022 Virtual Meeting

1. Motion to appoint Carmen Redlin to fill the position vacated by Bruce Stauffer
2. Motion to approve the minutes from the December 9, 2021, meeting
3. Financial report
4. Motion to reimburse Annie for \$33.27
5. Capital campaign update
6. Motion to use market bags for investment incentives
7. Motion to approve expenditures
8. Motion to approve the Annual Meeting Policy
9. Motion to approve the Accessibility Policy
10. Motion to approve the Bring Your Own Containers Policy
11. Motion to approve the Patronage Refunds Policy
12. Update on 5 West Kemp location and lease
13. Review of 3 month startup budget
14. Open
15. Adjournment

Coteau Community Market
Board Meeting, December 9, 2021
Via Google Meet

Meeting called to order by board chair Annie Mullin at 6:34 pm. Board members present: Annie Mullin, Mike Mullin, Jen Moos, and Ron Hagen. Also present: co-op members Jan Mullin and Roberta Hagen.

Motion by Jen and second by Ron to approve the minutes from the November 1, 2021, meeting.

Motion by Ron "that Brad Drake's five hundred dollars (\$500.00) in stock be refunded at the time he returns the stock certificates." Second by Jen. Motion passed unanimously.

Mike moved that the Board Orientation Packet (attached) be approved. Second by Ron. Motion passed unanimously.

Financial report (attached) was presented.

Motion to reimburse Annie Mullin \$9.90 for printing by Jen with a second by Ron. Motion passed.

Annie shared the following with the board:

Opening budget was reviewed.

On the open: nothing.

Meeting adjourned at 6:55 p.m.

Mike Mullin, Secretary

Annie Mullin, Chair

Approved Date

Financial Report

February 7, 2022

	Details	Total
Balance December 6, 2021		\$25,386.68
Income		
Membership equity		\$900.00
Individual	\$400.00	
Institutional	\$500.00	
Student	\$0.00	
Stock		\$0.00
Donations		\$4,333.51
Member sales		\$0.00
Non-member sales		\$0.00
Sales tax collected		\$0.00
Sales tax collection allowance		\$0.44
Total income		\$5,233.95
Expenses		
Administration		-\$513.07
COGS		
Fixtures	-\$2,699.00	
Governance	-\$1.80	
Legal	\$0.00	
Marketing	-\$38.10	
Operating	\$0.00	
Sales tax remitted	-\$29.19	
Total expenses		-\$3,281.16
Balance February 4, 2022		\$27,339.47

4 new members

1 new member

CDF of CDS

Stock buy back, cleaning supplies

Grain mill

Paperwork for board meeting

membership forms, labels, letters, gift cards

2021 Q4

2021 South Dakota State Sales Tax Remitted by Coteau Community Market

Quarter	Sales tax state	Sales tax Wtn	Sales tax total	Taxable total	Tax due	Tax collection allowance earned (1.5% of taxes collected)	Amount remitted	Date remitted	Confirmation number
Q1	\$52.802	\$23.463	\$76.269	\$1,173.37	\$76.27	\$1.14	\$75.13	04/01/2021	1144328822462815737
Q2	\$1.268	\$0.563	\$1.831	\$28.17	\$1.83	\$0.03	\$1.80	07/13/2021	1190158822462950308
Q3	\$25.581	\$11.369	\$36.950	\$568.46	\$36.95	\$0.55	\$36.40	10/04/2021	1133104822463065937
Q4	\$20.205	\$8.980	\$29.185	\$449.00	\$29.19	\$0.44	\$28.75	01/03/2022	1141132822463188034
Total	\$99.855	\$44.375	\$144.235	\$2,219.00	\$144.23	\$2.16	\$142.08		

Capital Campaign Summary				
May 13 through February 4, 2022				
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	\$7,650.00	\$7,650.00	\$0.00	7
Memberships	\$6,200.00	\$6,200.00	\$0.00	46
Totals	\$49,310.00	\$28,310.00	\$21,000.00	
campaign goal	\$120,000.00			
% of goal	41.09%			

Fund Request Form for Program Expenditures Incurred

For use by organizations requesting funds from dedicated accounts held by the Cooperative Development Fund of CDS.

Name of requesting organization: Coteau Community Market

Name of individual making the request: Annie Mullin

Check payable to: Coteau Community Market

Address: 1316 3rd ST NW

City: Watertown State: SD Zip: 57201

Phone: 605-868-8814 Email: annie@coteau.coop

Amounts of funds requested*: \$ 4,333.51

Date of request: December 16, 2021

Funds to be used for: Inventory, supplies, marketing, equipment, accounting and legal fees

Reminder of Approved Expenditures Via MOU Agreement Include:

Expenditures in support of Client's project shall only be for authorized purposes. In general, expenditures shall be to facilitate the reasonable development of a business enterprise but shall not include capital expenditures for real estate or real estate leases. Permitted purposes may include such things as:

- Professional fees for technical assistance such as marketing studies, pro forma projections, architectural design services, board governance or management training, legal or accounting services, etc.
- Supplies, meeting and travel expenses related to project development.
- Operating expenses, including inventory, and equipment with an estimated useful life of three years or less.
- Hiring of project management staff, contractors, general management or employee payroll and benefits.
- Building renovation, furnishings, etc.

***For expense reimbursement requests, please attach/include unpaid invoices or receipts.**

Please email request and backup to Vicky Chaput at vchaput@cdsus.coop or mail to Vicky Chaput, Cooperative Development Services Fund of CDS, 997 Ticonderoga Trail, Eagan, MN 55103.

To be completed by Cooperative Development Fund of CDS Staff:

Review committee recommendation (if applicable): _____

Administrative approval: _____

Date of approval: _____

Coteau Community Market reimbursement items 12/16/2021				
Who	What	Amount	Date	Method of payment
Encirca	marketing - domain renewal	\$89.20	06/16/2021	debit card
HAE Now	supplies - aprons	\$30.00	06/25/2021	debit card
Ninja Forms	marketing – website plugins	\$69.20	06/28/2021	debit card
Borns Group	marketing – printing	\$90.53	06/30/2021	check #1073
Wegner CPAs	accounting services - review taxes	\$200.00	07/07/2021	ACH
USPS	marketing – stamps	\$55.00	07/14/2021	debit card
Target	marketing – envelopes	\$5.66	07/14/2021	debit card
Borns Group	marketing – printing	\$15.98	07/15/2021	check #1074
Smash Balloon	marketing – website plugin	\$49.00	07/17/2021	debit card
Facebook	marketing – ads	\$54.27	07/22/2021	debit card
Facebook	marketing – ads	\$43.30	08/05/2021	debit card
Carl Pulvermacher	inventory - COGS (steak burger)	\$375.00	08/05/2021	check #1076
USPS	marketing – stamps	\$34.80	09/17/2021	debit card
USPS	marketing – stamps	\$81.20	09/21/2021	debit card
Target	marketing – envelopes	\$11.91	09/21/2021	debit card
Borns Group	marketing – printing	\$33.02	09/29/2021	debit card
Target	marketing – printer paper	\$8.51	10/08/2021	debit card
Borns Group	marketing – printing	\$47.93	10/20/2021	debit card
SD SOS	legal – annual report	\$50.00	10/28/2021	debit card
Carl Pulvermacher	inventory – COGS (steak burger)	\$290.00	11/02/2021	check #1080
Pleasant Hill Grain	marketing – grain mill	\$2,699.00	12/09/2021	debit card

COTEAU COMMUNITY MARKET POLICY: ANNUAL MEETING

The membership meeting will be held each year on the second Saturday in June.

Adopted: November xx, 2018

Related notes:

CCM Bylaws: **3.1 Annual Meeting.** An annual meeting of the Members shall be held each year at a time and place to be determined by the Board. The purpose of such meetings shall be to hear reports on operations and finances, to review issues that vitally affect the Cooperative, to elect Directors whose terms are ending, and to transact such other business as may properly come before the Members.

SDCL 47-16-2: **Annual member meeting--Time of meeting.** An annual member meeting of a cooperative shall be held at the time fixed in or pursuant to the bylaws. In the absence of a bylaw provision, such meeting shall be held within six months after the close of the fiscal year at the call of the president or board of directors.

SDCL 47-20-4: **Annual financial report to stockholders or members--Contents of report.** Within nine months after the close of its fiscal year, each cooperative organized under chapters 47-15 to 47-20, inclusive, shall mail or electronically transmit to each of its stockholders or members, at the stockholder's or member's last known address, a financial report signed by a principal officer, managing agent, or a public accountant, showing its assets and liabilities and proceeds or loss for the preceding fiscal year.

COTEAU COMMUNITY MARKET POLICY: ACCESSIBILITY

Coteau Community Market will make all reasonable accommodations and take into consideration arrangements that will make it easier for those with accessibility or health issues to visit the market.

Adopted: May xx, 2021

COTEAU COMMUNITY MARKET POLICY: BRING YOUR OWN CONTAINERS

Coteau Community Market is a near-zero-waste, bring your own reusable bag and container store. No new single-use disposable bags or containers will be provided by the market.

Adopted: May xx, 2021

COTEAU COMMUNITY MARKET POLICY: PATRONAGE REFUNDS

Patronage refunds are subject to board approval. Upon the board's determination of a profitable year, patronage refunds will be issued to all members of the co-op in proportion to their patronage of the co-op (the amount spent in the co-op by the member) over the past fiscal year. Of the patronage refund issued to each member, a minimum of twenty percent (20%) will be returned to the member in the form of store credit at the market and approximately eighty percent (80%) will held by the co-op for reinvestment as Class A stock (rounded to the nearest dollar). Patronage refunds are calculated against the co-op's net income.

If a member does not use or cash out their 20% distribution within ninety (90) days from the date of distribution, the member's entire patronage refund reverts to the co-op and no longer belongs to the member.

Adopted: November xx, 2018

Short version: The IRS requires that a **minimum** of 20% be distributed to co-op members as a “qualified check” (cash, check, store credit that can be cashed out, etc.) in order for it to qualify as an allocation to members that can be deducted from co-op’s taxable income. The 80% retained by the co-op has to be rounded to the dollar (the Class A stock that tracks it has a par value of \$1, as set in the articles of incorporation), so if there are pennies on either side, they must be added to the amount able to be redeemed as cash, and that total **must be a minimum of 20%**. Obviously, this means that the 80% side may not be *exactly* 80%, just very close.

Co-op members who have received a patronage refund **must** claim their 20% within ninety days of distribution, or the entire refund reverts to the co-op and becomes taxable income.

Applicable federal laws:

<https://www.law.cornell.edu/cfr/text/26/1.1382-2>

<https://www.law.cornell.edu/uscode/text/26/1382>

<https://www.law.cornell.edu/uscode/text/26/1388>

Coteau Community Market Startup Budget Covers three months to get the store open

What	
Location	
rent (base + 3% of sales, estimate)	\$1,500.00
renovate (estimate)	\$10,000.00
rent deposit	\$410.00
phone & internet	\$150.00
equipment & fixtures (listed below, rounded)	\$37,000.00
start up inventory (\$45 per retail sq. ft., rounded)	\$31,000.00
start up marketing	\$1,500.00
Payroll (GM for 4 months, rounded)	\$13,200.00
POS monthly fee (software)	\$267.00
working capital (6% of projected sales, rounded)	\$12,300.00
subtotal	\$107,327.00
overrun allowance (15% of subtotal, rounded)	\$15,800.00
Total	\$123,127.00

NEEDED TO OPEN

portion-control bulk bins – \$11,100
 point of sale (POS) system – between \$2,200 and \$6,000 (depends on system chosen)
 computer, monitor & mount, cash drawer, receipt printer, scanner, scale, cables, credit card
 machine & mount, customer monitor & mount, UPS backup
 upright three-door cooler – \$5,900
 commercial grain mill – \$2,700
 shelving – \$2,000
 stainless steel work table – \$1,840
 water purifier – \$1,060
 chest freezer – \$1,000
 stainless steel sink & faucet – \$900
 two-tier shopping carts – \$640
 printer – \$500
 phone, modem, router, adapter – \$450
 hand baskets – \$272
 everything else – \$2,638
 including but not limited to: hand cart, food safe buckets, gamma seal lids, scoops, tongs, food prep
 gloves, aprons, fire extinguishers, fire extinguisher mounting brackets, signs, first aid kit, CCM sign,
 weight & measures certification of POS scale, parking signs, file cabinet, office chair, various
 cleaning supplies, various office supplies