



MEETING MINUTES  
Whitewater Grocery Co  
Board of Directors

**When:** August 24, 2020 5:30PM - 7:00PM

**Where:** Zoom Meeting

**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

Agenda 1 (mid-month meeting) is policy, governance, and board development/education.

**Agenda 2 (late-month meeting) is committee check-ins, board business, and accountability.**

These can be flexible depending on the needs of the Board at that time.

**Preliminaries:** The meeting was called to order by President Lacey Reichwald at 5:32 p.m.

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

The mission and values for the Whitewater Grocery Co. was read by Katy. The intention for this meeting is to provide updates to the Board on the planning of the annual meeting and election, to hear from our Outreach and Ownership team on their research around more accessible Ownership in our co-op, to reach consensus around the goals of our bylaws and future board policies, and to check in on our timeline to assess our progress.

Member-Owner CJ Wagner joined the meeting and was welcomed by Lacey. CJ asked that when we use acronyms, if we could clarify what they mean, that would help her with learning about the co-op. Jo has a list of a lot of frequently referenced acronyms that she will send to CJ.

Greg moved to approve the agenda. Second by Brienne. AYES: Lacey, Greg, Jennifer, Anne, Katy, Praveen, Jo, Brienne, and Elvia. NOES: None. Abstain: None

**Consent Agenda:** Greg moved to approve our Aug. 11 meeting minutes and the Committee Reports. Second by Katy. AYES: Lacey, Greg, Jennifer, Anne, Katy, Praveen, Jo, Brienne, and Elvia. NOES: None. Abstain: None



**Committee Check-Ins:**

***Election Update - Board Development Committee***

As chair of the Board Development Committee, Jo Baker provided an election update which is also included in her Committee report.

The Board Development Committee has been working on election material for the past few weeks. The updated 2020 Board of Directors Application has been sent out to two strong candidates for the two vacancies in October. The updates to the application included dates, change of meeting frequency, office space location, and language explaining virtual meetings.

**Highlights:**

- Met with Vicki Hagstotz regarding 2020 election and updated 2020 Annual Meeting BoD Election Timeline
- Continued contact via email and/or phone with potential candidates.
- Continued organizing the Board Development Committee google drive to ready for the peaceful transfer of power after the October election.

**Important Dates:**

- BoD applications due Sunday, September 6th
- Voting begins Sunday, September 13th
- Voting ends Tuesday, October 13th at the Annual Meeting

Anne asked Jo if they could meet along with Jen prior to the when the materials need to be distributed to the ownership regarding the Bylaw Amendments. Jo said that Lacey also talked about holding a virtual Question & Answer meeting prior to the Annual Meeting.

***Annual Meeting Planning Update - Outreach & Ownership Committee***

Vicki asked that Katy provide an update to the Board on the Annual Meeting. It is currently scheduled for Tuesday, Oct. 13, although no specific agenda has been identified at this time, the Annual Meeting Planning Committee thought it would be good to provide a presentation on how important diversity and inclusion is to the success of the co-op, and how even store design plays a role in us making sure we welcome everyone. Katy asked whether or not the presentation on diversity & inclusivity should be prior before the Committee Reports. On Sept. 11, after all of the applications for Board candidates have been submitted, we will start publishing information about each candidate on our news channels that will include a video about each candidate. We are hoping to hold the meeting via Zoom on YouTube. Jen asked that we schedule a rehearsal so that we may practice.

Discussion ensued about providing Member-Owners with the ability to interact with us during our meeting, or if we will be live-streaming it on YouTube. Per Katy and Lacey, if we have the comments feature activated on YouTube, we would be able to see their questions/comments and we would be able to answer their questions outloud or in the comments section.

Jen asked if we would be able to see who is in attendance and Katy said yes. Jo asked if it would be a webinar format so that we would project vs. all owners sharing their webcam? Katy thought it would most likely be a presentation-mode webinar format where the webcams for Board members/presenters would be on, but not for attendees.

Katy asked if we liked the idea of incorporating diversity & inclusivity in our development plan, as well as having a keynote speaker for our Annual Meeting talk about this topic. Brienne said YES, please, as did the other Board members. Dr. Kenny Emmanuel Yarbrough, UW-Whitewater Chief Equity, Diversity and Inclusion Officer was suggested as a resource. Brienne had some other thoughts about people she has encountered at the Up & Coming Food Co-op Conference. Lacey will be providing Katy with names of other people that she thinks might be helpful.



Jen was thinking about the length of our virtual annual meeting. If we hope to have a keynote speaker as well as a delivery of all of our reports fit within a one hour timespan, we would have to abide by strict timestamps for everyone. Katy said it would have to be something where our reports would need to be 5-7 minutes. Lacey doesn't know what to expect as far as attendance to a virtual meeting. In year's past, we've had 100 people attend, and she can only remember one question being asked.

### ***Equitable and accessible Ownership shares - Ownership & Outreach Committee***

Katy based a majority of her presentation on one that was used during a workshop at the Up & Coming Food Co-op Conference. She learned a ton of stuff about ownership in co-ops that she hadn't known before.

Katy reviewed the four reasons why we should offer a "pay what you can" option for ownership. Because social responsibility and care for others is part of being a co-op, because any money that comes in will support us (large or small amounts), because we need to adapt to our community, because the more people that have access to our movement, the better (and becoming an owner is a tangible way to do so), and because this is about equity.

How will discounted shares help us meet our goals?

More owners means "everyone is truly welcome. More owners mean more help meeting our capital campaign goals, More owners mean more hands to help with work. More owners mean more input from people who are not like us, who are different from everyone represented on the Board, to help ensure that we build to serve the entire community.

#### Why Offer a Pay What You're Able To Pay Option?

### **1. Because it's part of the foundation of being a co-op:**

From the "Member Equity Toolbox: Structuring Capital to Meet Present and Future Needs" by FCI

#### **Statement on the Co-operative Identity**

##### Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

##### Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

##### Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

### **2. Because any capital that comes in further supports our financial needs/goals:**

#### **Advantages of Strong Equity Capital**

It is important to consider the advantages to the co-op of strong equity dollars when you are determining what your capital goal should be. When the equity required from co-op members is at the right level to address the needs of the co-op, it can become a sizable fund. It is interest-free money for the co-op, and is a nontaxable source of funding. Therefore, it increases the asset level of the co-op and is a point of leverage for some of the co-op's other financial needs. Unlike

### **3. Because, despite knowing we need 20% of our capital goals in "common shares" at \$150, we also know that shit happens and we need to adapt to work with our community:**



After you arrive at this number it is also important is to think about the future equity/capital needs of your co-op. Throughout the years of business the co-op may need capital for things like new equipment, an opportunity to buy your building, new technology, natural disasters and other unplanned opportunities. That's why it is critical to give the co-op the flexibility to make changes to equity levels should the co-op need to do so. For these reasons, it is equally essential that the share purchase is never referred to as a "lifetime" membership in the co-op.

**4. Because money is worth the same thing, no matter if it's \$150 or \$5, when it's part of a larger movement of all of us working together to build something our community needs and wants:**

From Durham Co-op Market

**We are stronger together!** The Co-op wouldn't be here without you and nearly 5000 other Owners, all from NC! The Co-op needs your perspective, input, and accountability to thrive. The Co-op exists to serve and support Durham, and your participation helps guide the Co-op's future and influence. You help us live our values! Cooperatives provide a sustainable, economic model for business. Existing for everyone's benefit means we can be more resourceful and stick around for a long time. You are key to the Co-op's success!

**5. Because this is about EQUITY**

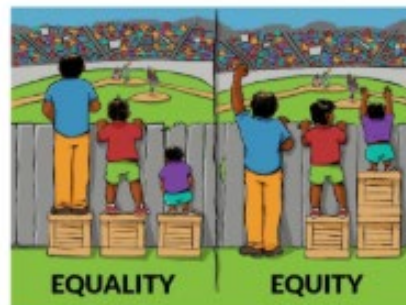
From Katy's Presentation to the Board on Creating Diversity and Inclusivity in Co-ops

## What's the work for?

Growth/maturity of ourselves

The voices of those who aren't being heard in this ecosystem

A better community








\*\*\*Overall, I think ultimately we know the WHY, but we need to admit that the HOW is scary and challenging because we're people with money who've been receiving money from people with money.\*\*\*

### How Will Discounted Shares Help Us Meet Our Goals?

1. We'll truly mean "Everyone Welcome", thus further meeting our goal of diversity & inclusivity.
2. Just like large Owner loans are going to help us meet our capital goals during the Capital Campaign, discounted Owner shares will help us meet our smaller capital needs right now.
3. More ownerships = higher Owner #s which means more momentum, growth, and more humans involved in the larger movement of taking matters into our own hands to nourish our community.
4. More Owners = more well-rounded input into building a store that truly reflects the needs of our community and not just the needs of our upper middle class Owners.

### What Other Co-ops Are Doing

From Gem City Market:

 <p><b>PURCHASE A MEMBERSHIP</b></p>	 <p><b>\$10 MEMBERSHIP</b></p>	 <p><b>BECOME A SUPPORTER</b></p>
<p>Gem City Market is a one-member/one-vote organization. Your member-owner share is a one-time cost of \$100 (with lots of payment options, and a neighborhood match.)</p>	<p>If you are interested in a Gem City Market membership and qualify for financial government assistance, or are self-identified low income, your member-owner share is a one-time payment of \$10.</p>	<p>If you love what we are doing but won't necessarily shop at the store, purchase a supporting membership to help offset the cost of qualifying memberships.</p>
<p><b>JOIN NOW</b></p>	<p><b>JOIN NOW</b></p>	<p><b>SUPPORT NOW</b></p>

\*\*\*Reached out about legalities and haven't heard back yet.





From Durham Food Co-op:

## Food For All

The Co-op is passionate about making delicious and healthy food accessible to everyone. We offer Food For All Ownership for customers who qualify for SNAP, EBT, and other benefits. FFA Owners receive all rights and benefits of being an Owner in addition to a 20% discount.

FFA Ownership costs \$15 upfront and is paid off in full through dividends. To sign up, fill out the information on an owner sign up brochure available at the front registers, verify your SNAP eligibility with a cashier, then pay the \$15 fee.

Acceptable forms of ID:

- Valid State or Government issued photo ID (Driver's License, Passport, State ID)
- SNAP(EBT) card with a State or Government ID
- Benefits letter from Department of Social Services or Social Security Office with photo ID
- Military ID
- School Photo ID

\*\*\*Lyla, the GM, told me that they make up the remaining money with the Owner's dividends, but rarely ask for the dividend money from Owners. In other words, they simply forgive. They have the dividend language to look fair, but understand that some people really can only afford \$15. They are Owners and get all the same Owner perks. I called back and left a message asking what they did before the store opened, but I remember her sharing with me at the 2020 conference that they simply took what people could pay and marked them as Owners.

### How to Proceed

1. BEGIN! Period.
2. Forgive outstanding Ownerships
3. Reach out to those on payment plans and ask if they need assistance
4. Set up payment options on website similar to Gem City
5. Start marketing the Supporter option that will subsidize shares or provide scholarships
6. Then include language in our normal ownership ask posts that is simply an invite for people to reach out to us if need be: "An Ownership is \$150. We also offer payment plans that range from \$25 to \$10/mo. If these options don't work for you, reach out to us and we'll figure out the best option for becoming an Owner.

Katy then talked about some of the next steps as she sees them. They are as follows.

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Greg has questions - if we did lower the cost of an ownership share, would we consider adding some language in our membership agreement that by becoming an owner, they will support the store with their purchases? Greg is concerned about how future loaning entities (banks, etc.) might perceive these subsidized ownership shares. If we say XX full owners and XX are subsidized owners, will that have a negative impact on our ability to take out loans?



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Brienne asked that question of Gem City who said that they keep track of who has paid the full amount for an ownership share, and who has a “pay what you can” ownership share. They try to be as upfront and transparent with the banks and other stakeholders as possible and so far, this has not had a negative impact.

Lacey said that only 20% of our regular shoppers will be owners. 80% will be non-owners. The non-owners might invest if they could pay what they can. It would increase the loyalty to the store.

Concern was expressed about the difficulty and complexity of creating tiered shares with different benefits.

Gem City has defined their “pay what you can” ownership shares in their Bylaws. This is something that we would need to determine if it was necessary for us to include the mechanism for subsidized ownership shares in our Bylaws.

Jen expressed concern about the amount of administrative work that will be necessary to track the “pay what you can” ownership shares. This activity would need to take place simultaneously with fundraising efforts and applying for grants to offset the subsidized ownership shares. Are we willing to commit to an increase in our workload to make this happen?.

Katy asked if Jen liked the way that Gem City Market lays out the “pay what you can” option. Jen said YES!!! That is how they are implementing it in the bylaws.

Lacey said that Jen’s concern about the Bylaws and the amount of work necessary is a good one and it would be good to present this to owners. Membership at a reduced rate is all about equity and inclusivity and how we want to present ourselves as a co-op. Jen said that we would need to find out if there are any constraints to doing this according to WI State Statute. We could share this with our lawyer.

Lacey wondered what Gem City’s Neighborhood Match program is.

Jo asked if there were other Wisconsin co-ops that have reduced ownership rates, especially in areas with student populations. This might be a good opportunity to reach out to students who couldn’t otherwise join.

Anne expressed concern about the timeline -- if we want to present this to our ownership for approval at the Annual Meeting, do we have enough time to research and put together a plan for approval by ownership? Jen said that we definitely want to keep the Bylaw changes that may be required to offer “pay what you can” ownership shares separate from the other Bylaw changes. However, we could present the idea to ownership at the annual meeting to get their feedback.

Brienne would really like to educate the ownership about the direction we are taking to offer “pay what you can” shares. This conveys the message that we are a store that takes care of everyone. We are really trying to figure out how to make this store welcoming for everyone. The legal part of it may take a little longer.

**Lacey called for a round-robin to see if we have consensus about whether or not we should pursue the option to offer “pay what you can” ownership shares. .**

Katy - Yes, ready to move forward.

Jen - Yes, ready to move forward.

Anne - Yes, ready to move forward.

Praveen - Yes, definitely supportive. He was supportive when this was proposed a year ago.

Elvia - Yes, she likes the idea, but like Jen, wants to know how much more time, talent, and resources it will



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take us to offer and execute a “pay what you can” ownership share option. Without understanding how the program would work, trying to bring on owners who have small contributions when we are at this stage of development seems a lot of work for little benefit at this stage when our efforts should be directed at building the store. Elvia doesn’t feel like this type of ownership is essential for opening the store, however, it will be for the long-term success of the store.

Brienne - Yes, she is wholeheartedly for it. Everytime she sees an owner, she brings it up. Every single owner has asked her, how can we make this happen?

Greg - Yes, is supportive, if we are able to execute it properly and it won’t hinder our opening date.

Lacey - Yes, ready to move forward. If diversity & inclusion is our goal, it needs to be baked in, instead of having us figure it out after we open.

Jo - Yes, she wholeheartedly supports it. When Jo talks to people about the co-op, many say they can’t afford an ownership, but they want to be a part of the movement. She wants everyone to be able to afford it, and everyone to be an owner!

Lacey will follow up with Anne after the meeting to discuss next steps.





**Board Business:**

***Bylaws Eligibility & Transferability - Finance & Legal Committee***

Jen created a presentation to help us review the Bylaw changes and identify where we are in agreement and where we are not in terms of the spirit of the Bylaws around eligibility and transferability.

- Finance & Legal (F&L) Committee submitted our Bylaws to Dorsey & Whitney (D&W) for review
- D&W has suggested a number of changes - some are simple, some are not.
- Some proposed changes lead us to reflect on our current and desired ownership practices and policies
- Our task as a Board is to come to agreement on our desired approach.
- Bylaws require owner vote. Policies require board vote.
- Big thanks to Patrick Taylor for his support on this effort!

Right now, the Bylaws say:

- Owner can be "Any individual, household, or organization"
- One ownership share = one vote (but not who)
- Ownership stock and membership rights cannot be transferred
- Owner is responsible for informing us of change in name/address
- Owners have the right to attend meetings, elect the board, amend bylaws and must be in good standing.
- Everything else is policy.

Currently we have no written ownership policy, aside from language on the application form. The primary contact on a household ownership has the voting rights.

Our ownership agreement form asks for authorized users to the account. They are non-voting people in the household: Should they be considered as members? Can they serve on the board?

In practice we have not allowed transfer of point of contact (POC)/vote to another authorized user. We uphold one share=one vote, but cannot enforce who votes.

Do we want to allow a household or business to allow for a change in primary contact? [Policy]

Limiting an individual from having two votes. This can happen when they have a household ownership and a business ownership. [Policy]

Do other household members have the right to be board members?

Do we want to consider ownership transferability in any circumstances. Right now, we don't allow for it.

Brienne says that we need to clarify what happens when POC dies and an authorized user or other entity asks that the share be transferred to them. This should be outlined in policy. She also asked that we allow for transferability of a share from the previous Business owner to the new Business owner when the business is sold.

Lacey doesn't think that technically a share would transfer when the POC dies and a new POC is identified. Same exact situation in a business sale. Her only concern with transferability is individual shares. If it was in someone's will, it would be fine. Her issue would be that someone coming to us asking us to transfer ownership.

Lacey defines an individual ownership share as one where the POC does not list any additional authorized users in the ownership agreement form. Katy asked if we need to update the ownership agreement to include a question about whether or not the POC wants the ownership share to be transferred to someone upon their death or if they move out of Whitewater? Jen said no, we wouldn't want to do that. The only situation Jen can think of that is muddy is when the makeup of a household changes either through divorce or death. Who does the ownership then actually belong to?

Discussion ensued about whether or not the Board should concern itself with someone having more than two votes (one for their individual share and one for their business share). Per Lacey, it is really none of our



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business. Jen concurred saying that this issue is not a big deal and that it would be hard for us to police whether other not someone who has both an individual share and a businesses share is not in effect voting twice.

It is conceivable that certain pockets of the community might acquire a concentration of power which defies our one person, one share, one vote. Lacey is worried about it in appearance rather than coming into fruition. She doesn't want to make it easy for someone to have more say than others. She would never want it to appear like she is using her two shares to pull sway.

Anne identified a clause in the People's Food Co-op Bylaws that identified what would happen to the share when the POC dies. Because we don't want to be this specific in our Bylaws, we will probably not include this clause in our Bylaws, but rather in our policies. " Cooperative memberships are not transferable or divisible, except in the case of the death of a member, in which case, the Board shall have the discretion to transfer a membership (including the transfer of capital stock) to a family member of the deceased member."

After our discussion here today, we will need to write policies to clarify and align to what we decide as a Board around the terms of transferability and eligibility.

**Lacey called for a round robin to determine whether or not the Board should recommend that ownership shares be non-transferable except as identified by the Board through policy.**

Katy - Non-transferable except as specified by Board policy

Lacey - Non-transferable except as specified by Board policy (as long as we have good, clear policies)

Jen - Non-transferable except as specified by Board policy

Anne - Non-transferable except as specified by Board policy

Elvia - Non-transferable except as specified by Board policy (Elvia suggested the Ownership agreement form be updated to include a secondary point of contact in addition to authorized users)

Jo- Non-transferable except as specified by Board policy

Praveen - Non-transferable except as specified by Board policy

Brienne - Non-transferable except as specified by Board policy

Greg - Non-transferable except as specified by Board policy

Jen thanked the Board for their engagement in this discussion and will proceed with finalizing the Bylaw Amendments for approval by the Board at the Sept. 8 meeting. that she has enough to go on to move forward.

***Timeline Discussion/Check-In***

This agenda item was tabled until the next Board meeting.

**Accountability:** Lacey asked if anyone needed help with any of their assigned tasks. Katy is going to check in with our calling volunteers and see if we can make one final push to reach all of our owners on our calling list.



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**Action items Due for Monday, Aug. 24 Regular Board Meeting**

- In preparation for the **Aug. 24** meeting all of the following tasks are due by **Saturday, Aug. 22.**
  - **Katy, Anne, Lacey** and Jo will submit their Committee Reports (Outreach & Ownership, Finance & Legal, Site Selection, and Board Development) to the Secretary. *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 agenda by **Saturday, Aug. 22.** *Done*
- **All Board Members**
  - Spend one hour prior to our next Board meeting on Aug. 24 [reaching out to our owners](#) who have not yet been contacted on the [ownership call tracking spreadsheet](#).
    - Lacey
    - Greg
    - Jen
    - Anne - *I spent an hour, but have received call backs and need to call my people back! I commit to calling everyone that I have assigned to myself (10 owners) in the Owner Calling list by Sept. 1.*
    - Brienne
    - Elvia
    - Joanna
    - Praveen
    - Katy
- **Katy**
  - Update the [calling script](#) and distribute to the Board and volunteers *Done*
- **Anne**
  - Update the Development Timeline to match The Brain. *Pending - Request new deadline of Sept. 28*
  - Review prior minutes and note in the C9 – Proprietary Information policy when it was originally approved (*June 24, 2019*). *Done*
- **Lacey**
  - Add a line item to the Aug. 24 agenda to discuss subsidizing ownership shares for those who can't afford the purchase of a full share and forgiving the debt of the owners who have lapsed in payment of their installment plans *Done*

**Looking Ahead:** The Board reviewed the agenda for the next meeting. Katy said that the Board Education piece on *How White Supremacy Can Affect Organizations* might be longer than those we've had in the past and might also need to be broken into two presentations, rather than one. Lacey will keep that in mind as she puts together the next agenda.

Greg asked that since we are meeting twice a month, if we could try to start and end our meetings on time, it would be much appreciated by him and his family. Greg offered to be our timekeeper at future meetings. Lacey said she looks forward to Greg's help with time checks. Based on the agendas, Lacey said some meetings will need to be 2 hours long, but she is hoping to make them more like an hour and 30 minutes.

**Closing:** President Reichwald officially adjourned the meeting at 7:20 p.m. The minutes were respectfully submitted to the Board on Monday, September 7, 2020 by the Board Secretary, Anne Hartwick.