



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, January 14, 2019

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, Greg Majkrzak, Brienne Diebolt-Brown, Anne Hartwick, Jennifer Crone, Joanna Baker, and Al Stanek. Owners Present: Michael Schwabe, Grace Crickette Taylor.

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 Greg. The intention for this meeting is to provide updates to the Board and Owners on our progress of building the Whitewater Grocery Co., review the outline for the business plan, discuss the proposals of recommended consulting firms for a new market study, and identify board development opportunities for the coming year.

The agenda was reviewed and approved.

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

Presentation by Grace Crickette Taylor on potential partnerships with UWW

Grace provided an overview of a project she is working on called the Innovation Disability Employment Institute (IDEI). The purpose of this project is to provide a living laboratory to help WI and regional businesses increase their ability to be an employer who is able to successfully hire and employ more persons with disabilities. Data evidences that there is a need to help employers become great at identifying, recruiting, training, retaining, and advancing talent with disabilities.

UWW already has a special mission to serve students with disabilities and this project dovetails nicely with this mission. Grace said that how we serve students with disabilities has changed since the 1950s. We also include mental illness in that population. Disability impacts all of us. We are all disabled at some point in time. IDEI sets Whitewater apart from other University towns as it will now be a living laboratory to study and enable someone with disabilities. UWW is in the process of redesigning disability assessment tools to identify, recruit, retain and create greater opportunities for growth for employees. IDEI will first start with a a virtual presence online to house these assessment tools and then will move on to hosting webinars and conferences. UWW has currently budgeted \$1.5 million every year to fund IDEI. They would like to eventually construct a center and living laboratory with an



option to for retail and residential. UWW has companies that are interested in participating in the living laboratory and would like places to test equipment. She thought that a grocery store would be a perfect compliment to the center and that we could participate in the laboratory by providing innovative ways for people with disabilities to shop and purchase their groceries. She currently is chairing an Innovation Team comprised of 18 people in different roles on campus, with different expertise to help steer this project forward.

UWW would like this project to be a private/public partnership and would like us to consider participating if it aligns with our business plan. The Board thanked Grace for her presentation, expressed interest in the project and asked her to keep them informed of its progress.

Consent Agenda

Brienne moved to approve the consent agenda that included the following: minutes from the December Board Meeting and the committee reports from the Outreach and Ownership Committee (no report), Board Development Committee (no report), Site Selection Committee (no report), and Finance & Legal Committee. Second by Greg. Motion passed without dissent.

Action Items from Last 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. Jo, Lacey & Anne will present at the January Board Meeting. **Done!***
- *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 & Anne will present at the January Board Meeting. **Done!***
- *Lacey will distribute the final version of the January 20 Board Retreat Agenda and will include any homework or materials that we'll need to bring along with food & beverage assignments. **Done!***
- *Outreach & Ownership will assess, review & refresh the 500 & Beyond marketing plan. Brienne will add to the Outreach & Ownership meeting agenda. **Done!***
- *The Ownership & Outreach Committee will research the cost to purchase ads in the Daily Jefferson County Union, Janesville Gazette, and Whitewater Register. **Done!***
- *Brienne will do some research and draft 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. **Done! They are working on one for The Community Space, and ours would be very similar. Revisit in Feb.***
- *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 reviewed annually in September. Jo will complete by the January Board meeting. **Done!***
- *Brienne and Jen will submit another round of expenses to FCI for reimbursement of the grant. Brienne will write the narrative and Jen will itemize the expenses and assemble the receipts for*



all costs after 9/22/17 and before 9/21/18 by Friday, Dec. 14. Brienne will submit by 12/20/18 and copy Jen. **Pending. Brienne & Jen did not submit anything in December as the grant timeline was extended until June or July. They asked that this be added to the agenda for the March Board meeting.**

- Jen and the Outreach & Ownership Committee will develop a policy for owners who have committed to paying the cost of the ownership shares in installments, but who's installment payments have fallen in arrears. Brienne will add to this topic to the Ownership & Outreach agenda and invite Jen to come speak to the agenda item by the end of January. **Pending. Brienne asked that this be added to the agenda for the February meeting.**
- Jen will make the transition into QuickBooks by the end of the first quarter and will work with one or two other individuals until the task is done. **Pending. The Finance & Legal Committee will report on the progress of task. Jen requested that this task be added to the agenda for the March Board meeting.**
- Jen will work on the sales tax return and tax return in January and will work towards completing this task by the statute deadline. **Pending. Jen requested that this task be added to the agenda for the March Board meeting.**
- The Finance & Legal Committee will add the following items to their list of responsibilities:
 - develop a calendar of all the things that need to be done and when
 - determine when and by whom the audit will be conducted
 - research the requirements of a capital campaign
 - develop a relationship with a new lawyer **Done!**
- Jen will work with the Brienne and the Ownership & Outreach Committee to develop an owner information audit policy and procedure. Brienne will review the Ownership & Outreach Charter to make sure that one of the responsibilities includes ensuring that the owner information is accurate and secure. **Pending. Brienne asked that this task be added to the April Board meeting.**
- The Board Development Committee will develop a travel reimbursement policy. **Done!**
- Al will draft a timeline, identify needs, set up tasks and create an outline for the Business Plan and present it to the Board at the January meeting. **Done!**

Financial Report Dashboard & Budget

Treasurer Jen Crone reviewed the Dashboard with the Board and reported that in December, we increased our ownership by 5 new members, two of which were gifts, for a total of 531 member-owners. She adjusted the layout of the Dashboard to include cash transfers. Our cash balance is \$56,139.76. Jen also reported that there were no real significant adjustments made to the budget summary. She is looking forward to the Finance & Legal Committee possibly revamping the budget categories and adjusting the budget to anticipate upcoming expenses.

Committee Updates

Travel Reimbursement Policy

Jo Baker, chair of the Board Development Committee, provided an overview of the new travel reimbursement policy. The Board made the following suggestions:

- Change submitting expenses from Finance Committee to Treasurer
- Remove certain mile radius for hotel stay



- Research mileage vs. gas reimbursement
- Extend reimbursement time from two weeks to four weeks
- Review the pre-trip estimate and determine if this is actually necessary

Greg & Jo will update the travel reimbursement policy as directed by the Board and present the revised version at the February Board meeting.

Wegner CPA

At the recommendation of Treasurer Jen Crone, Anne moved to approve entering into an agreement to engage the services Wegner CPA for our tax returns. Second by Lacey. Motion passed without dissent.

Board Business

Business Plan Review

Al provided a list of focus areas for the Business Plan, asked the Board to review and let him know if he is missing anything or if we think that we should combine any of the sections. Al did not yet work on a timeline or assignment of tasks, as he is waiting on the updated market study. Per Al, the following areas need revisions:

- Mission Statement
- Description of Business
- Products and Services
- Metrics
- Cooperative Incorporation (Although the Board questioned this as it felt like this did not need to be updated at this time.)
- Location
- Professional and Advisory Support
- Grant Money
- Financial projection
- Profit & Loss
- Principal & Interest Calc
- Market Analysis
- SWAT
- Advertising and marketing
- Strategy & implementation
- Next steps
- Start-up expense
- Sales forecast
- References

Al asked that Board members send him an email by Friday, Jan. 18 if they had any comments on the business plan as it exists in its current state and whether any of the sections need to be changed or merged.

Market Study

Lacey reached out to Jacqueline Hannah from Food Co-op Initiative regarding a formal market study and she recommended the following firms: Dakota Worldwide & G2G Consulting Services.



Jacqueline also recommended that a startup strongly consider getting their formal study from a different provider than their original study, just to get the added value of multiple perspectives on the sales potential of their community.

Per Jacqueline, both firms have extensive experience with food co-ops and a good amount with startups. She also provided some additional information on both groups.

- Dakota Worldwide is an independent group, very experienced in chains, conventional, "natural" grocery stores, and food co-ops. Their proprietary database that they use to do their analysis work is theirs alone. They lease access to their database to Keith Wicks, though, so on the data level, Keith is looking at the same thing. What is very different is while one consultant will come on site (likely Marcia out of Minneapolis in your case) they then vet their analysis through a team process where all of the market consultants in their company (I believe 7-8 total) push and pull the data, testing the on-site consultant's conclusions, etc. I really like this part as you get the experience of their entire time on your project.
- G2G - Debbie has a proprietary database of just food co-op data and very in depth data that will be a different base look at your market's potential from Dakota or Keith. While she's got the most data on "natural" focused food co-ops, there are co-ops that do 50/50 natural/conventional in her database and she's very up front about what she can do and what she can't. I am always particularly impressed with her honesty and her unique grasp of what a *co-op* grocery store will need to do to capture sales that is more/different from just any old grocery store."

In reviewing the quotes, both consultants have the same pricing and a similar kind of market analysis methodology. In terms of timeline, Debbie from G2G said that she would be able to deliver a formal market study 4-6 weeks after the retainer check is received. Marcia from Dakota Worldwide said that if we signed a contract now, they could start at the end of January. The contract is for a market study that analyzes the performance of the same store at three different sites. If we wanted to deviate from that, we would need to have the quote revised.

The Board discussed our preliminary market study provided by Keith Wicks who reported that the Whitewater Walmart dedicates 50% of their store to groceries, while the Perkins Market Study said it was more like 36%. Keith's trade area was a three mile radius around Whitewater, while Perkins was more broad, including Palmyra and other areas within Rock, Walworth, and Jefferson counties. It's these types of differences that can really have a great impact on a market study.

The Board asked Lacey to request a formal proposal from Debbie at G2G, and to reach out to several co-ops, and Courtney Berner from the University of Wisconsin Center for Cooperatives for feedback. The Board thought that it could make a determination at our upcoming Board Retreat on Jan. 20 as to which firm to contract with based on feedback solicited by Lacey from our peers and other expert consultants. The goal is to have a formal market study completed by March.

Board Learning

Board Learning Process



Lacey reviewed Our Board learning process for 2019. Anne, Jo & Lacey developed a list of topics to help educate the Board and themselves about different aspects of co-op development. Lacey asked that the Board Members review the topics and at the February meeting, be prepared to volunteer for a month and topic. Brienne offered to present at the February meeting on the topic of Vision as the Foundation (from January's peer call topic).

Field Trip - Ever'man Co-op

While Lacey was on vacation, she had an opportunity to meet with the general manager from Ever'man Co-Op in Pensacola, FL.

Pensacola is roughly the size of Janesville with a bigger metro area and a similar income disbursement. The co-op has been in existence since the 1970s and has moved four times. Florida does not have co-op laws for grocery stores. The co-op operates as a non-profit business managed by the cooperative principles. The current store is 19,000 sq ft with a big back house to accomodate a large kitchen. 10,000 sq ft is devoted to the retail space.

Some facts about the store:

- They have a produce butcher, which is a direct result of requests from owners
- They have pizza, burrito, juice, sushi, and coffee bars
- They have an outdoor fire pit, and walking trails
- Their Deli's revenue is \$50k per week, hot/cold bar is 40% of that - fresh and prepared foods is the future
- Everything is organic - meat/seafood started bigger, but then shrank based on other offerings in the area.
- Eco-friendly charity bag program
- GM has been there for 10 years. Was at Winn Dixie for 24 years.

Other relevant learnings from Lacey, include:

- A GM can act as project manager during build out
- Someone from a traditional grocery background can work really well in a co-op environment
- United Natural Foods, Inc. (UNFI), an Organic, Natural & Specialty Food Distributor, will provide you with ½-1 case of everything you order from them, but you have to ask for it
- National Co+op Grocers (NCG) is worth the price of the membership fee as you can get big discounts on cases from UNFI
- Make sure you include rewards and penalties in your contract with the builder
- The Cooperative Board Leadership Development Program (CBLD) from CDS Consulting is a worthwhile investments, especially when it comes to hiring a GM.
- A co-op is only way of doing business.

Policy Review

Policy and Charter Audit Process

Lacey provided an overview of the new C10 – Policy and Charter Audit Process. Anne moved to approve, Second by Jo. Motion passed without dissent. Anne will incorporate the new policy into our policy manual.



In accordance with our Policy Review calendar, the Board reviewed the Board Charter. Lacey did not recommend any changes at this time. Jen moved to re-approve. Second by Brienne. Motion passed without dissent.

Progress Review

- No updates were made to the Feasibility Progress Report and Dashboard. After our Board Retreat, we will be reviewing on a quarterly or as circumstances dictates.
- No updates were made to the Development Timeline. After our Board Retreat, we will be reviewing on a quarterly or as circumstances dictates.
- No updates were made to the Needs Assessment. After our Board Retreat, we will be reviewing on a quarterly or as circumstances dictates.

Review upcoming events and tasks

- Lacey reviewed the agenda and the meal plan for the Board Retreat scheduled for Jan. 20.
- The new 2019 Board Calendar was reviewed. No updates were made during the meeting.
- Brienne is working on a grant opportunity provided by USDA Rural Development. Grants are awarded anywhere from \$25,000 - \$250,000. They will not pay for acquisition, but the grant will pay for construction. The Board quickly brainstormed possible expenses that could be part of the grant application including direct marketing costs, a capital campaign, legal fees, consulting fees, accounting fees, etc. Brienne asked that each Board member submit their resumes to her by Friday, Jan. 25.

No Board members voiced requests for future agenda items.

No closed session was required for this meeting.

President Lacey Reichwald adjourned the meeting at 8:40 p.m. The minutes were respectfully submitted by Secretary Anne Hartwick on February 5, 2019.

Action Items for Feb Meeting:

- **Anne** will update the Board calendar to reflect the new cadence of reviewing the progress review tools (timeline, needs assessment, feasibility progress dashboard).
- **Anne** will incorporate the new C10 – Policy and Charter Audit Process into our policy manual and our policy review calendar.
- **All Board members** will review the Board Development Topics and the Board Calendar and come ready to the Feb. meeting to volunteer to speak on a topic during at least one future Board meeting.
- **The Board Development Committee** will review their responsibilities and the Board Calendar in order to help populate the Admin Agenda Items (Board Candidate Informational Sessions, Internal Assessment Survey, etc.).
- **The Board Development Committee** will update the Travel Reimbursement Policy and present the new version to the Board for review and approval.
- **All Board members** will review the WWGroCo Business Plan Focus Area Needs Assessment document provide by AI and send him any feedback by Friday, January 18.



- **AI** will draft a timeline, and set up tasks for the Business Plan and present it to the Board at the February meeting.
- **Brienne** will do some research and draft 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. Brienne has reached out to the Foundation. They are working on one for The Community Space, and ours would be very similar. Brienne will update the Board at the Feb. meeting.
- **Jen and the Outreach & Ownership Committee** will develop a policy for owners who have committed to paying the cost of the ownership shares in installments, but who's installment payments have fallen in arrears. Brienne will add to this topic to the Ownership & Outreach agenda and invite Jen to come speak to the agenda item by the end of January. Pending. **Brienne** will provide the Board with an update at the Feb. meeting.
- **Lacey** will request a formal proposal from Debbie at G2G, and reach out to several co-ops, and Courtney Berner from the University of Wisconsin Center for Cooperatives for feedback on our two recommended consultants for our formal market study.
- **All Board members** will submit their resumes to Brienne by Friday, Jan. 25.

Action Items for Future Board Meetings:

- **Brienne and Jen** will submit another round of expenses to FCI for reimbursement of the grant. Brienne will write the narrative and Jen will itemize the expenses and assemble the receipts for all costs after 9/22/17 and before 9/21/18 by Friday, Dec. 14. Brienne will submit by 12/20/18 and copy Jen. Pending. Brienne & Jen did not submit anything in December as the grant timeline was extended until June or July. Brienne & Jen will update the Board at the March meeting.
- **Jen** will make the transition into QuickBooks by the end of the first quarter and will work with one or two other individuals until the task is done. Pending. The **Finance & Legal Committee** will report on the progress of task at the March Board meeting.
- **Jen** will work on the sales tax return and tax return in January and will work towards completing this task by the statute deadline. Pending. en will update the Board at the March meeting.
- **Jen** will work with the **Brienne** and the Ownership & Outreach Committee to develop an owner information audit policy and procedure. Brienne will review the Ownership & Outreach Charter to make sure that one of the responsibilities includes ensuring that the owner information is accurate and secure. Pending. Brienne will provide an update to the Board at the April meeting.