



When: August 26, 2019 6:30PM - 8:30PM

Where: Whitewater Innovation Center Room 105, 1221 Innovation Drive, Whitewater WI

Invited: All Owners of the Whitewater Grocery Co. and their elected board

Mission & Vision: We are your (future) friendly neighborhood grocer supporting fresh and local products.

We value:

- community ownership
- quality customer service
- welcoming everyone
- a lively learning and gathering space
- sustainable practices: people, planet, profit

Meeting Intention: To take action and reach outcomes that moves the cooperative closer to opening a grocery store.

Preliminaries: Call to Order, Mission & Intention, Guests, Check-In, and Agenda Review

The meeting was called to order by President Lacey Reichwald at 6:30 p.m.

Board Members Present: Lacey Reichwald, Greg Majkrzak, Brienne Diebolt-Brown, Anne Hartwick, praveen and Joanna Baker. Absent: Jennifer Crone.

Owners Present: Matt Bills, Vicki Hagstotz, and Katy Wimer.

The mission and values for the Whitewater Grocery Co. was read by Brienne. The intention for this meeting is to take action and reach outcomes that moves the cooperative closer to opening a grocery store.

The Board President, Lacey Reichwald, said that in the future, she intends to add our top three objectives for the meeting at the beginning of the agenda so we can feel good about focusing on those items if we get sidetracked.

Our guests were welcomed, and declined to speak during the designated owner comment period.

Before the Board reviewed the agenda, Board Secretary, Anne Hartwick, noted that we have an updated Committee Report which should replace the previous version included in the packet.

The Board reviewed and approved the agenda. Motion to approve was put forth by Greg Majkrzak, and seconded by Brienne Diebolt-Brown. Motion passed without dissent.



Consent Agenda: Minutes & Reports

Brienne moved to approve the Consent Agenda, including our previous meeting's minutes, Committee Reports, Action Plans: 800 Owners, Business Plan, Site Selection, President's Report, and the most recent Dashboard & Financial Statements. Second by Jo. Consent Agenda was approved without dissent.

Accountability: Action Items

The Board reviewed our progress on the outstanding action items due for the August 26 meeting. Please indicate Done or Request for Extension.

Action Items Due for August 26 Meeting

- In preparation for August 26 meeting all of the following tasks are due by August 21.
 - Brienne, Anne, and Jo will submit their Committee Reports (Outreach & Ownership, Finance & Legal, reports to the Secretary. **Done**
 - Action Plan Owners (Brienne - 800 Owners, Lacey - Business Plan, Lacey - Site Selection) will include updates to their action plans in the Committee Reports. **Done.**
 - If action or discussion is required by the Board on any of the activities listed in the plans or the reports, notify Lacey to include in the Committee Updates agenda item. **Done.**
- The **Ownership & Outreach Committee** will develop a plan to broadcast and promote the new Mission & Values to owners and stakeholders through our communication channels. **Request for extension.**
- The **Ownership & Outreach Committee** will develop a plan to broadcast and promote the 2019 Market Study public statement to owners and stakeholders through our communication channels. **Request for extension.**
- The **Board Development Committee** will research if the Bylaws need to be changed regarding the terms for the 2 new Board seats or if this could just be a policy change that would not need approval of the entire membership of the owners. **Done.**
- The **Board Development Committee** was tasked with deciding the Board Education topic for August. Anne suggested that Katy deliver a presentation on what she learned from the July Peer Call on Volunteer Management. **Done.**
- Lacey will connect with Praveen to discuss working with the Business Department to create curriculum for Start-Up Co-op Management. **Request for extension.**
- Anne will mark the following folders as confidential in our Google Drive: Market Study, Pro forma, Site Selection, Request for extension. **Request for extension.**
- The **Finance & Legal Committee**, with the support of Maria & Lacey, will spearhead a fact-finding mission regarding the following assumptions/data points in order to customize our pro forma for community. The data points will be discussed at the F&L August meeting. F&L will recommend numbers for the pro forma at the August Board meeting. **Request for extension.**
 - Rent - Pro Forma assumption is \$12/sf. Survey local landlords, business owners, and real estate agents find out if this similar to the average in our area, noting if the rent information is for a NNN lease or not.
 - Triple Net (NNN) Payment - Pro Forma assumption is \$3/sf. Determine the typical rate for the Real Estate Taxes/Insurance/CAM.



- Personnel Expenses - Pro Forma assumption is 22% - Contact existing co-ops to see what the sustainable range is to give us an understanding of how variations in this number might affect the pro forma.
- Review the updated co-op averages from CDS
- Facilitate the research alternative sources of personnel (UW-W internships and grants - "Co-op Grocery General Manager Training Certificate", owner volunteers, self service, robots, etc.
- Facilitate the research of additional revenue streams (with support from Praveen, Brienne & Grace Crickette)
- The **Finance & Legal Committee** will develop a policy for owners whose installment payments have fallen in arrears and present to the Board for review and approval at the August meeting. **Request for extension.**
- The **Finance & Legal Committee** will provide an update as to whether or not the indemnification clause needs to be updated with expanded insurance coverage at the August meeting. **Request for extension.**
- **Brienne & Jen** will develop an owner information audit policy and procedure. Jen started the task with a listing of the items that need to be reviewed. Jen will update the Board during the August meeting. **Request for extension.**
- **Greg** will review the development checklist in our new Smartsheet project management tool for the August meeting. **Done.**
- The **Outreach & Ownership Committee** will start preparing for the launch of second receipt campaign at the Annual Meeting in October. Part of the planning will be a review of Sarah Hoot's final report of what went well, what didn't, and what we can do better next time. Sarah is to consult with the Board prior to the launch to determine all critical data will be captured and analyzed based on the Board's current needs. **Request for extension.**
- **Praveen** will provide an update on the distribution of an invitation letter to introduce faculty to the GroCo and ask that they consider investing in the co-op by purchasing an ownership share. **Done.**

COMMITTEE REQUESTS

Update on Corporate & University Efforts

Praveen updated the Board and members present about his recent activities on behalf of the co-op. He met with Ron Binning, and with the help of Brienne, they are developing a postcard targeted at local businesses as well as a list of businesses in Whitewater that they can approach. Once both of these are done, they would assign businesses to Board members for them to recruit. Brienne & Praveen also met with Sara Kuhl, Director of Marketing & Media Relations, UWW. They came up with a lot of good ideas to get the campus more involved with growing the co-op, including the formation of a GroCo Campus Cabinet, populated with champions from each of the Colleges. The Business & Economics Department is having their retreat on Thursday, Aug. 29, and all faculty who attend (approx. 160) will receive a brochure. Praveen will follow-up with an email to those faculty in mid-September.

Ron has been super supportive and a champion for the GroCo. He has been around for 30 years, and his daughter worked for 3 different co-ops in Minneapolis. Praveen expressed his appreciation



for Brienne's time in helping get the business initiatives off the ground.

Board Development

Jo updated the Board on the work of her Committee of one. As we move into our third year, some Board members might be ready to move out of their officer position and others may want to move into a new position. Jo will be sending out a Board survey after the meeting today and report on the results at the September meeting. Her email will include information about officer roles.

She currently does not have any applications on file for the fall Board election. She does have three people who are potentially interested, but no one has committed to applying. Lacey & Jen have both committed to reapply. Lacey will go through her list of potential applicants and double-check with them about their interest. The applications are due on Tuesday, Sept. 3.

Site Selection Committee

Lacey updated the Board on the status of the Site Selection Committee. Our potential sites have shifted, due to changes in the marketplace as well as our most recent market study. If there are no objections, Lacey would like to co-chair this committee with someone that is on the Committee. Lacey is aware of some potential conflicts of interest as a business owner and would feel more comfortable with serving as a co-chair rather than leading the Committee on her own. Lacey provided the Board with an email that she will be sending out to the current list of Committee members. Matt Bills, one of the owners present at the meeting, volunteered to serve on the Site Selection Committee. Anne will provide Katy Wimer with Matt's name so she can interview and onboard Matt as a new volunteer.

Lacey asked that all Board members review the "Every Possible Location" spreadsheet in the Google Drive by Sept. 1.



BOARD BUSINESS

Bylaw Changes

Joanna Baker, Board Development Chair, reviewed with the Board our current Byla, 4.2 Terms and Elections, and addressed the question, what do we do with the bylaws regarding adding two new directors in October?

She suggested that the new BOD seats be one two-year term (exp. 2021) and one three-year term (exp. 2022), in order for the Board to only have one- third of the seats up for election each year.

Do we, as the Board, move to amend Bylaw 4.2, or do we take this to the ownership as a vote at the October Annual Meeting before the election of the Directors?

The current Bylaw reads as follows: 4.2 Terms and Elections. Elections shall occur annually, in a manner prescribed by the Board.

Directors shall serve a term of three (3) years and shall serve staggered terms so that a portion of the Board is elected each year. No Director may serve more than three (3) consecutive terms. At the initial board meeting, the President shall put a piece of paper in a hat equal in number to the number of directors. Then, every Director shall take a number out of the hat. Individuals who pick a 1, 4, 7 shall then have three year terms; individuals who pick a 2 or 5 shall have two year terms; individuals who pick a 3 or 6 shall have one year terms. After this meeting, all directors shall be elected to 3 year terms.

Jo recommended we amend 4.2 and have the ownership vote in October before the election of the new Directors.

Our Amendment Bylaw reads as follows: 7.1 Amendments. These Bylaws may be amended or repealed in whole or in part by a majority of the Member-Owners who participate in the vote. An amendment may be proposed by decision of the Board for consideration by the membership or by petition of at least twenty percent (20%) of active Member-Owners. The proposed amendment shall be publicized to the Ownership not less than four (4) weeks prior to the voting process, and also included in full detail in the Notice of the meeting, which meeting shall be held at a time and in a manner determined by the Board (see section 3.3 about proper Notice of any such meeting).

The language in 4.2 is limited in that it only refers to the initial annual meeting. We can change the language to reflect our evolving process.

Jo proposed the following wording. This text will be added to the end of 4.2: "When adding seats to the board, every new Director will take a number from a hat to determine their initial term. The terms will be staggered to ensure that one- third of the seats are up for election each year."

If the membership votes no, the new Directors would serve a three-year term. This task was referred to the Finance & Legal Committee to provide a recommendation by Sept. 10.



Equity Return Determination

Per Lacey, the owner who asked us to look into the return of his and his deceased wife's equity has rescinded his request. She recommends that we do more research and build a board policy around this question in order to have an answer if it comes up again. The questions we need to answer are:

- What happens to an Ownership share when someone passes away? Is it different if it's a family share?
- Can their spouse/partner/power of attorney make any changes to that share in their absence?
- Will we allow Owners to request a return of their equity? If so, under what circumstances?

This task was referred to the Finance & Legal Committee to provide a recommendation for the Board to consider at a future meeting.



BREAK

The Board took a break at 7:25 to refresh.

BOARD DEVELOPMENT

Volunteer Recruitment & Retention Tips

Every month we set aside time to learn about a topic that will help us grow as a Board and a business. Katy presented on the Volunteer Recruitment & Retention Tips based on the Peer Call in July.

After Katy participated in the Peer Call, she felt like we do a pretty good job of grabbing our volunteers and giving them things to do. Some of Katy's highlights from the call include the following:

Biggest key! Identify small and large needs (on a timeline, if possible). These needs should come from Board members and key volunteers and be in an accessible place for anyone (if not the Volunteer Coordinator) to access and read from.

Biggest issue: We take whomever we can get and end up overworking them.

SO! A running needs list will aid in giving newly interested volunteers immediate tasks. OR call past/current volunteers to share the list of needs and ask what they can do to help and what times they have available. This goes for outreach for event help, too.

For gaining new volunteers: Host 4 trainings/hangouts each year. Make them a thing. ALWAYS FEED VOLUNTEERS! Katie Novak said, "That was the key to my success." ;) **Found that we're nailing our trainings in terms of content and activities, they just need to be more frequent.

*Thank volunteers frequently with gratitudes/praise, notes, gift cards, or gifts of things they love.

Interesting fact: It's common to only have your core group of volunteers consists of less than 20 people.

Lastly, always bring volunteers along for the ride. Tell them why or why not certain things are happening. Informed volunteers feel included and stick around longer.

Biggest take-away: Co-ops at our stage need a paid/full time Volunteer or Outreach Coordinator to do the above most efficiently and effectively.

The Board talked about including a paid position for an outreach/volunteer coordinator for 2020. Matt Bills suggested that this could be coded as an independent contractor and therefore be an eligible expense via a grant.

The Board thanked Katy for her presentation!

ADMINISTRATIVE

Feasibility DashBoard



The Board reviewed the updated Feasibility Dashboard. During our review, Lacey changed the next steps under organizational capacity to read “discuss hiring to fill outreach coordinator and/or project management gap.”

Market Feasibility

Current Status: Met (with current assumptions)

Next Step(s):

Communicate to our Owners

Update Business Plan

Update Site Selection criteria

Financial Feasibility

Current Status: Not Met

Research is being done to update the Pro Forma

Current Pro Forma shows debt coverage ratio at -0.5%. Debt coverage ratio should be 1.25 or higher.

Current Pro Forma shows Gross Margin Minus Labor at 8.9%. Should be 15% or higher.

Next Step(s):

Update Pro Forma to reflect new knowns and assumptions (e.g. site selection)

Organizational Capacity

Current Status: Evaluated

Updated bylaws at annual meeting regarding # of board members.

Recent Board assessment survey returned the following low scoring areas:

Project management (in progress)

Onboarding new owners (under way)

Ownership & Outreach Committee (still need to evaluate and split. Co-chair and secretary found.)

Overall volunteer recruitment & engagement (under way, need more people)

Next Step(s):

Discuss hiring to fill project management gap

Site Feasibility

Current Status: Evaluated

Received Committee recommendations

Evaluated selected sites

Next Step(s):

Seek co-chairs

Update selection process criteria and launch second search

Needs Assessment Spreadsheet Review

The Board reviewed together our Needs Assessment spreadsheet. Praveen will be taking over the development of the Business Plan since Lacey is now leading the Site Selection Committee. Lacey will send Praveen a copy of the latest Business Plan as well as the Action Plan for the Business Plan. Lacey updated the Need Assessment to reflect this change. We also updated the spreadsheet to reflect the newsletter change frequency from Quarterly to Monthly. Lacey also noted that she will be writing the President's Report for the Board to be more article-like so that Katy can use them for the newsletter.



Project Management Update

Greg received an updated project management plan from Firebrand which he loaded into SmartSheet. It starts with 2B planning and is separated by Board and Committee work.

He needs help from Board members and the Committees updating how long each task will take to complete. The dates currently in SmartSheet are an estimate. Once we are able to update the length of the tasks, it will help us forecast when we will reach our goals.

In addition to updating the dates, we can also start assigning tasks to people. In SmartSheet, you can collapse categories are by Committee or Groups assigned to the task.

Greg will share the Firebrand Copy SmartSheet with the Board. The Committees should review and add their dates. Lacey will contact Firebrand to see if we have any more time left with them based on the consulting service we won during March's Up & Coming Conference. Greg will present to Outreach & Ownership at their 3:30 meeting on Sept. 4.

SELF-ASSESSMENT

The Board reviewed the Annual Meeting Committee Charter. The budget was decreased from \$4,000 to \$2,500. After this change, Brienne moved to approve the amended charter. Second by Greg. Motion passed without dissent.

Annual Meeting Committee Charter

The purpose of this ad hoc committee is to lead the effort to plan and execute the Annual Meeting of the ownership of Whitewater Grocery Co. including the meeting itself and the election of a board of directors.

The committee will need to meet on a regular basis to be determined by the group. The committee will operate under the budget set forth by the Board of Directors and will report its efforts to the Board at monthly meetings.

A member of the Board Development Committee must serve on this committee. The membership of the committee shall be no less than three and no more than seven.

Duties & Responsibilities:

1. Create and follow a timeline for execution of necessary tasks
2. Plan the details of the meeting including the menu, agenda, invitations, speaker(s), activities, timeline, etc.
3. Collaborate with the Board Development Committee to plan the nomination and election of the Board of Directors

Budget: \$4,0002,500

Limit: The committee cannot spend more than budgeted, cannot spend more than \$50 on unbudgeted items without committee approval and no individual committee member has the authority to spend money unless specifically authorized by the committee or Board of Directors.

Resources:



<http://www.grocer.coop/articles/annual-meetings>
<http://www.coopwatercooler.com/discussions//better-annual-meetings>
<https://www.vistacomm.com/annual-meeting-ideas/>

The Board reviewed the Board Development Charter. Jo moved to approve as is with no changes. Second by Lacey. Motion passed without dissent.

Board Development Committee Charter

The primary purpose of this standing committee is to maintain and increase board literacy, develop and implement a board succession and onboarding plan, and oversee the annual election cycle. The committee's responsibilities include:

1. Identify ongoing educational and training opportunities for the existing board to increase literacy.
2. Develop internal assessment tool for board performance.
3. Identify, recruit and orient candidates to run for the board
4. Prepare orientation materials and onboard new directors.
5. Create nomination and election materials and notices to membership and community
6. Maintain an annual calendar for nominations and election.
7. Prepare and distribute nomination, election and orientation materials to potential candidates
8. Prepare and distribute nomination and election materials and notices to membership and community.
9. Work with the Treasurer to create a recommendation for an annual board talent committee budget.
10. Spend money (within budgeted amounts) to accomplish the committee's goals.
11. Provide a brief written report to the board monthly about the activities of this committee and the progress of talent identification and recruitment.

The committee will meet monthly with the chair being ultimately responsible for scheduling the meetings and reporting to the Board of Directors.

The membership of this committee shall be no less than three.

Limit: The committee cannot spend more than budgeted, cannot spend more than \$50 on unbudgeted items without committee approval and no individual committee member has the authority to spend money unless specifically authorized by the committee or Board.

LOOKING AHEAD

Review Board Calendar

The Board reviewed the Board Calendar. Anne noted that she added links (when available) to conferences and events. She also added the FCI Deep Dive II Course: Ownership /Membership which will meet every Thursday evening started on Sept. 12. Jen has secured a seat for us in that course. Jo will research whether or not we are eligible for a scholarship to attend the Small & Strong Conference in Minneapolis on Oct. 26. Katy and Brienne attended the event last year.

CLOSING

Review Decisions & Tasks

Brienne suggested that in the future we need to start early with Board recruitment. Kathy & Etty from



MEETING MINUTES
Whitewater Grocery Co
Board of Directors

Outreach & Ownership are willing to handwrite notes and Brienne thought that a letter campaign to prospects might increase interest and help with recruitment. The Board agreed that our Directors should reflect our population and that we need to tap into the diversity in the city.

Our next meeting is scheduled for September 26, 2019 at 6:00 p.m. President Reichwald officially adjourned the meeting at 8:27 p.m. The minutes were respectfully submitted to the Board on September 18 by the Board Secretary, Anne Hartwick.