



MEETING MINUTES
Whitewater Grocery Co
Board of Directors

Mission & Vision: 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: Monday, November 12, 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.

Board Members Present: Lacey Reichwald, Brienne Diebolt-Brown, Anne Hartwick, Jennifer Crone, Joanna Baker, Greg Majkrzak, and Al Stanek. Owners Present: Michael Schwabe, Vicki Hagstotz, Don & Joanne Huntington.

The meeting was called to order by President Lacey Reichwald at 6:30 p.m. The mission and vision for the Whitewater Grocery Co. was read by Lacey. The intention for this meeting is to provide updates to the Board and Owners on our progress in the feasibility research of Whitewater Grocery Co., and to officially amend our bylaws.

Although several owners were present (see attendance list above), no owner spoke during the designated owner comment period.

Al moves to nominate the existing slate of officers for the second term. Second by Jo. Motion passed without dissent.

Greg moved to approve the consent agenda that included the following: minutes from the September Board Meeting and the committee reports from the Outreach and Ownership Committee (includes Volunteer Coordinator Report), Board Development Committee, Business Administration Committee (no report), and Site Selection Committee (no report). Second by Brienne. Motion passed without dissent.

Annual Meeting Review

Event Executive Lead Coordinator, Vicki Hagstotz, provided a report on the annual meeting to the Board. 139 people attended and we had 17 new members signed up either online or in person the day of the Annual Meeting. According to responses to the survey, overall the meeting was very positively received; most felt meeting length and activities were appropriate, and very well organized. The majority of people learned something new, including the possible site location; volunteer opportunities and skills needed, the amount of work and research involved, next stages, the number of committees, and financial report

As always, we learned that we can improve some things for next year, including:

- RSVP process
- Readability of slides and to speak slower



- Food -- healthier, vegan, better labeling of food, better beer, better wine, feed growth not ourselves, coffee
- Better signage at venue
- More activities
- ASL interpreter

Other comments from the survey included a request to refrain from political commentary and the use of “you guys,” and that we have a nice brochure!

Lacey had one owner say that it was very professional and that she felt comfortable with the way we are running things. Lacey was proud that although we had a full agenda, we ended early. A request was made by the Board to follow up with those that made use of the childcare option. Other Board members heard from owners that we should perhaps have the dinner separate from the meeting, and that we should ask the owners to purchase tickets for the dinner to reduce the cost of the event, or even to have a donation box available in case people want to help offset the cost of the event.

The Board thanked Vicki for her leadership as head of the Annual Meeting Committee and for all of the hard work she put into making this another successful event for our business.

Jo Baker provided the Board with a report on the election. Two seats on the Board of Directors were up for election at the 2018 Annual Meeting on October 14, 2018. These seats were elected to serve for three years until 2021 for the Whitewater Grocery Co. The election resulted in 50% of owners completing the voting process (down by 23% from the 2017 election). The candidates were Brienne Diebolt-Brown (I), Sarah Hoots, and Greg Majkrzak (I). Brienne Diebolt-Brown and Greg Majkrzak were elected to serve as Directors for three more years.

Overall, the election was an easy and smooth process for the owners. The election process was within budget and resulted in 50% of owners voting. While it was a successful election, one suggestion from Lacey included a request to ElectionRunner to offer more reminder emails than just the one.

Participation was down by 23% from the previous year. Any recommendations on how to get higher owner participation are welcome. The Board Development Committee will confer with other co-ops regarding their election process to see if participation can be increased for future elections.

Action Items from Last Meeting

- *Board Secretary Anne Hartwick and Board President Lacey Reichwald will meet at City Hall or a bank to have their signatures witnessed by a notary and then mail the amendment to the Dept of Financial Institutions along with the appropriate paperwork and check provided by Jen Crone, Treasurer. **Done***
- *Board Treasurer Jen Crone will provide a draft of the Finance Committee Charter by the next meeting for the board to review, discuss, and approve. **Done***
- *Site Selection Committee Chair Al Stanek will work with MCI to create large poster board renderings of the potential sites for the Annual Meeting. **Done***



- *Board President Lacey will follow up with Keith to obtain a quote to update the market study for a different store size and for the recommended locations. **Lacey has not yet contacted Keith to request a quote on updating the preliminary study due to some additional research she wants to conduct before doing so.***
- *Board Secretary Anne Hartwick will modify the Needs Assessment to add a Finance Committee, and a Site Selection Committee. **Done***
- *Board Secretary Anne Hartwick will modify the Board Calendar to remove the Board meeting scheduled for October. **Done***

Financial Report

Treasurer Jen Crone provide the Board with an update our our financials. 44 members were added in the month of October. The is a new record that was only exceeded by when we first starting selling shares in May 2017. Our bank account balance is \$56,988. She noted that we do not have a lot of changes to the dashboard or the budget other than our new owner equity. We did not record many expenses in October. Many of the expenses for the annual meeting will be paid in November. The budget for the annual meeting noted in the current budget is for last year's meeting. We asked that Jen update the budget number for this year's meeting to \$6,000 as approved by the Board during the September meeting. Lacey will share the budget and the projected expenses for the annual meeting with Jen.

Board Learning - Business Planning - Brienne

Our volunteer coordinator Katy Wimer and Brienne attended the Fourth Annual Small & Strong Conference on Saturday, October 27, 2018 at Normandale Community College in Bloomington, Minnesota. Small & Strong is a one-day networking and training event for staff and board of small and startup food co-ops (under \$3M in annual sales). The conference featured a variety of sessions led by industry experts and representatives from co-ops around the region, with a focus on the challenges and opportunities for small and rural food co-ops.

Brienne said there were a variety of food co-ops represented both from small and large towns, some that have been in business for 5 years and others for 50. Their circumstances varied -- some were the only game in town and others were located right down the street from another grocery store. Some were on Main Street and others were on the outskirts of their towns.

Brienne participated in a workshop on the business plan which was taught by Stuart Reid, Executive Director, Food Co-op Initiative (FCI). Stuart recommended that we start working on the business plan now and parcel the contents out to different members of the Board. He was able to provide the attendees with samples and outlines of business plans which can also be found the the CDS Consulting Co-op website. Stuart stressed in the workshop to include as many risks as you can in the business plan (including the possibility of another grocery store coming to town. The more risks you throw into the plan, the more investors know that you have done your research backwards and forwards. He recommended we utilize SCORE which is the nation's largest network of volunteer, expert business mentors, with more than 10,000 volunteers in 300 chapters. SCORE is a resource partner of the U.S. Small Business Administration (SBA) and has helped more than 10 million entrepreneurs



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through mentoring, workshops and educational resources since 1964. They help start-ups with business plan development and we can schedule a free consultation with them.

Brienne also attended a workshop on Creative Approaches to Non-Equity Financing presented by Kevin Edberg, CDS Consulting Co-op. He said to not think of capital just as money, but as opportunities for community support. Also, that we should be actively pursuing grant money. This money is not related to the sales cycle and much of it does not need to be repaid. According to the presenters, the Small Business Administration has been given a directive to loan out more money to small businesses. Our food co-op is now considered a small business.

The Howard Bowers Fund is also a funding source for co-ops. It's mission is to provide the funds for training and education for members, staff and board members of cooperatives. Since 1994, the Bowers Fund has provided over \$500,000 in grants, offering the kind of assistance food co-ops need to open strong and stay competitive – assistance with staff and board training and scholarships to attend professional conferences that allow them to network with peers and learn from industry experts. They help fund FCI & CDS Consulting Co-op as well as individual co-ops. They have a Spring and Fall Grant cycle with applications due on Feb. 15 and Sept. 15. Brienne will do some additional research on what kind of activities they fund and what we need to do in order to apply for the grants.

Brienne also talked about Community Foundation Contribution Programs which also should be considered a funding source. These programs are a way for people who may want to make a charitable contribution to the GroCo. These programs usually support the following activities:

- Access to healthy food for low-income residents
- Nutrition and health education (education programs)
- Community development

Brienne offered to present a draft proposal to the Board at our meeting in January that would outline how we could work with the Whitewater Community Foundation on a contribution program. We would need to approve as a Board and the Community Foundation Board would need to approve it as well. The final product would be a Memo of Understanding which would govern our relationship.

A discussion of charitable giving vs. ownership loans ensued. The overall idea, however, is that we want to be able to provide individuals, businesses, organizations with different ways of contributing to help us grow and we need to be prepared to receive funds from wherever they may come.

The Board discussed that we should also be reaching out to the Wisconsin Economic Development Corporation (WEDC) to understand if we might gain some benefit the Enterprise Zone (EZ) Program, the goal of which is to incentivize projects involving expansion of existing Wisconsin businesses. According to the website, the program supports job creation, job retention, capital investment, training and Wisconsin supply chain investment by providing companies with refundable tax credits that can help to reduce their Wisconsin state income tax liability or provide a refund, thereby helping to enhance their cash flow to either expand the expansion project's scope, accelerate the timing of the project or enhance payroll. We do have a local banker, Jim Caldwell, who some Board members have talked to that would be willing to help us understand if this an option for us.



The Board also talked about utilizing the expertise available at the UW-Whitewater who may be able to help with the application for Small Business Loans. We also talked about cultivating business sponsorships and consider this as a creative source of non-equity funding.

Lacey summed up the Board Education segment of the agenda by reiterating the development of a business plan will be discussed at upcoming Board Retreat.

Committee Updates

Jen reviewed with the Board the proposed charter for the Finance Committee, stating that it may not be ready for approval today, but that she was looking for input and advice. Work on the pro forma will not be within the purview of this Committee based on Lacey's conversation with our consultant, Jacqueline Hannah from FCI, who suggested that no one outside of the Board should be privy to the pro forma. Jim Caldwell has offered to have our pro forma evaluated to see how attractive it would be to outside investors. The Board would need to vote on this activity should we decide to accept his offer.

Based on Jacqueline's recommendation, the Board accepted the concept of keeping the work of the pro forma outside of this Committee. They will be consumers of what is in the pro forma rather than decision makers. The second bullet point regarding the Committee's responsibility for the pro forma was removed. The Board also revised the purpose section and changed out the name of the Committee to the Finance & Legal Committee

The Board requested that we also charge the committee with the ability to investigate other legal questions as needed.

After reviewing the revised version of the charter, Lacey said that she felt it meets FCI's recommendations, including that the Committee should be comprised of three Board members, and that while the Board Treasurer sits on Committee, he/she are not necessarily the chair. The committee will meet monthly prior to the Board meeting.

Jo moves to approve the charter with the changes as outlined above. Second by Brienne. The Finance & Legal Committee Charter was approved as amended without dissent. Anne will convert the proposed draft into a final charter and place it on our website and in appropriate location on the Google Drive.

Board Business

The Board decided that the best time to discuss our ability to amend the Bylaws to increase the number of the Board of Directors would be after our Board Retreat.

Jo Baker presented the new member orientation and policy which includes how much time is required, basic co-operative values, FAQs, time commitments, governance issues, cooperative acronyms, a copy of the FCI Start-Up Guide. At the Board's request, Jo will update the dates for 2019 on the Absolute Time Commitments, and modify the Time Commitments to include a continuing education requirement of at least 20 hours that could be fulfilled through the attendance of the Up & Coming Conference, Peer Conference Calls, etc. She will also include in the Absolute Time Commitments how much time should



be spent monthly on board business. These items will be done by Dec. 1 and the reviewed annually in September.

Feasibility Progress Report and Dashboard Review

In reviewing the Dashboard, Lacey suggested we revise the Site Feasibility quadrant to: "Current Status: Evaluated. Received Committee recommendations and evaluated selected sites.

Pro Forma Review and Next Steps

Lacey had a phone call with Jacqueline Hannah, our consultant from FCI, to express her concerns about our lack of progress on updating the Pro Forma. Lacey has resigned from the Ownership & Outreach Committee so that she can spend more time on business development and the Pro Forma. As it exists on the Google Drive, some of the formulas in the cells are broken and Lacey is working with CDS Consulting Co-op to fix them.

The only sales numbers that we have in the current Pro Forma as it exists is for site 100/Westside site, with lease numbers and construction costs pending). We should have three different versions of the Pro Forma, one for each location.

The Pro Forma will be on the December Board meeting agenda as she will be presenting two versions in closed session.

The Board reviewed our 2a checklist and agreed that we are not yet ready to move from 2a to 2b based on the items we still have left to complete on the list.

The Board decided to table the review of the Timeline until after the Board Retreat.

The Board updated the Needs Assessment during the meeting to add Katy as our Social Media influencer and to update the marketing plan line item to request that the Outreach & Ownership Committee assess, review & refresh the 500 & Beyond plan. We also added a line item to list regarding the need to transfer our bookkeeping to QuickBooks. This will hopefully be fulfilled by the Board Admin Committee and an Accounting Intern.

The Board reviewed the Calendar and no additional changes were made.

No Board members voiced requests for future agenda items.

No closed session was required for this meeting.

President Lacey Reichwald adjourned the meeting at 8:17 p.m. The minutes were respectfully submitted by Secretary Anne Hartwick on Friday, December 7, 2018.

Action Items:

- Ownership & Outreach Committee will follow up with the people who took advantage of the childcare for their feedback.
- Outreach & Ownership will assess, review & refresh the 500 & Beyond marketing plan.



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- Jo will do some research to see what she can do to increase participation in the Election for next year as well as whether or not Election Runner can send out more frequent reminders.
- Jen will update the Budget to reflect the annual meeting budget of \$6,000. Everyone will provide Jen with their annual meeting expenses by Nov. 16.
- Lacey will share the annual meeting budget and expenses with Jen.
- Brienne will do some research and put together a proposal on how we can work with the Whitewater Community Foundation on a Memorandum of Understanding for a charitable donation pass-through for the January meeting.
- For the Onboarding Materials, Jo will update the dates for 2019 on the Absolute Time Commitments, and modify the Time Commitments to include a continuing education requirement of at least 20 hours that could be fulfilled through the attendance of the Up & Coming Conference, Peer Conference Calls, etc. She will also include in the Absolute Time Commitments how much time should be spent monthly on board business. These items will be done by Dec. 1 and the reviewed annually in September .
- Lacey will present two different version of the Pro Forma based on sites 100 & 30o at the December Board Meeting in closed session.
- Lacey will reach out to Keith to determine how much it would cost to update the preliminary market study to reflect current market conditions, to add the Coburn site, and to change the organic vs. conventional product mix from 70/30 to 50/50.
- Jen will review the Business Admin Committee Charter and present a revised charter for approval at the Dec. Board meeting.
- Jo, Lacey, & Anne will develop a Board Education plan for 2019 and present at the Dec. Board Meeting in the form of the 2019 Board Calendar.
- Lacey & Anne will develop a Board Policy Monitoring plan for 2019 and present at the Dec. Board Meeting in the form of the 2019 Board Calendar.
- Lacey will distribute the final version of the Board Retreat Agenda and will include any homework or materials that we'll need to bring along with food & beverage assignments.