



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, December 10, 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, and Al Stanek. Absent: Greg Majkrzak. Owners Present: Michael Schwabe and Sarah Hoots .

The meeting was called to order by President Lacey Reichwald at 6:31 p.m. The mission and vision for the Whitewater Grocery Co. was read by Brienne. 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., review the outline for the business plan, and discuss the pro forma.

Anne moved to add an additional item under Agenda Item 8 - C. Discuss the status of the Business Administration Committee. Second by Jen. Motion passed without dissent

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

Receipt Campaign

Sarah Hoots provided an overview of the receipt campaign, an initiative of the Ownership & Outreach Committee. The campaign will start in January. The objective is to gather data to help tailor our future store to current owners' shopping habits. The data to be collected, includes:

- The stores and cities where owners shopping right now
- Average amount spent per trip/ per week/ per month
- Days and times most popular for owner shopping
- What types of products are being purchased, ie. organic vs conventional

We have a total of 43 applicants and we just started accepting them on Thursday, Dec. 9. The application process is to not so much turn away people, but to ensure that we have a balanced sample.

How it will work:

Owners will apply to be part of the campaign by filling out a demographic survey. This information will help us make sure we have a variety of households represented in our data. Ideally, everyone will be accepted. We want as many participants as possible. However, to keep things balanced, the sample



pool may be limited by certain demographic parameters.

Participants will have a chance to win a \$50 Visa gift card. They will receive one entry for applying and one entry for every receipt submitted. Participants will be assigned an identifying number that is not their owner number. The volunteer responsible for the initial intake of applications and assigning identifying numbers will be different than volunteers analysing the receipts. No one will have access to both the receipts and the identifying demographic information. Owner privacy is our top priority. All data collected will be anonymous and stay within the Whitewater Grocery Co.

Receipts will be collected January- March through a variety of methods, including an online form, at the Winter Market, and via USPS.

Owners will be asked to submit as many of their GROCERY shopping receipts as possible, including any convenience store, drug store, etc. purchases that you would consider “groceries”. This may include alcohol and items from farmers’ markets.

We are targeting our recruitment efforts to owners, but non-owners are welcome to participate. The Board discussed whether or not we should promote this activity through a press release and ultimately it decided not to, feeling that the data will be more accurate if we stick to owners for the first round.

Sarah asked for time on the Board’s agenda in April to provide a complete report to the Board.

Consent Agenda

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

Action Items from Last Meeting

- Ownership & Outreach will follow up with the people who took advantage of the childcare for their feedback. **Lacey did send an email to all of the parents. Two responded. One said that their plans changed and that they did not take advantage of the childcare. The other said everything was perfect and wonderful!**
- Outreach & Ownership will assess, review & refresh the 500 & Beyond marketing plan. **Pending. Brienne will add to the Outreach & Ownership meeting agenda.**
- 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. **Jo did email a variety of co-ops and most had a voting participation rate of 45-65%, so we should feel good about how many owners voted in our Board election (50%). Lacey also said that although we can’t change the default number of reminders that are automatically sent by Election Runner, we can request via email a “reset” for an election so that we can send out another reminder.**



- 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. **Jen did update the budget. Pending. If Jen receives more expenses from the annual meeting, she will update the expense report and deliver a revised report during the January meeting.**
- Lacey will share the annual meeting budget and expenses with Jen. **Lacey completed this action item during November's Board 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. **Pending. Lacey will include this item to the January agenda.**
- 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. **Pending. Jo will complete by the January Board meeting.**
- Lacey will present two different version of the Pro Forma based on sites 100 & 30o at the December Board Meeting in closed session. **Done! On tonight's agenda!**
- 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. **Done! Lacey completed this action item and reported on her findings during our Board Retreat.**
- Jen will review the Business Admin Committee Charter and present a revised charter for approval at the Dec. Board meeting. **Done! On tonight's agenda.**
- 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. **Pending. Jo, Lacey & Anne will present at the January Board Meeting.**
- 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. **Pending. Lacey & Anne will present at the January Board Meeting.**
- 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. **Done and pending. Since the December Board Retreat was rescheduled for January 20, she will repeat this action item.**

Financial Report

Treasurer Jen Crone reviewed the dashboard with the Board. She extended the member growth projections using an average of 20 members a month so we can forecast where we'll be if we continue at that pace. We currently have 524 owners. We added 4 in November. Our bank account balances are \$56,012.84. Answering a question posed by AI, Jen clarified that the PayPal balance in her report is the owner equity payments. Jen must manually transfer the money into our bank account from PayPal which is the reason the amount fluctuates. We tend to keep a small balance in PayPal for debit card purchases. Generally the majority of it gets moved into checking or savings.



On the dashboard, at the bottom right, you'll see we've achieved our 500 goal for ownership shares. Our budgeting accounts for 500 owners. We haven't yet budgeted for the next phase of development (reaching 1,000).

Jen directed us to review the Stage 2a column in the detailed budget, as we have not yet budgeted for 2B. As directed by the Board, Jen updated the Annual Meeting budget to \$6,000 for 2018. The line items in Sources that have changed since our previous meeting include an increase in the amount of our member equity, and the sales of t-shirts and signs. In the Uses section, we have changes to the annual meeting expenses, the PayPal credit card fees, insurance, and rent.

Brienne is following up with Stuart Reid on the payout of the grant money. She also asked if there are other expenses that we can submit for reimbursement. Brienne and Jen will discuss and submit another round of expenses to FCI for reimbursement. 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. We have received \$1,750 of the \$10,000 grant money.

The total expenses for the 2018 Annual Meeting is \$2,906.73. In 2017, we spent \$2,058.44. Vicki Hagstotz may have one or two receipts that are still outstanding for 2018.

Board Learning - Business Plan Sections and Division of Work (beginning our Business Plan)

Lacey reviewed the history of the development of the business plan. We have a completed plan as an outcome of Jo Baker's Sustainability Management class at the University. Lacey reread it again and it has a lot of information that we could use. We also have our findings from our work so far (market plan, concept paper, assessment, proforma, etc.) and it is time to start taking these findings and placing them in a formal document. The business plan will be both an internal and external document.

Based on her research, Lacey recommended that we use the CDS Outline with some additions from SCORE template. CDS alludes to a SWAT analysis, but doesn't include one. Lacey recommended that the CDS outline be reorganized: Management & Personnel should be combined or next to each other. There are 10 sections with Strategy and Marketing being some of the biggest. Jo asked whether or not we're going to use the 2015 Perkins study. Lacey said that some of the information is pertinent - especially in terms of competitive/industry analysis.

We will work towards having a first draft complete sometime in March.

After further discussion, Al volunteered to spearhead the development of the Business Plan.

Committee Updates

The Board reviewed the Finance & Legal Committee Charter and discussed populating the committee. This committee is important and timely for a number of things that need to be done that we have



included as part of their responsibilities - including budgeting and financial audit. Anne volunteered to chair the committee and will submit a report at the January meeting.

The Board entertained a request from the Ownership & Outreach Committee for next ownership benchmark to promote. Al asked if the Committee had purchased any newspaper ads. Lacey suggested that the Ownership & Outreach Committee research the cost to purchase ads in the Daily Jefferson County Union, Janesville Gazette, and Whitewater Register. We currently have \$1,700 remaining in the Marketing Budget. The Board thought it would be appropriate to hold mini ownership drives based on the success of those we held earlier in the year (30 in 30, Valentine's Day) rather than focusing on a big number, like the next ownership benchmark.

The Board discussed the status of the Business Administration Committee. Lacey & Jen reviewed the Business Admin Committee charter in September, and added a number of items. As time has passed, Jen has a different take on the Business Admin Committee. Some of the key tasks that were added could be pulled out and handled by an ad hoc committee, other committees, or one volunteer. Al moved to temporarily suspend the charter of the Business Admin Committee until further notice. Second by Brienne. Motion passed without dissent.

Board Business

The Board reviewed the Feasibility Progress Report and Dashboard. Lacey provided an update on our feasibility progress determination:

- A preliminary market study (done)
- A formal market study (time to contract)
- A community survey
- ...and receipt campaign (ongoing)
- Supplier and vendor assessment (started)
- Evaluation of available talent, both for organizing and operations (ongoing)
- Financial budgets and projections (ongoing)
- Availability of capital and willingness of members and lenders to invest

The Board reviewed and updated the Timeline.

The Board reviewed and updated the Needs Assessment.

The Board reviewed and updated the Board Calendar

No Board members voiced requests for future agenda items.

The Board voted to adjourn to a closed session to discuss the pro forma. The Board may elect to enter into a closed session to discuss matters of confidentiality such as personnel issues, acquisition of property, attorney consultation, or other issues of competitive confidence.

The Board reconvened into open session at 9:12 p.m.



The Board determined that we need to work with a developer. The most prohibitive part of developing the store is building the actual store. It appears after initial deep dive into the pro forma, our best approach is to begin working with a developer who is willing to build the store for us and we can lease the space.

President Lacey Reichwald adjourned the meeting at 9:13 p.m. The minutes were respectfully submitted by Secretary Anne Hartwick on Friday, January 11, 2019.

Action items

- 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.
- 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.
- 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.
- Outreach & Ownership will assess, review & refresh the 500 & Beyond marketing plan. Brienne will add to the Outreach & Ownership meeting agenda.
- The Ownership & Outreach Committee will research the cost to purchase ads in the Daily Jefferson County Union, Janesville Gazette, and Whitewater Register.
- 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.
- 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.
- 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.
- 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.
- Jen will make the transition into QuickBooks by the first quarter and will work one or two other individuals until the task is done.
- Jen will work on the sales tax return and tax return in January and will work towards completing this task by the statute deadline.



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- 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
- 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.
- The Board Development Committee will develop a travel reimbursement policy.
- 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.