



**When:** November 25, 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 certify the election results and elect Board officers, learn about the latest trends and best practices in growing owners and defining owner benchmarks, review and discuss the draft of the budget, and identify next steps in assessing our feasibility.

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

The meeting was called to order by President Lacey Reichwald at 6:34 p.m.

Board Members Present: Lacey Reichwald, Greg Majkrzak, Brienne Diebolt-Brown, Anne Hartwick, Praveen Parboteeah, Joanna Baker, Elvia Meza-Klosinski, Katy Wimer and Jennifer Crone.

Owners Present: Michael Schwabe, Vicki Hagstotz, and Ron Binning.

The mission and values for the Whitewater Grocery Co. was read by Brienne. The intent for this meeting is to certify the election results and elect Board officers, learn about the latest trends and best practices in growing owners and defining owner benchmarks, review and discuss the draft of the budget, and identify next steps in assessing our feasibility.

Ron reported that he has been busy with Medicare Part D for the 60 and over for his insurance business, however he has managed to visit four different local businesses. He believes that two will join, and the other two were non-committal. After Dec. 6, he plans on increasing his efforts on business owner outreach and recruitment. He also requested a list of businesses who are already owners.

The Board approved sending Ron a list of the owners with their names only so he can see which businesses are already members. He also suggested that we highlight businesses who have become owners in our newsletters on a regular basis and to also create a page on our website that lists businesses who have become owners with a link to the business agreement form.

Ron also reported that he reached out to the Mississippi Market in Minneapolis and provided them with the Business Ownership Application to get their feedback.



Praveen moved to approve the agenda with with revisions requested by Jen to the timestamps on two agenda items (the break will now take place at 7:20 followed by budget discussion at 7:25). Second by Greg. Motion passed without dissent.

### Consent Agenda

Greg moved to approve the Consent Agenda, comprised of our previous meeting's minutes, the Committee Reports, Action Plans: 800 Owners, Business Plan, Site Selection, and the most recent Dashboard & Financial Statements (this report includes changes going back to September 21, the date of the last full report. The monthly new owners graph now reflects a 12-month rolling average rather than an average of all months. Our current average is 7/mo. The predicted future owners has been reduced from 20 to 10). Second by Brienne. Consent Agenda was approved without dissent.

### Election

Jo Baker reported on the Election, a full report of which can be found in the November Committee Report.

We collected 170 Ballots. Which was a 33% return rate of based on 602 Owners.

- 150 digital
- 20 paper

### Election Results

- Jen 157
- Elvia 146
- Lacey 163
- Katy 146

All four were elected for a three-year term to end in 2021.

Based on the recent Board survey, the President and Secretary need to plan for their successors, and seek out candidates to mentor over the next year.

Lacey moved to nominate the existing slate of officers to serve in their same roles in 2020. Second by Praveen. Motion passed without dissent.

The Board Officers for 2020 are: Lacey Reichwald, President; Greg Majkrzak, Vice-President; Anne Hartwick - Secretary; Jennifer Crone - Treasurer.

6:45

**Accountability:** Check on the progress of Action Items

### Action Items Due for November 25 Meeting

- In preparation for November 25 meeting all of the following tasks are due by **Friday, Nov. 22.**
  - **All Directors will submit their budget requests to the Treasurer. *Done***
  - **Brienne, Anne, Lacey and Jo** will submit their Committee Reports (Outreach & Ownership, Finance & Legal, Site Selection, and Board Development) to the Secretary. ***Done***



- **Action Plan Owners** (Brienne - 800 Owners, Praveen- Business Plan, Lacey - Site Selection) will include updates to their plans in the Committee Reports. *In Progress.*
- 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 agenda. *Done.*
- **Brienne**
  - update the Board on the status of the FCI grant reimbursement. *In Progress. Report when appropriate. Make request to Lacey for agenda item.*
  - follow-up with USDA to see why we didn't get the grant that we applied for in the Spring, 2019. *In Progress. Report when appropriate. Make request to Lacey for agenda item.*
- **Lacey**
  - connect with Praveen to discuss working with the Business Department to create curriculum for Start-Up Co-op Management. *In Progress. Report when appropriate. Make request to Lacey for agenda item.*
  - reach out to the Pensacola Co-op to ask for their financials. *Done. Lacey will send to F&L.*
  - talk to our consultants about planning for a January retreat and its content. *In Progress.*
  - connect with Jacqueline Hannah at Food Co-op Initiative to ask how other food co-ops approach business memberships. *Done.*
- **Ownership & Outreach Committee**
  - create a business owner agreement form. *Done.*
  - pull a list of current business owners for Praveen & Ron. *In Progress. By Dec. 6 (Tricia).*
  - develop a plan to broadcast and promote the 2019 Market Study public statement to owners and stakeholders through our communication channels. *Done.*
  - incorporate the content of the grocerystory.coop/resources into our Facebook posts, newsletters, blog, website, etc. to help educate the community and our owners about who owns your grocery store and why food co-ops are so important. *Done.*
  - develop an owner information audit policy and procedure. *In Progress. Report when appropriate. Make request to Lacey for agenda item.*
  -
- **Finance & Legal Committee**
  - research the legality of whether or not we are violating state statute, our articles of incorporation or our bylaws to have the same person own two shares - one as an individual and one for their business. *In progress. Report in January.*
  - develop a policy for owners whose installment payments have fallen in arrears and present to the Board for review and approval. *In progress. Report in March.*
  - provide an update as to whether or not the indemnification clause needs to be updated with expanded insurance coverage. *In progress. Report in January.*
  - research and provide a recommendation on the policy for Equity Return to an owner who wants to surrender his or her share. *In progress. Report in March.*
  - recommend language for the 4.2 Bylaw Terms and Elections. *In progress. Report in January.*
  - review the business owner agreement form and provide feedback prior to it being finalized. *Done*
- **Jen**



- start identifying different scenarios to test for profitability in the pro forma and work toward presenting her findings to the Board at the December meeting. *In Progress.*
- update the budget to include Lacey's request that we set aside \$15,000 for a GM search and \$25,000 for an ownership loan campaign in our 2020 Budget. *Done.*
- **Praveen** will follow-up with an email to the Business & Economics Department faculty who received the brochures at their August retreat in mid-September. *Done.*
- **Greg** will reschedule the SmartSheet training for Outreach & Ownership. *Request for extension.*
- **Anne** and **Jo** should review and add their dates to the SmartSheet Firebrand copy. *Request for extension.*

#### Committee Requests

Lacey moved to approve the request from the Finance & Legal Committee to reallocate funding and increase Consulting line item budget for review of bylaws, articles of incorporation, and business ownerships. Second by Jo. Motion passed without dissent.

#### Board Development - Growth Plan Overview

Vicki Hagstotz came to the Board today to present her learnings from the Deep-Dive Ownership Course, a 7-week long class with homework every week, taught by Jacqueline Hannah from FCI. As one of her assignments, she had to identify ownership goals and corresponding benchmarks. The ownership benchmarks provided by Jacqueline as a template were based on a 6,000 square foot store. The materials she presented are at the end of this section.

After Vicki reviewed the materials with the Board, Lacey said that it makes sense to her based on what she is seeing from other food co-ops. Oshkosh launched their capital campaign with 1,000 owners. They will most likely be at 1,300 when they open.

Vicki highlighted that we launched the \$10 a month for 15 months in November, and that we are currently in the process of creating an ACH process payment form.

Lacey asked if the budget for the plan is part of the Outreach & Ownership Committee's budget request. Brienne and Vicki said they added items to their budget request for SOME of the items included in the plan, but not all.

Katy said that she would like the Board, and the Outreach & Ownership Committee to meet after our Retreat to work on the ownership growth plan together.

Greg noted that whatever we decide should be the new ownership benchmarks, we need to have a communication plan in place to make sure our stakeholders know what's been updated and why we've updated it.

It is in the budget to produce more brochures for next year.

Vicki said one of the things that Jacqueline recommended is that we add a vision statement to our mission statement.



We talked a little bit about what is more important, square feet vs. full-service. People are going to be more interested in what we have rather than how big we are or are not..

We discussed that if we create an aggressive ownership growth plan, we will need to be extremely proactive with recruiting, training, and retaining volunteers. We also should look for an intern that has interest in volunteer recruitment and onboarding to help us increase our capacity.

Vicki recommended that we create an inspirational rendering on what our store will look like to help make the store a reality for the community and activate engagement. Ron suggested that we visit open co-ops and put together a slide-show on what was done in other towns.

Praveen's own onboarding training course is underway with Jacqueline, and from what he is learning, he feels like we may need to shift our strategy and our resources - less tabling and more knocking on doors.

The general consensus at the end of this discussion is that we need to go to places where people are at instead of expecting people to come to us.

The Board will schedule a planning session with Outreach & Ownership after our retreat/strategic planning session.

## **Growth Plan Overview**

Vicki Hagstotz

Whitewater Grocery Co.

*To the Board of Directors:*

Attached is a working document for the Board to develop the 2020 ownership growth plan. I've plugged in some numbers, campaigns, small and large events, and swag just as a starting point. Feel free to add and remove as you see fit. The overall proposed growth is from 675 owners to 900 owners (which is approximately 19 people per month) This rate of growth is aggressive, but I believe that it is achievable. The O & O committee is in the process of identifying two target bubble groups – one of which is the University and we are still working on determining the second group. Outlined below is the kind of human capacity and financial resources that we believe will be needed for the plan to be successful

For a plan like this to be successful, there needs to be an assigned leader of the plan who is driving it forward and coordinating it that is not the board as a whole. We believe the overall plan should be led by key members of the Ownership & Outreach Committee (O&O) – Brienne, Katy, Vicki and Tricia (none of these people have been asked). We welcome suggestions from The Board. The O&O team will need the additional support of Lacey, Anne and Johnathan. Lacey, because you, as the president, are directly involved with the proforma and the business side of the co-op. Anne, because of your knowledge as the Chair of the Finance and Legal team to make sure we stay on track. Johnathan, because we need a person to do the necessary research on various projects that will help us meet our goals.

It will be necessary to fund the work of this plan for it to be successful. We need more time to estimate what the budget will be to execute this plan, not including any paid staff time. Some of the funds will be used for beefing up our marketing campaign including giveaways for university students, advertising on social media



and increased regular signage around the community about various events we are holding. The funds will also be used in a direct marketing campaign to local businesses and to owners for the capital campaign.

Let's make 2020 our year. GroCo 2020!

# of owners	Milestone the goal is tied to	Internal/External/Both
275	1 <sup>st</sup> Annual Owners Meeting	Both
300	Preliminary Market Study	Internal
500	Launch Site Selection Team	Internal
550	Comprehensive Market Study	Internal
700	End of September to reach year-end goal	Both
850	Narrow down site selection, GM Search Begins, Launch Ownership Capital Campaign	Both
1150	Construction Begins	Internal
1,350	<b>Opening Day</b>	Both
1600	6 month anniversary	Both

#### Questions Assignment: Building a Sense of Where to Start

Now that we are 4 weeks into the class, please reflect on what you've learned and where your co-op currently is in its work, and answer the following questions:

- Reviewing your co-op's VISION
  - Does the Vision perhaps need revisiting to improve the core goals or get owner input? If yes, which and why?
    - The Vision Statement – To open a 7,000 square foot grocery store with a business partner needs to be added to further describe our store. This is a result of the latest market study.
  - Does your co-op have 3-4 clear, succinct core values it can communicate? Do they need to be revisited, or created?
    - Our core values are pretty solid. We are at the point of reaching that second bubble. We need to figure out who that second bubble is and pick the core values that relate to them.
- Timeline
  - Does your co-op currently have a board approved ownership growth timeline?
    - If yes, does it need revisiting with the board based upon what you have learned in this class?
      - We are in the process of reviewing this now with recent market study. Working on ProForma to determine amount needed for owner capital campaign. Will adjust from there.
- Momentum
  - Reviewing your co-op's current communication via social media, does it need improvement?



- Our social media is pretty solid. Katy does a great job and we have a great working relationship with the university and an intern program, and they have given us great feedback on expanding our social media presence.
- Does your co-op currently send out press releases every time you reach a developmental milestone?
  - We do not. We do not have a PR person. The university intern could certainly help in this effort.
- Does your co-op have the capacity needed for all the communication work that needs to be happening at your current stage?
  - From a volunteer /time standpoint – no. From a creative standpoint, yes!
- Has your co-op identified who the next “bubble” of potential owners would be and what about your co-op’s Vision would most interest them?
  - We are working on that now. We have been trying to go after the older people (70+) in the community that have lived here all their lives feeling they would want to give back to the community; e.g., Kiwanis, Lions Club, etc.. It has had “some” level of success. I believe we need to go after people younger people with a higher level of education and interest in sustainability and local. Also, families that have young children that are interested in better food choices for their children. We are exploring that now. We are also beginning to look at local businesses and developing those relationships. One of the partners we are considering is John’s Disposal. They are the local garbage pickup and we feel that there is a mutually beneficial relationship that can be developed as it relates to recycling.



MEETING MINUTES  
Whitewater Grocery Co  
Board of Directors

Year	Month	Owner Goal	Bus Dev	Owner Growth Basics work	Big Events	Small Events	Campaigns	Swag	Monthly
	October	610		Bubble Identification for next target group of owners	Annual Meeting		Campaign to reach revised goal of 675 -- maybe make progressive trying to get to 700.	Logo'd Wooden Spoons for Ownerversary	Farmer's Market
	November		Smartsheets - start populating; Develop plan to recruit business members, Develop plan to engage University Faculty/Staff	Capacity: Recruit new volunteers from University, Brand: order long sleeve tshirts			Launch \$10/mo payment plan online with credit card and ACH	swag for students, reusable straw, pop socket, etc.	Farmer's Market
	December	675	Complete ProForma	Vision: Add vision statement to mission statement		Farmer's Market; Sam's Sauerkraut	Gift Ownership as stocking stuffers.		Farmer's Market
2019	2020								
	3 January		Site Selection Committee Meets, Search for Business Partner, Create Inspirational Rendering	Capacity: Volunteer Training			Kickoff New Year with Winter Cocktails for cookbook	Window Clings for business owners	Farmer's Market, Coffee Talk
	11 February						14 in 14 for early February, House Party Campaign		Farmer's Market, Coffee Talk
	9 March					Volunteer with Kiwanis Pancake Breakfast and find other community events that are well attended			Farmer's Market, Coffee Talk
	5 April						Cookbook event, Plant a Tree for every new owner		Farmer's Market, Coffee Talk
	5 May	850	Narrow Down Site Selection; GM Search Begins		Ownerversary			Giveaway for Ownerversary -- "Ask Me" Button?	Farmer's Market, Coffee Talk
	8 June		Ownership Campaign Launches						Farmer's Market, Coffee Talk
	12 July			Brand: Participate in 4th of July Parade with new float (this will be our 4th year)					Farmer's Market, Coffee Talk
	10 August			Capacity: Review O & O charter and split into two groups					Farmer's Market, Coffee Talk
	5 September						Local PopUp at Warhawk Football games		Farmer's Market, Coffee Talk
	5 October				Annual Meeting		Local PopUp at Warhawk Football games	Giveaway for Ownerversary	Farmer's Market, Coffee Talk
	November						Cookbook Event		Farmer's Market, Coffee Talk
	December	900	Confirm Business Partner						Farmer's Market, Coffee Talk

**Board Business:**

**Feasibility Assessment & Dashboard** (includes Feasibility Assessment, Dashboard & Needs Assessment)

The Finance & Legal Committee reviewed the Feasibility Assessment, Dashboard and the template we used for our assessment provided by Assabet Village Co-op Market. After talking it through with the Committee, we updated it as follows: Financial Feasibility - Current Status: Not Met; Research is being done to update the Pro Forma; Pro forma currently does not demonstrate financial feasibility. Next Step(s): Conduct Pro Forma scenario analysis, with support from Columinate, to determine range of hypothetical project inputs that will meet the following Key Metrics: 1.) Annual Cash Flow - positive after year 2; 2.) Year End Cash - > \$175,000; and 3.) Becomes Profitable between years 4 and 8.

The Finance & Legal Committee also recommended that since it has been a full year since we conducted the original assessment, that we go through it again, in its entirety, and update it with new content. Jo offered to do so and will present it to the Board at our January meeting.

Anne presented the draft of the updated **Travel & Expense Reimbursement Policy** on behalf of the Finance & Legal Committee. Destine Bauschke, a member of the Committee, revised the travel reimbursement policy to include additional policy guidelines for reimbursement of general expenses.

Jen said she wants to make it clear that what we specifically do not reimburse is NOT detailed in this policy.





Greg thought that shouldn't necessarily be a concern because all expenses must be approved by the Board, as outlined in the policy. Greg thought it would not be helpful to outline in the policy what we will not cover. If it is pre-approved, then the Board will have had a chance to talk about it and make a decision as to whether or not we should incur that particular expense.

If we have Board members that cannot financially afford to travel for the purposes of learning and development, to meet with consultants, or conduct any other business on behalf of the GroCo, we want to be able for them to do so with a reasonable reimbursement policy.

Lacey thinks that we should update the policy to encourage the reporting of in-kind donations by volunteers who want to cover their own travel expenses or other expenditures.

Anne will provide the feedback to Finance & Legal so that we may finalize the policy early next year.

After the Board took a brief 5 minute break, we resumed our meeting.

**Discuss budget requests and work toward a budget to approve in December**

Jen started this agenda item stating that this is our second meeting about the budget. She thanked everyone who submitted their budget requests.

Jen wanted us to think about the budget with beginning with the end in mind, so she included a summary at the top of the working budget.

Summary		2019 Actual	19 vs 20	2020 Budget	Unused Member Equity as % of Total Member Equity Based on 2020 Budget
	Number of Members	92	117%	200	<b>\$26,699 / 25%</b>
	Total Sources	\$ 15,896	150%	\$ 39,790	
	Total Uses	\$ 36,036	-1%	\$ 35,528	
	Surplus/Overrun	\$(20,140)		\$ 4,262	

She established some budget goals as far as how much equity we want to be able to retain. She added a column in order to mark which budget line items have issues, which are unreviewed, and which we've approved. Jen has estimated the remaining expenses for the year - what we've spent vs. the budget amount and estimated the total.

In terms of Sources, the biggest discussion point is to identify what we want our new owner goal to be, at least for budgetary purposes. She changed the number of new members for 2020 from 200 to 125.

Anne will ask the Finance & Legal Committee how much we need to budget for legal fees in 2020 without a Capital Campaign.

Brienne will get a revised version of the contract with Whitewater Cinemas that details our ad will run from Thanksgiving 2019 through Thanksgiving 2020.

Katy & Lacey will talk about the efficacy of Facebook ads and how much we should devote of our budget to this type of expense.

After additional discussion by the Board, we decided to discontinue advertising at Jessica's and in Senior in the



Park and Jen removed those expenses.

Outreach & Ownership will review the Street Banners budget as there was concern about us complying with city guidelines.

Brienne said that the \$2,300 for promotional items is to cover the cost of activities recommended from Vicki's Ownership Deep-Dive Course - spoons, clings, brochures (they are give-aways, not throw-aways).

Brienne feels like we need more items with our logo on them as well for promotional purposes as well as another tablecloth since we are now tabling in two locations: University and City.

Anne will identify the number of packets we need to order for next year and the cost were incurred for ordering and imprinting our previous run.

Katy talked about alternative ways of funding our expenses - through grants or business sponsorships.

The Board discussed as a whole that we need to reprioritize what is getting funded, and what is not. What are must-haves, like the GM Search, the Capital Campaign, etc.

After further deliberations, it was determined that the Board Officers will meet separately to review the budget and provide the full Board with their discussion at the December board meeting.

Anne will send out a Doodle Poll to schedule a time for the Officers to meet to review the budget.

**Self-Assessment:** No policies or charters were scheduled for review during this meeting.

**Board Calendar:** The Board reviewed and commented on the Board Calendar.

**Closing:** President Reichwald officially adjourned the meeting at 8:53 p.m. The minutes were respectfully submitted to the Board on December 17 by the Board Secretary, Anne Hartwick.