



**Whitewater Grocery Co.
First Annual Owners' Meeting
October 25, 2017 - Minutes
6:15 p.m. - 841 Brewhouse**

Lacey Reichwald, chair of the Steering Committee, called the meeting to order at 6:19 p.m.

She welcomed the assembly and thanked everyone for attending. She introduced the other members of the Steering Committee: Brienne Brown, Vice Chair; Anne Hartwick, Secretary; Jennifer Crone, Treasurer; Joanna Baker; and Dustin Reichwald. The Steering Committee with cease to exist tonight after the first Board of Directors is elected.

Lacey reviewed our journey that started with our first visit to the Up & Coming Food Co-Op Conference in the Spring of 2016 funded by a City of Whitewater Community Development Authority grant. After a year of growing, learning, and testing options, a second cohort attended the same conference in 2017, funded in part by a scholarship offered through the Food Co-op Initiative.

Organizing of the co-op began in in the Spring of this year and many milestones have been reached along the way, including:

- \$10,000 grant from CDA to help with the legal fees and promotional costs of incorporating and taking on our first owners.
- Officially incorporated on May 5, 2017; 58 owners signed up the first day and within the next four days, we reached 100.
- Today we are over 270 owners strong. Many co-ops work for years to reach this number. We have a lot to be proud of.
- This summer we received a \$10,000 seed grant from the Food Co-Op Initiative through a USDA grant program aimed at helping rural communities.

Lacey talked about the three stages of building the Whitewater Grocery Co.: Organizing, Feasibility and Planning, and Implementation. We have officially moved from Stage 1 to Stage 2a, with our first feasibility study currently taking place. As we continue to grow our ownership, we will continue to move through the feasibility stage which will include a business plan, a pro forma (or financial feasibility study), and an additional market study. All of this data will help us determine key features like location, store size, what to sell, and who to partner with. Before moving to the planning stage, the owners will have an opportunity to hear all of the findings of our feasibility research and vote on how to move forward.

Lacey talked about the importance of our many talented volunteers. In June, we trained 16 volunteers to help us promote and educate our neighbors, friends, family, and complete strangers about what we're doing here.



She asked that everyone review the volunteer commitment sheets on the tables and reminded people to sign up if they are interested in contributing more time and talent to building our store.

Brienne Brown provided a report of the Ownership & Outreach Task Group. Brienne talked about the the Transtheoretical Model of Behavior Change which is a fancy scientific way to explain why some people make hard decisions fast and adopt good ideas quickly and some people take their time and seem to take forever to recognize an idea that will benefit their lives in a healthy and positive way.

She said that we know our neighbors will become owners; we just need to keep talking about it!

Many of our promotion channels have include the newspaper, Whitewater Banner, T-Shirts, yard signs, events, Facebook, City Market, presentations to service clubs, owner/BOD get togethers, parade floats, W3 events, and volunteers trainings. We hope to be able to launch a membership drive shortly.

Jennifer Crone, treasurer of the Steering Committee, delivered a financial report.

At our current phase, the main expenses can be grouped into three main categories:

- Marketing, Membership & Outreach are by far our largest expense and the key to this initial phase, as our focus has been on getting the word out and building support and membership. This will continue to be an ongoing expense as building membership and building interest in the WW GroCo will be an ongoing focus. (\$7,000)
- Preliminary Market Study - We have recently taken the step to engage a consultant to provide a preliminary market study that is just the first of several consulting expenses we expect to incur in these initial stages. (\$3,500)
- Business Expenses - As with any organization or business there are expenses for insurance, software, legal fees, etc. There will continue to be expenses in this area, but have been small so far. (\$2,700)

At our current phase, the income can be grouped into three main categories:

- Member Equity (\$40,000)
- Grants (\$20,500)
- Donations (\$630)

Jen referred to the financial report that was provided to everyone attending. One side is our current draft 12 month budget, showing income and expenses to date. This is just a draft budget, and one of the first orders of business for the new Board of Directors will be to review and finalize this budget. The slide we've been looking at is a summary of the detail in this budget handout.



The other side is a reporting of our current account balances. We hold three accounts - two with a local bank. And one with Paypal, which we use for all our credit card transactions.

Jen said that the budget report doesn't say anything about building construction or equipment or staff or bank loans or any of those things you might think are part of building a grocery store. At the stage we are at these are not yet supposed to be part of our budget. But as we continue to grow in our membership and advance into the higher stages and as we learn what we need to learn from our market studies, this budget will change and develop along with it.

Jen then submitted the financial report to the membership, with all details recorded online in our electronic files.

Anne Hartwick, secretary of the Steering Committee, provided an overview of the bylaws.

Anne said that the reason why bylaws are so important is because it is part of the the way a co-op is governed. Our co-op's bylaws identify the basic rights and responsibilities for both member-owners and for board members. They provide general rules for governance of the co-op.

In the bylaws, the member-owners define how they will make certain decisions together and how they will empower a board to make decisions on their behalf. Under that authority, the board ensures that the co-op meets the needs of the member-owners while remaining ethically, legally and financially sound.

During our drafting process, we had three primary goals: that they be user friendly, comprehensive without being overly detailed, and consistent with applicable law.

Anne said that our bylaws are a mash-up of the best of the best...including successful co-ops like Friendly City in Harrisonburg, VA and Viroqua Food Co+Op in Wisconsin, and a template provided by the Food Coop Initiative. The Steering Committee spent several months drafting the bylaws which were ultimately reviewed by our attorney. Our bylaws were adopted on May 5 by the Steering Committee.

Bylaws are organized into sections and our bylaws have seven sections: Organization, Ownership, Membership Meetings & Decision Making, Board of Directors, Patronage Dividends, Dissolution, and Amendments.

These bylaws will now govern our organization throughout the next year. Our bylaws will most likely change as we move through the different stages of our development.



Anne said that over the next year, the Board will be reviewing the bylaws and considering potential revisions. She said that if any members have questions or have a suggestion, to consult a board member.

Joanna Baker then introduced our guest speaker. Jacqueline Hannah served as the general manager of Common Ground Food Co-op in Urbana, IL from 2006 to 2015. There she combined her passion for business, management, and sustainable food with her belief that businesses should exist to enrich the communities in which they exist. During her time with Common Ground, she led the co-op through two expansions, the founding of their Food For All economic access program, and being the fastest growing retail food co-op in the nation from 2008-2013.

Jacqueline joined Food Co-op Initiative in March of 2015 so she can fully commit herself to her passion for new food co-op development. Before joining CGFC, Jacqueline spent over 25 years in retail management for independent local businesses.

In 2010 Jacqueline was named one of the "40 Under 40" business people of excellence by Central Illinois Business Magazine, and in 2011 she was awarded the Innovation Award for Economic Development Impact for her work with Common Ground Food Co-op.

Jacqueline will be taking us through the next hour or so as we will work together as a group to establish the VISION of our co-op. This vision will inform the decisions of our new Board moving forward.

Jacqueline introduced the Food Co-op Initiative, a very small non-profit. They don't charge for any of their services. Most of the staff live in Minnesota and she lives in Illinois. They are funded by food co-ops across the nation who want there to be a resource available in communities who want to start food co-ops. The first wave of co-ops started in 1940s and it was a very robust movement in Wisconsin. And then in the 1970s, with the hippie co-ops, and then about ten years ago, they started getting a ton of phone calls asking us for resources on how to start a food co-op.

In the last ten years, the Food Co-op Initiative has worked with 126 communities that have opened a food co-op. There are now in the nation over 300 food co-ops. And, right now, in development, there are over 130 co-ops who are working on opening up their stores.

They also give out 10 grants of \$10,000 each year and Whitewater is a recipient this year. Jacqueline said that our group is very impressive. She said that we are organizing phenomenally. We have such a professional leadership already happening here and such a drive and commitment, the likes she rarely sees. She doesn't know if any other rural food co-op that is one-quarter of the way to their ownership goals of 1,000 in six months.

Her job is to help us with our vision for the co-op.



Jacqueline asked...what is a food co-op? A full service grocery store that is a business run for community profit. By law, the profit either has to be reinvested into the business or it has to be paid out equally to the owners. We actually know through a nationwide study that food co-ops are economic multipliers. For every \$1 spent, 50% stays in the community.

If we made Whitewater richer as a community, what would that look like?

The visioning exercise begins with understanding that co-ops have both a mission (values) and vision (shopping experience).

Jacqueline asked the attendees to take a paper plate and separate it with a marker or pen into six slices or sections. She asked that we start writing down what we want out of a community-owned grocery store. It could be a value or it could be a shopping experience. What do you want your store to be like?

Once we as individuals write our thoughts on our paper plates, she asked that we take time to share with others at the table. She then asked that each table share several common themes or where we are in alignment with one another based on our discussion.

During the talk back, participants provided the following mission and vision for the Whitewater Grocery Co.

Mission (Values)

Create local jobs for local residents

Help people that need access to food, perhaps in partnership with the local food pantry

Farm to Table

Be inclusive, and include multilingual signage

Welcome all economic income levels

Food education

Environmentally sustainable

Economic multiplier effect

Serve as a third space - a place for the community to gather

Be the heart of the community

Have local control and input

Connect to the University

Volunteer opportunities to serve the community

Financial accessibility

Commercial kitchen space that is available for rental to local makers

Connect with seniors



Seasonal celebrations based on food
Welcoming to children
Special ownership tier for students and those of lower economic means

Vision (Shopping Experience)

Exposing people to new foods
Tasting opportunities, especially for families that need help making food

Local products - support other makers

Zero food waste program
Reusable or environmentally sound packaging
Deli

All food made from scratch
Place people can gather and eat

Accessible for everyone

Ample parking, lighting
Beer & Wine
High quality prepared foods/salad bar

Affordable food

Focused on what we need and want that Walmart doesn't offer
Robust bulk section

Phone orders/online ordering and delivery
Vitamin supplements - diversify (high margin area)
Staff that is knowledgeable, interested and engaged
A way to distribute food to the community
Natural remedies for Hispanic community

Affordable staples
Childcare

Innovative food storage
Outside green space for vegetable/herb gardens
Bulk and variety of spices

International foods
General merchandise - gift shop with a local focus
Quality bread and pastry

Events for the fun of it! Coffee, olives, wine & chocolate
A place to buy food for people with allergies

Organic food

She then asked everyone to place a dot (sticker) next to their top three values and their top three shopping experience themes.



Mission statements are how we filter our activities and focus our priorities. In other words, we are running this business to make our mission happen.

The list above highlights those themes that were the most popular. Based on the themes, Jacqueline drafted the following mission statement for us:

Whitewater Grocery Co.'s mission is to create local jobs for local people, to support farm to table, to be a model of environment sustainability and to create a third space of community gathering for Whitewater. To accomplish this mission, we will build a grocery store that provides locally made products and organic food that is as affordable and as accessible as possible.

Lacey then thanked Jacqueline and said that we are excited to turn this new VISION over to our new Board of Directors and use this as our roadmap moving forward.

She introduced Dustin Reichwald, our election coordinator, to announce the results.

Dustin provided an overview of how the election was run. It was run through ElectionRunner.com, a site dedicated to facilitating elections and votes such as this one. He said we learned a lot through the process about how to run an election, distribute information, and gather feedback. He asked the membership if they had any ideas for future votes or elections, to please let him know or email the Groco.

We had paper and digital ballots. When you signed up to be an owner, you elected to receive digital or paper ballots. In order to reach every owner, we did our best to accommodate these requests. If you'd like to change from paper to digital, or digital to paper ballots, he asked the members to please email the co-op at contact@whitewatergrocery.co to have your preference changed.

He said in particular for this election we had eleven self-nominated and very qualified candidates who sent in bios and answered a few questions, which were then made available to owners online and at the City Market. Each owner was given time (about a month) to review the bios and vote, either online or through a paper ballot, for up to seven Directors. He reported that almost 75% of our owners voted.

The directors will serve 1 to 3 year terms, based on a random draw that will occur immediately following the conclusion of this meeting. The votes that came in online were hidden from view, so the results tonight are a surprise to all of us. He will be filing an election report within two weeks of the meeting if you would like to review the results.



The first board of directors were announced. Per the rules outlined in the bylaws, the terms were defined as follows:

One Year Term:

Brienne Diebolt-Brown

Greg Majkrzak

Two Year Term:

Lacey Reichwald

Jennifer Crone

Three Year Term:

Joanna Baker

Al Stanek

Anne Hartwick

Some members offered the following suggestions during the Q&A session.

- *Consider adding "officers" to the conflict of interest section of the bylaws. Lacey said we would ask the attorney for his recommendation.*
- *Consider including car magnets or window clings in your promotional materials.*
- *Consider adding Board Criteria for expertise: nutritionist, finance, governance, safety operations, etc.*
- *Can we have membership scholarships?*
- *Can we have student memberships?*
- *Will the general public be able to shop or is it only open to owners?*
- *Is 1,000 owners really possible in a town like Whitewater?*
- *How should local banks, realtors, and the university contribute to the co-op?*
- *How many people would a co-op in Whitewater employ...?*
- *What are the \$851 in credit card fees?*
- *Should there be revenue for the sale of t-shirts and signs since there is an expense for promotional materials?*

The meeting adjourned at 8:35 p.m.

Minutes respectfully submitted by the Steering Committee secretary, Anne Hartwick on Nov. 3, 2017.