



Whitewater Grocery Co.'s mission is to support farm to table eating, to be a model of environmental sustainability, to stimulate the local economy, and to create a "third space" for the Whitewater community. To accomplish this mission, we will build a grocery store that sells local and organic foods and is as affordable and accessible as possible.

**Date: May 14, 2018**

Meeting Time: 6:30 p.m.

Location: Whitewater Innovation Center, 1221 Innovation Drive, Whitewater WI

Description: Meeting of the Board of Directors of the Whitewater Grocery Co.

Invited: Board of Directors, all owners of the Whitewater Grocery Co.

The meeting was called to order at 6:34 p.m. by President Lacey Reichwald. The mission and vision for the Whitewater Grocery Co. was read by Jo. The goals for this meeting are to provide updates on individual actions since the last meeting to the Board and owners, to engage in some strategic planning, and to increase Board literacy by learning about the real estate guide.

The Board allowed time for owner comment, although no owners were present.

Brienne moved to approve the minutes from the April 17 Special Board Meeting with one correction on page 5 in the ProForma update - change total amount of store development and buildout process to \$4.18M. Second by Al. Jo moved to approve the minutes from the April 9 Regular Board Meeting. Second by Al. Both motions passed without dissent.

No owners were present at the meeting.

Lacey moved to amend the agenda, requesting that we relocate agenda item 7. Site Selection Committee Update to occur after agenda item 9. Board Learning: Real Estate Guide. Second by Al. Motion passed without dissent.

**Outreach & Ownership Committee Report**

Committee Chair Brienne Diebolt-Brown provided an update on the activities of the Committee. Much of these activities have been recorded in the minutes from the meetings of April 11, April 18, April 25, May 2, May 9.

Some of the highlights include: the debate on selling lawn signs vs. giving them away. We decided on a case by case basis we would give them away as incentives, but still sell them as a standard practice. We did explore the idea of advertising in the UWW Theatre & Dance Department playbill, but ultimately decided that it was too expensive and the return on investment would probably be low. During April and the beginning of May, we presented to several groups, hosted our one-year owner-versary at the Innovation Center (75 attendees & 8 new owners), recruited some high school students as volunteers, and we've planned a brand workshop (an activity learned at the Up & Coming Food Co-op Conference) to help us define our brand pillars and tone. Our PR Coordinator, Ruth Peterson, and Volunteer Coordinator, Katy Wimer, have both been very busy promoting the GroCo in the press and recruiting volunteers/planning our next Volunteer Training respectively. We created a



new page on our website listing our media mentions. We now have an admin volunteer who will be helping us in the office for 3 hours a week and one hour from home (Tricia Borchardt).

Deilee Calvert from Badger Group joined one of our Committee meetings to discuss direct mail campaign options. She provided us with a detailed comprehensive promotional plan which we've customized. This plan is segmented into three phases: Phase 1 - Reaching 500; Phase 2 - Celebrating 500; Phase 3 - 500 and beyond. We are likely to get at least 100 warm leads for ownership using our current owner pool. If each current owner refers 3 people, we'll have 1,200+ leads to approach. This gets us to the 500 mark by August without spending a lot of money to do it.

We're also estimating 1-2 sign ups at weekly City Market for a total of 11 to 22 new owners (from May until end of August). A detailed version of the plan is on our Google Drive. A complete budget and timeline will be presented at the next Board meeting.

In addition to our 500 and Beyond Plan, we will continue our ongoing activities to attract new owners and engage current owners - press releases, articles, informational meetings, newsletters, etc.

#### **Business Administration Committee Report**

Committee Chair Jen Crone did not have a report to provide as the Committee had not met at the time of the Board meeting.

#### **Financial Report**

Treasurer Jen Crone informed the Board that she updated the membership chart, breaking out the ownership benchmarks on the right side and the number of new owners on the left side. She also updated the previous treasurer Dashboards to match our ownership list. We gained 32 new owners in April. Jen also reported experiencing some issues in dealing with the state, as they think we should pay withholding taxes for last year.

Jen also prepared a summary of all of the costs that should be reimbursed by the grant - basically everything that we've spent towards training and consultants. Brienne & Jen will coordinate on submitting a report to the grant for reimbursement for the amount we've spent so far, \$9,000.

Jen reviewed the budget with the Board. Since April, she's added the cost for the liability insurance. This insurance is required by our lease. We now of Board & Liability insurance that covers medical expenses and liability if we are sued, also some property coverage so if we have any damages or something is stolen, it may be covered.

We renewed our contract with Nationbuilder (\$250), our web domain and email account (\$120), and paid the accountant (\$550), all of which are reflected in the budget. We will not renew with GQueues, our project tracking tool. She also added an estimated cost for QuickBooks. After reviewing the budget during the meeting, Jen decided she needs to double-check the accounting vs. project management expenses to make sure that the costs are properly allocated to the right line item.



In the Sources column, we have 403 members plus an additional \$100 donation, and sales amounts for T-shirts & lawn signs.

Jen is thinking about different ways to present the budget to us, because as we move forward with the pro forma, all of these costs and budget items we currently have listed are only a couple of line items in the pro forma.

Don Moffitt at CDS Consulting told us that we have a \$50 credit with their company because we met with them at the Up & Coming Food Conference in Milwaukee. Currently, we don't owe CDS Consulting anything more.

Discussion ensued about how to plan for our budget in stage 2B. We decided that we really need to better understand budget planning for after the summer and beyond. We should be thinking about reviewing the budget in light of our marketing plan and how that would affect our other plans. Jen will do some research on the budget best practices for start up food co-ops (fiscal year vs. calendar year, annualized expenses vs. stage expenses, etc. ).

#### **Updates on assigned projects or research**

- Pro forma training meeting: Based on our Doodle Poll, no date currently works for all of us. Lacey is going to reach out to Don to identify a date in June or July.
- We discussed the confidentiality policy regarding proprietary data and studies (C9 in our Policy Handbook). Al moved to approve. Second by Greg. Motion passed without dissent. Anne will research whether other co-ops have a confidentiality policy for proprietary data and studies.

#### **Board Learning: Real Estate Guide (Presentation & Guide)**

Al provided a review of the Real Estate Guide published by Food Co-op Initiative. Location is how we identify ourselves and it is critical to our success. Decisions should be made based on the data. Al confirmed with the rest of the Board that we are indeed looking to build a full-service grocery store that is convenient for the entire community, rather than a niche market.

Al feels that we need to establish organizational alignment around our vision for the store and the Board agreed. The vision for the store will drive our location.

Critical to site location is our alignment around the goals of site search, selection, and evaluation. We have two basic parameters - time and money. We are running parallel with the city who is looking to bring in a corporate grocer.

The following are highlights of the recommendations provided in the Real Estate Guide and the action steps we need to take in order to identify a location:

- Develop criteria to identify and evaluate potential sites
- Develop an appropriate strategy, plan and protocol to secure a site
- Full Board not generally involved
- Confidentiality is critical!



One idea is to run an ad in the paper or send out letters to potential developers or land owners that the co-op is looking for a site. The author of the Real Estate Guide was not fond of that approach.

The Guide suggested that a Board member with real estate experience lead the Committee if at all possible. Al said he would volunteer to do so if the Board agreed. Al's experience is mostly residential, with a little commercial. Al knows about the laws and regulations, where to obtain data, and he will remain objective as best he can. Legally, at some point, we might need to have to have a contract with Al that states he is working pro bono because he is a licensed real estate broker.

In our 400 owner group, we probably have some connectivity to the talent we need to select a site and build the store. One of the first steps after we have some preferred sites is to get an architect involved and rough out the layout -- identify the flow of each location. This will help us make a decision about the best site for the store.

The Guide recommends that the Site Selection not be involved in negotiations.

There are two types of attributes - locational and site:

- Location - position in the target market place - destination business, capitalize on traffic counts, etc.
- Site - Refers to access, visibility & buildability.

The Site Selection Committee will be formed and chartered during the beginning of the summer and will then begin their due diligence in analyzing sites based on the evaluation matrix.

While the Real Estate Guide recommends weighted criteria, Al isn't a big fan because it tends to take away some of the objectivity. Some of the criteria may need to be fluid based on whether or not we lease or purchase, retrofit or build.

There was a question about whether or not we need to hire a General Manager even before we select a site. Lacey said the stores that were the most successful hired a GM post site-selection and pre-build. The Board needs to narrow the sites down to one or two and decide whether or not to retrofit or build. The Guide did not address working with developers; however Al said there is nothing that prevents us from talking to developers while we are conducting our due diligence at looking at existing sites. In fact, most of the co-ops that are announcing sites are the anchor tenant in a development project.

Al reviewed some potential criteria with the Board. We will need to evaluate the operating costs from one site to another - we should be able to get estimates based on the age of the building, how new the windows are, the lighting, etc. The Committee will ultimately be providing us with what they recommend as their criteria and how each site will be graded (i.e., A B C D E F).

Lacey requested that when the Site Selection Committee provides us with a report on potential sites, they not disclose the location so we can assess sites without any potential location subjective bias. We are aiming for the



report to be presented in closed session sometime during one of the September, October or November Board meetings.

AI asked that the Board provide him with evaluation criteria ideas as well as some referrals of individuals that we could potentially recruit to the Committee.

During our June meeting, we will approve the evaluation criteria and the Committee charter. AI will present both as well as a list of potential Committee members.

### **Requests for next month's Board Literacy Topic**

Jen will present what she learned about budgeting (calendar year vs. fiscal year, the relationship between the pro forma and the sources & uses budget, how to modify the budget throughout the three stages, etc.). We do have a Board policy that needs to be updated to reflect a budget deadline (C8 of Policy

). Based on Jen's presentation, we may be able to identify this date at the June meeting.

We reviewed the timeline, needs assessment, as well as the Board calendar, and updates were made to all.

We quickly reviewed the meeting. We have a lot of ambitious plans and there is momentum on our side. We hope to keep it up! We are where we should be right now.

We had a couple of requests from Board members for future agenda items, including a review of our mission and vision, and presentation on the outcome of the branding workshop conducted by our Outreach & Ownership Committee.

The meeting was adjourned by the President at 8:22 p.m. Minutes respectfully submitted by Anne Hartwick, Board Secretary, on Friday, June 8.