



MEETING MINUTES
Whitewater Grocery Co.
Annual Meeting

Date: Thursday, October 10, 2019

Location: V's Waterfront Venue

Description: Annual Meeting of the Owners of the Whitewater Grocery Co.

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

1. Greg Majkrzak called the meeting to order at 7:10 p.m. and read the mission and vision statement for the Whitewater Grocery Co. 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, and sustainable practices: people, planet, profit. The intention of the meeting is to provide updates to the Owners on our progress on the feasibility research of Whitewater Grocery Co. and elect four directors. Greg moved to approve the minutes from the 2018 Annual Meeting. The motion was seconded by Jennifer Crone. Motion was passed without dissent.
2. President's Report - Lacey Reichwald
 - a. If you attended last year's Annual Meeting, you know that we crossed an important threshold with our membership growth by reaching 500 Owners during the meeting! Today we stand at 601 Owners! This is a huge achievement and we all should take a moment to feel really proud of our efforts.
 - b. You can see why, with our faster-than-average membership growth rate of 100 Owners in a year, it might take the average cooperative 5-7 years to get from their launch date to their grand opening. That is the average, you know: five to seven years. Here we are, 2.5 years in and already at 600 Owners. We should really take a moment to feel good about where we are.
 - c. This year we have an ambitious goal of reaching 800 Owners by the end of 2019. It's a big goal but we are big dreamers and hard workers and we can do it. Especially with your help. If every one of you got one other person to sign up... even just the people in this room... we'd reach our annual goal tomorrow. This is a difficult time. Most co-ops stall out at around 500 Owners and take a while to get to the next level of growth. This happens in communities of every size! We are in the thick of it now and we are still growing. So let's keep going



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- d. Ownership is an important indicator of our health as a business. It shows that there is a customer base waiting for our business to open. Ownership also helps us raise capital to afford things like marketing, materials, insurance, office space, training, etc.
- e. Ownership numbers and capitalizing our business are inextricably linked together. The reason for our push to 800 Owners is because we want to wait until then to launch our Owner Capital Campaign. This is when we will... (include figures about the amount of capital we need to raise (50%)). Research tells us that about 30% of our Owners will be willing and able to go the extra mile for the cooperative and invest further through a loan or preferred stock purchase. By waiting until we have upwards of 800 Owners to launch that campaign, we are ensuring a faster fundraising process for our store. 30% of 800 is more than 30% of 600.
- f. Whether you are able to be in that 30% or not, being one of our Owners means that you have a voice. You OWN this business. You can make decisions through voting and be a part of the process through volunteering. You are also able -- and I empower you -- to use your voice to talk to the community, talk to the City, talk to potential vendors... Keep the buzz going. When we use our voices en masse, we cannot be ignored and we can make things happen!
- g. It's important to know that Ownership growth is only ONE of the benchmarks of our ability to open a store. We are working to make sure a store is feasible and what type of store is most likely to succeed in Whitewater. We've been working with consultants to conduct and analyze market studies. Two of them. Now we are doing the hard work of applying what we have learned into our financial model, or Pro Forma, to see (A) how much it will cost to build such a store and (B) how it can make enough money to be self sustaining. This is an ongoing process. If we adjust one thing, say the percentage of sales that we will pay out to our staff by 1% point, it adjusts the overall outcomes. If we decide to raise or lower prices by 1%, it affects the outcomes. When we discuss potential partnerships or sites, and their costs and benefits, it affects the outcome.
- h. We now know that we are likely to need a partnership to move forward. What does that mean? It means that the most likely path forward for us to have a successful store will be in partnership with someone else. Whether that is the City, the University, another business, a charitable organization, or a new business concept... we can have a higher degree of success with a diversified offering:
 - i. It could be a community kitchen or rental space.
 - ii. It could be sharing space with a library or a doctor's office.



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- iii. It could look like opening alongside a complementary business or working with an organization to be a job training center. The ideas are limitless which can be exciting but also overwhelming and time consuming to research.
- i. Mini site selection update... as many of you know, last year we identified three sites we were vetting further based on our first market study. The market has changed, our market study has been updated, and two of the sites have planned development... All three sites have owners who are willing to talk to us more about development and are open to our plan...
- j. We are reconvening the site selection committee with our new findings regarding our Market Study. What HAS NOT changed is a need for ample parking, easy access by trucks, and good visibility from a main street.
- k. We will be reexamining the eastside location to see if a smaller lot is feasible and if locating next to a Kwik Trip changes our market potential (for good or bad). We will also be reexamining the westside location to determine if there is enough parking and visibility to pursue sharing the hardware space. We will also use the new information we have to reexamine sites we have previously discounted... To that point, we do not currently have a favorite site but we do have some potential ones that we are learning more about.
- l. This stage, right here -- where we are trying to make it work and trimming pieces to make them fit and researching partnerships -- this is where your Board is starting to make important decisions about the vision of the store. This is why it's important for us to have a lens to look at this vision through -- to maintain our focus on what our cooperative community values. This is why your input is so vitally important. The more voices we have at the table, the more the store will represent all of us. Some decisions will have to be made for the health or viability of the store. But all decisions are influenced by the values of our group. Your Board is dedicated to coming back to this vision and these values for every decision we make. That's why we spent the better part of a year developing this vision and these values. That is why we read this at the beginning of every meeting; as a reminder of our goals and our vision and what we value.
- m. That's our lens. Our compass and our guiding light. We make decisions based on this vision and these values. And that is all influenced by all of you and the things we hear when we talk to you.
- n. The cooperative is an active and thriving thing. It grows and changes with each new Owner and it is malleable to the influence of those who put in the time and effort to help it grow faster. Each one of you has the power to help grow this business in big ways -- by getting others to join; by volunteering for a few hours a year, a month, or



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a week; by coming to Board meetings; by joining a committee; research, donations, making connections, proofreading, leading, communicating our story and our progress... there are so many ways to contribute.

- o. It can be difficult to remember at times, when we're all living our daily lives and the co-op feels over here, but YOU OWN IT. You own as much of this business as me, as the person next to you, as any committee member. As a business owner you have the same option and the same power to be as involved in our success as any other Owner.
 - p. Let us know how you can help. If you're not sure, just let us know you want to and we'll find the right place. You might be the missing link to the partnership we are seeking. You might be the visionary voice we need to help us solve a problem.
- 3. Market Study Update - Praveen Parboteeah (see presentation attached)
 - 4. Treasurer's Report - Jennifer Crone (see presentation attached)
 - 5. Finance & Legal Committee Report - Anne Hartwick (see presentation attached)
 - 6. Outreach & Ownership Committee Report - Brienne Diebolt-Brown (see presentation attached)
 - 7. Voting and Election Results - Joanna Marr Baker Announce Board of Directors results Nominees: Jennifer Crone, Elvia Meza-Klosinski, Lacey Reichwald, Katy Wimer
 - 8. Greg wrapped up the meeting, asking owners to complete the owner survey. He said the Board members would be available after the meeting to answer any questions. He then entertained a motion to adjourn. Brienne Diebolt-Brown moved to adjourn the meeting. The motion was seconded by Greg Majkrzak . The meeting adjourned at 8:00 p.m.

Q&A in person with Board Members after meeting.



YOUR NEIGHBORHOOD GROCER

Agenda

- Call to order
- President's report
- Market study update
- Treasurer's report
- Finance and legal report
- Outreach and ownership report
- Voting and election results
- Adjourn





WE'VE HIT
600
OWNERS!

CALL TO ORDER

Greg Majkrzak



Our mission:



We are your (future)
friendly neighborhood
grocer supporting fresh
and local products.

We value:

#1

COMMUNITY
OWNERSHIP

#2

QUALITY
CUSTOMER
SERVICE

#3

WELCOMING
EVERYONE

#4

A LIVELY
LEARNING &
GATHERING
SPACE

#5

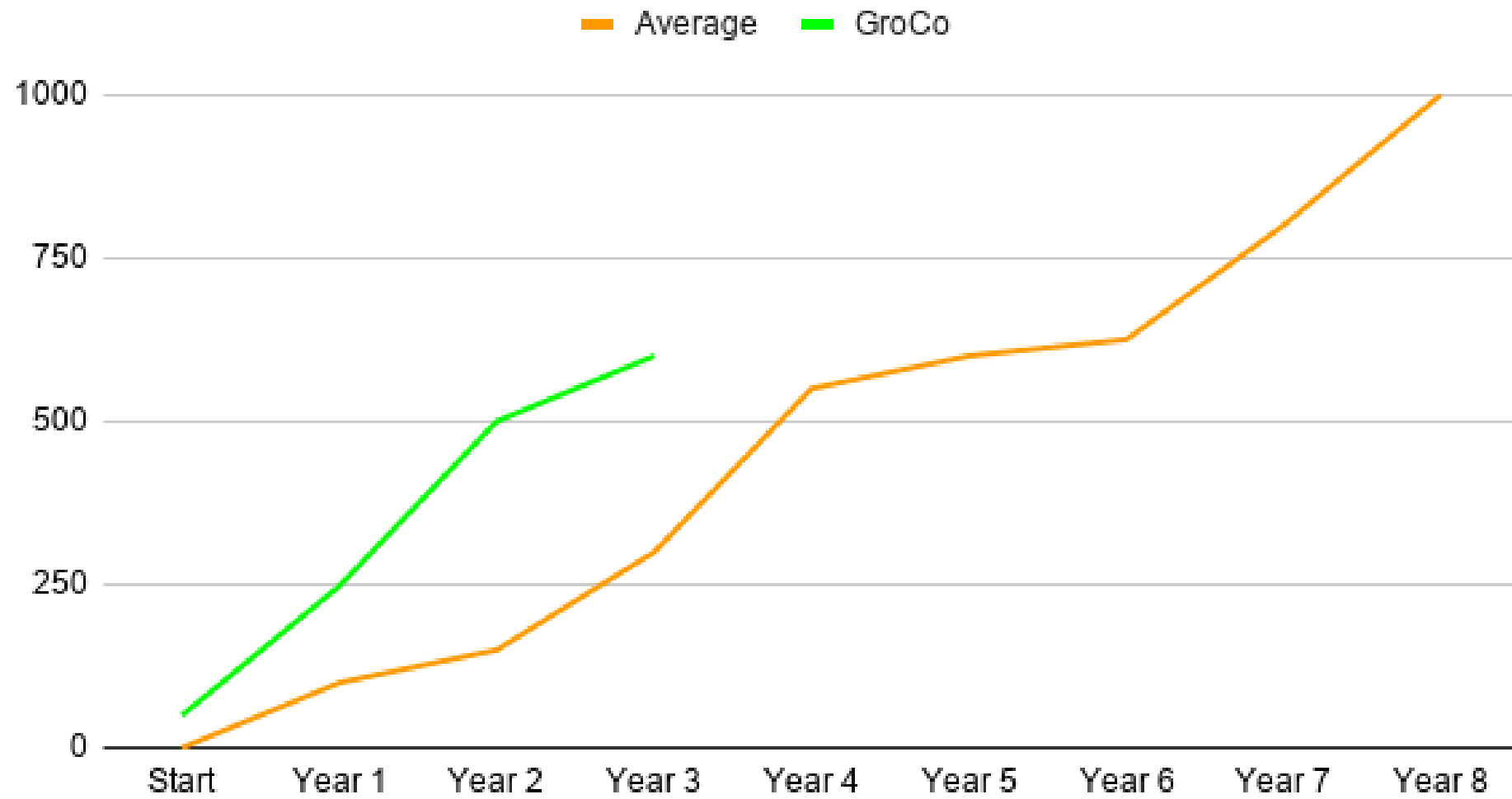
SUSTAINABLE
PRACTICES:
PEOPLE, PLANET,
PROFIT



PRESIDENT'S REPORT

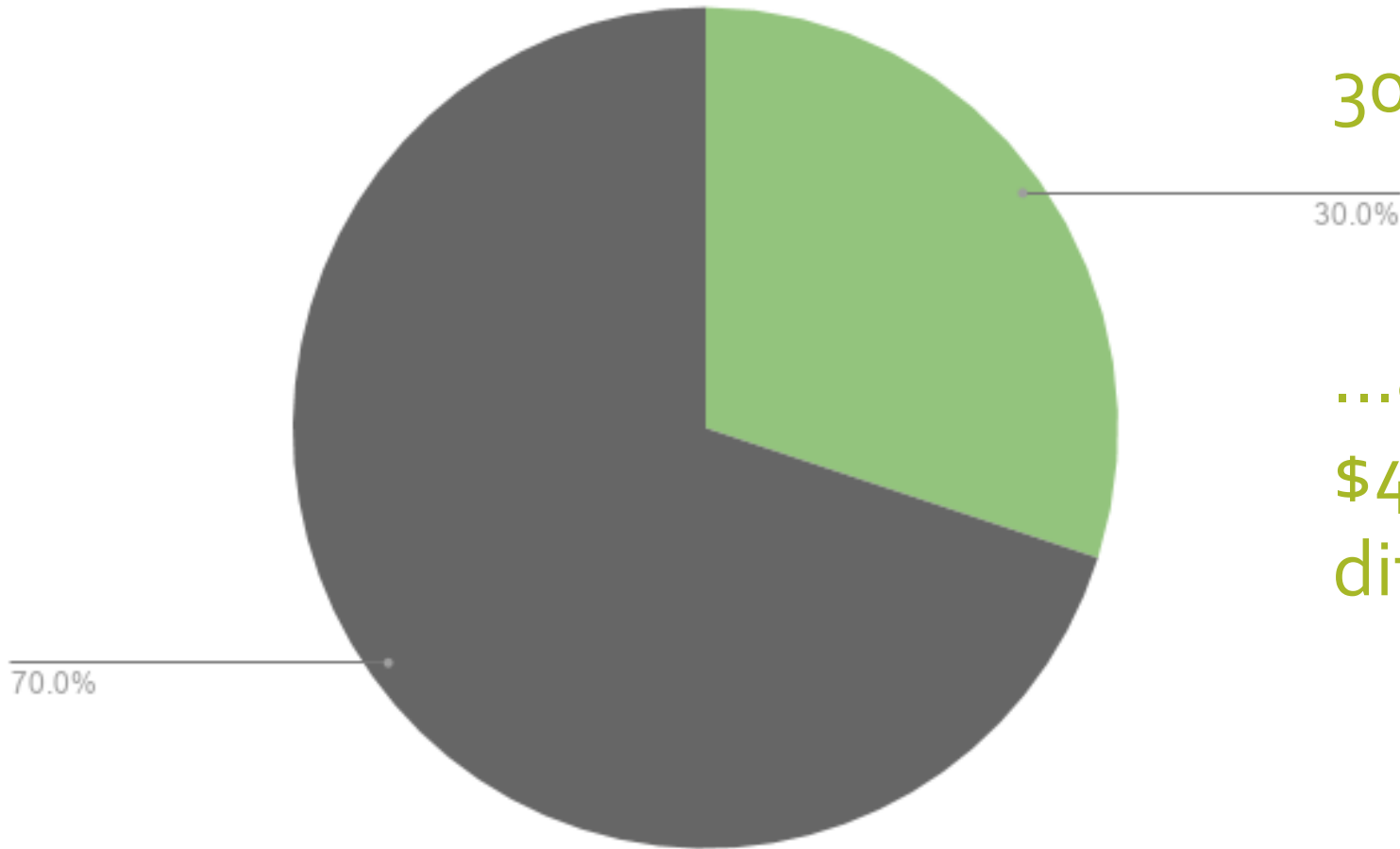
Lacey Reichwald

Growth



30% of 800 = 240 people

30% of 600 = 180 people



...and at an average of
\$4,000 per person that's a
difference of **\$240,000!**

Shared kitchen

Event space

Library

Classroom

Doctor

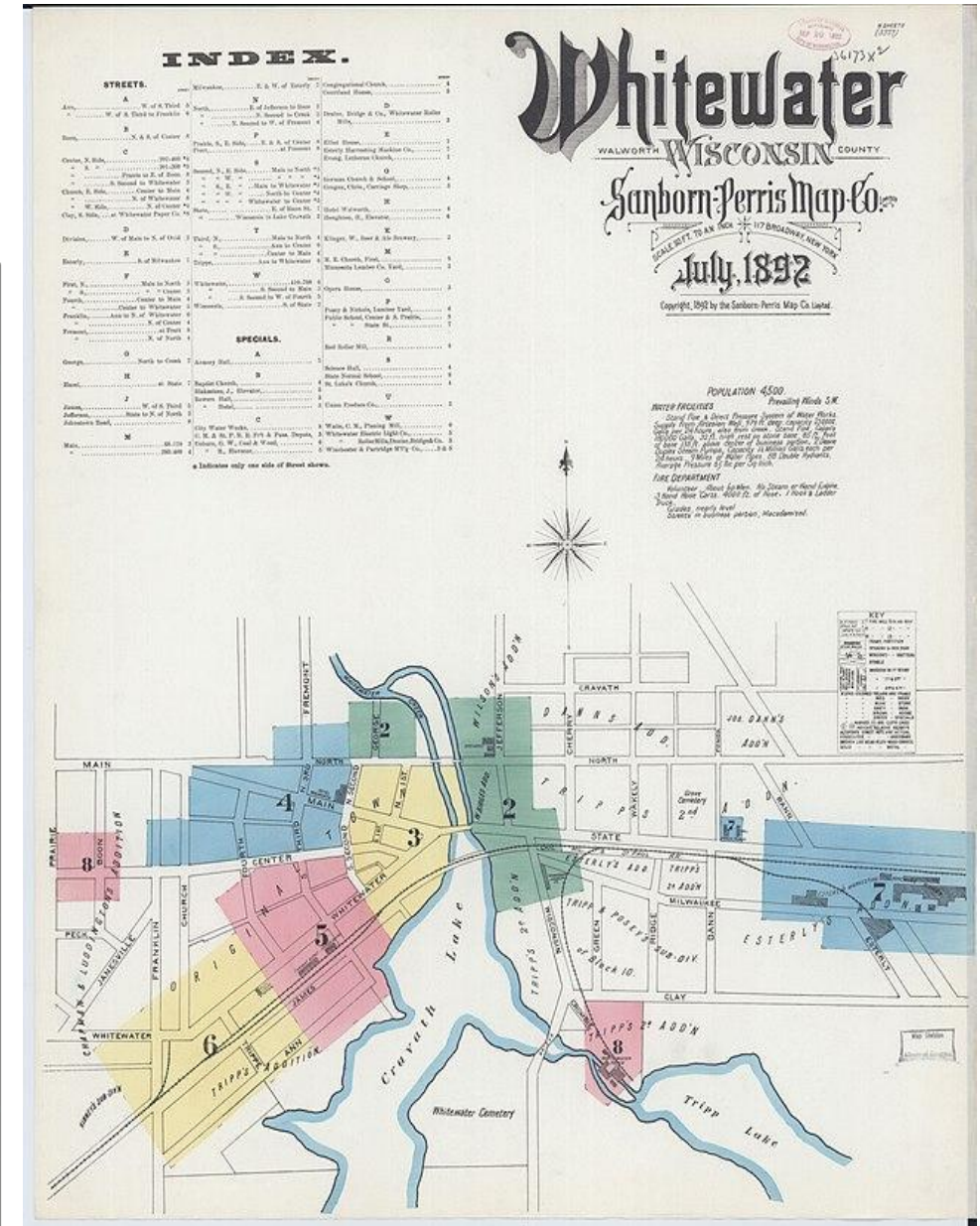
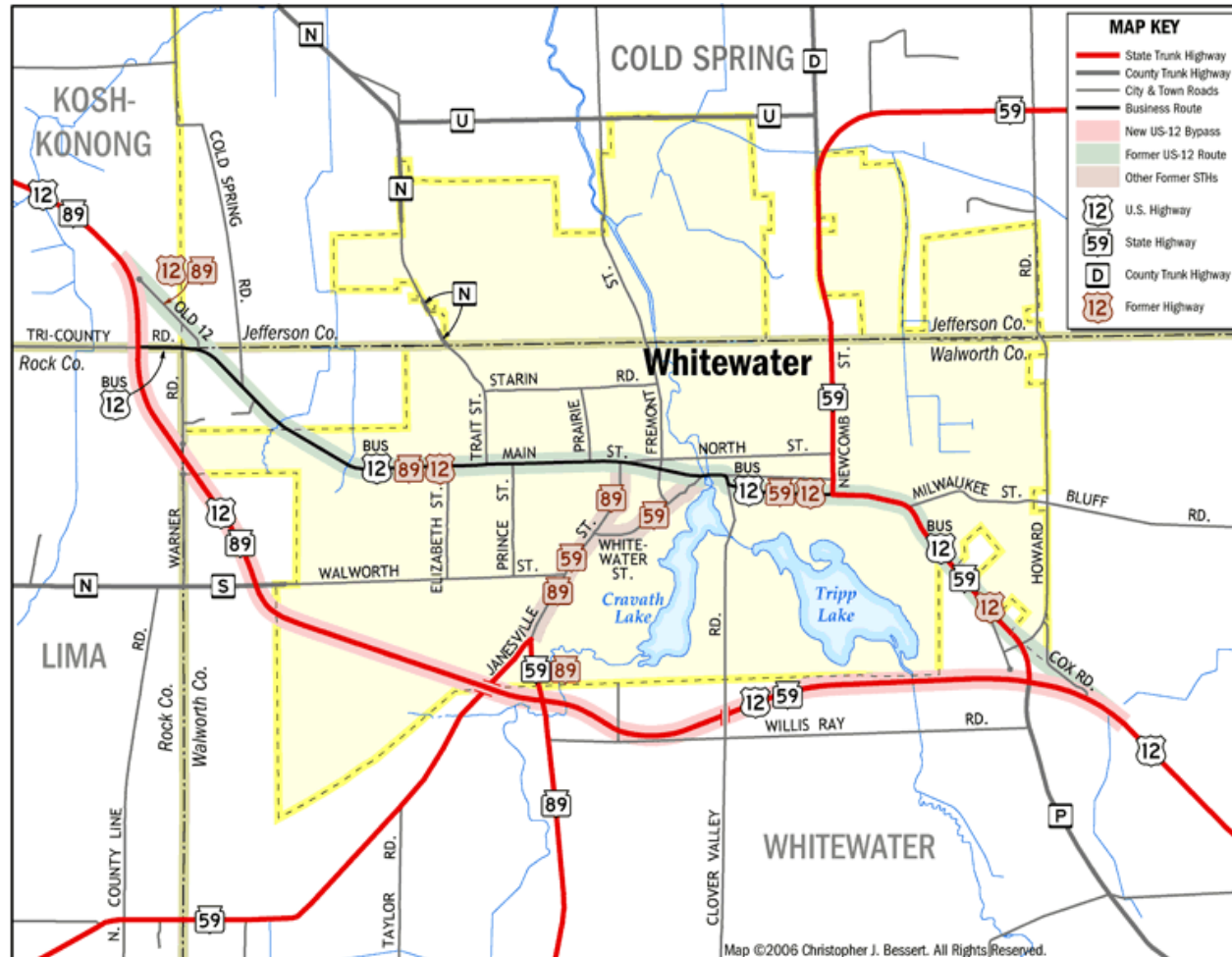
Complementary business

Job training

Potential Partnerships



Site Selection Update





Our mission:



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MARKET STUDY UPDATE

K. Praveen Parboteeah

Main Findings



Lower than desired trade area (47,700 potential customers) relative to available average data on coop store openings (94,100 potential customers).



Deficiencies in terms of demographics of potential food coop shoppers -
1) weaker proportion of individuals in 'in profile' occupations and 2)
lower educational levels that tend to be typical coop shoppers



Because of the above two factors, overall sales potential is limited

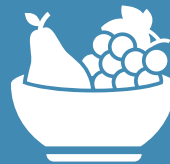
Main Findings



Competition for Whitewater Grocery Co is moderate



There is currently only one natural foods coop in the trade area



Rest of the competition includes conventional grocery stores that offers a limited selection of organic and other natural foods

Recommendations



Hybrid store that “offers a mix of clean/conventional (e.g., foods that do not contain hydrogenated fats, artificial sweeteners/colors/flavors, high fructose corn syrup, etc.), locally produced, natural, and organic foods”



Based on the trade area, it was also recommended that the minimum food store size should be around 7000 square feet

Recommendations



Recommended that the store offer a range of “grab and go foods, a self-serve soup/salad bar, and a full-service deli counter with some made-to-order items”



Because of the weaker demographics of the trade area, it is recommended that the store play an important role in educating the population about the benefits of organic/healthy food and connecting such benefits to their environment and their health.



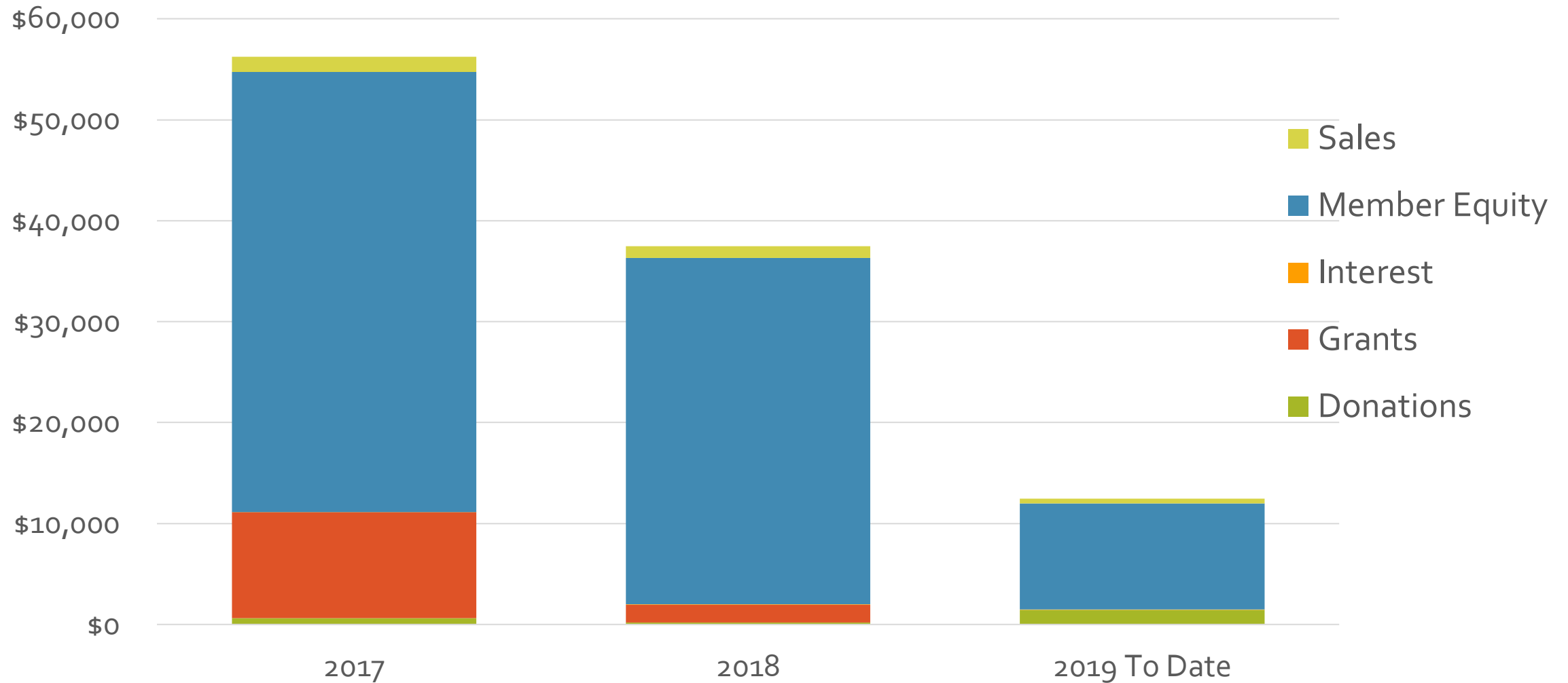
It is recommended that Whitewater GroCo find ways to be involved in the community. Events such as cooking classes, team sponsorship, nutrition classes etc. will build awareness of the store.



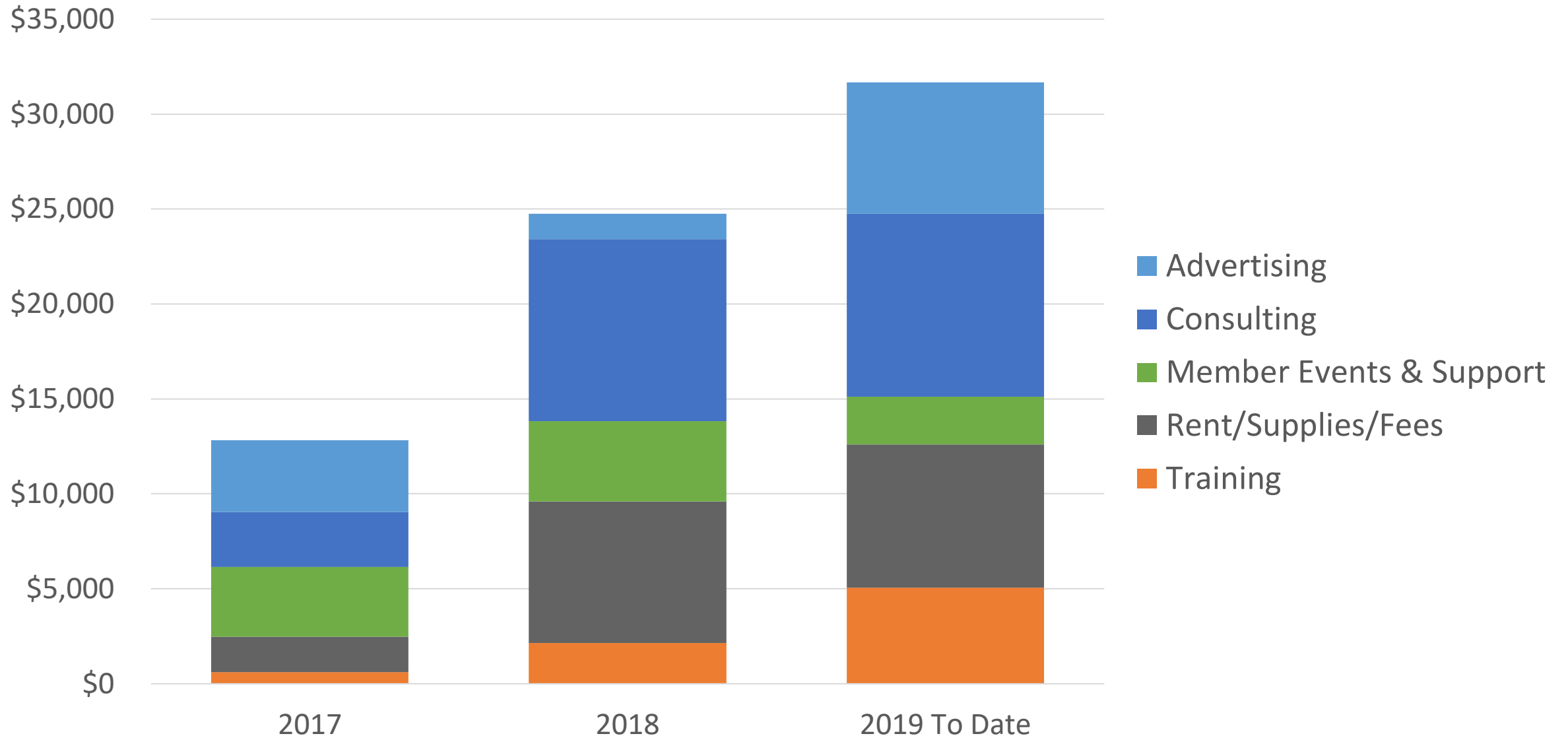
TREASURER'S REPORT

Jennifer Crone

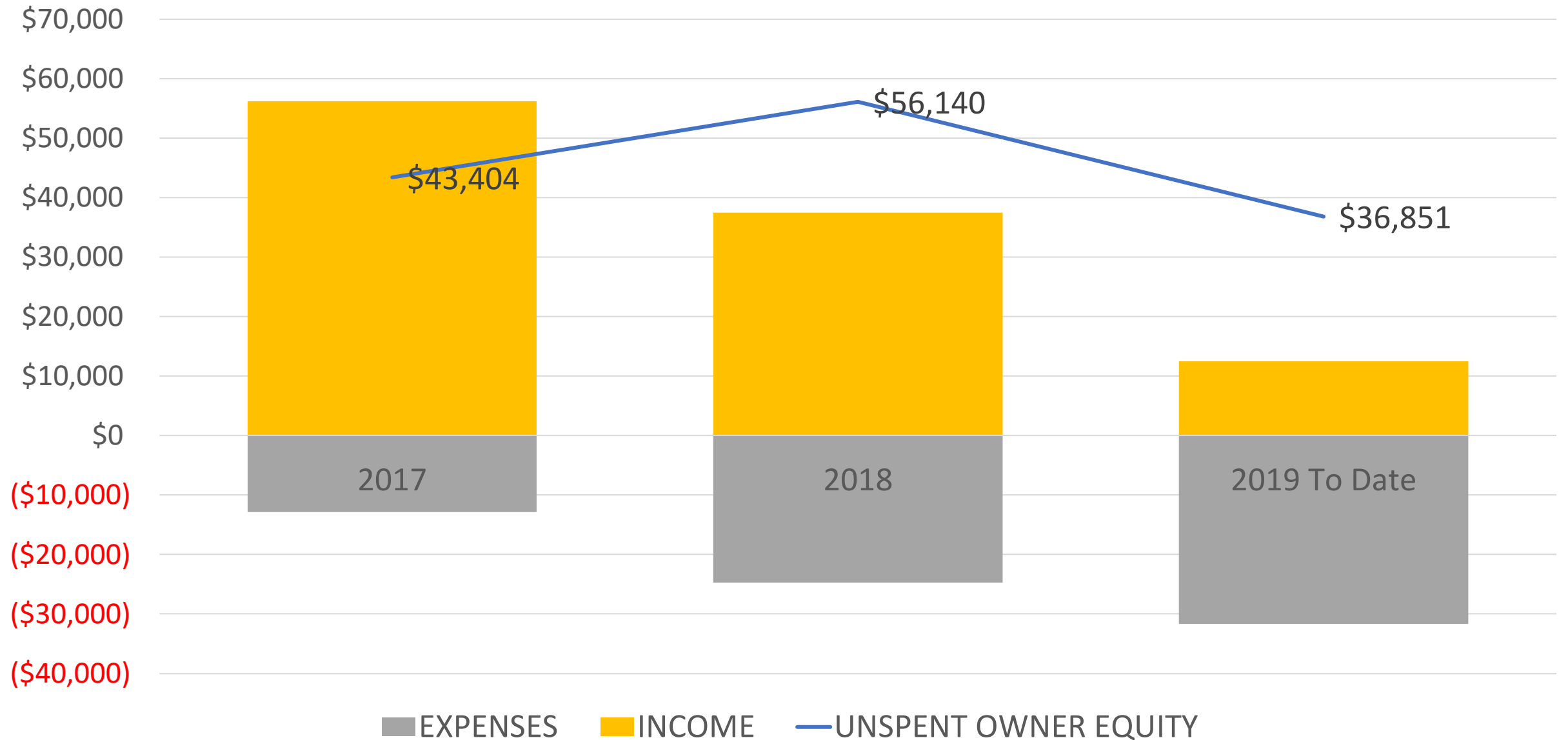
INCOME, 2017-2019 TD



EXPENSES, 2017-2019 TD



BALANCE, 2017-2019 TD





FINANCE AND LEGAL REPORT

Anne Hartwick



COMMITTEE MEMBERS

Major Accomplishments



Committee formed in February 2019



Achieved significant progress in customizing our financial projections for our store



Charted a road map for cultivating relationships with potential lenders



Established a relationship with a new attorney



OUTREACH AND OWNERSHIP COMMITTEE REPORT

Brienne Diebolt-Brown

Accomplishments

Sent 14 volunteers to the Up & Coming Co-op Conference in Milwaukee, WI

Created social events for Owners and potential owners

Whitewater PARADES!

Screened two movies on cooperatives and food systems at the Cinemas of Whitewater



“The Broadest, And Maybe The Most Meaningful Definition Of Volunteering: Doing More Than You Have To Because You Want To, In A Cause You Consider Good. ”

Ivan Scheier

Accomplishments



Created a Cookbook committee to archive owner recipes



Placed an advertisement on the big screen at the Cinemas of Whitewater



Started recruiting farmers and local businesses to become owners



Maintained a presence at the Whitewater Winter Market and Tuesday City Market



Successfully scheduled Jon Steinman on his book tour of a Grocery Story



**“If You Think You
Are Too Small To
Be Effective, You
Have Never Been
In Bed With A
Mosquito.”**

Betty Reese

ELECTION RESULTS

Joanna Baker



ELVIA MEZA-KLOSINSKI



JENNIFER CRONE



KATY DAXON WIMER



LACEY REICHWALD



FOR WHITEWATER GROCERY CO.
BOARD OF DIRECTORS
VOTE FOR ELVIA BEFORE 5PM OCTOBER 10TH!



FOR WHITEWATER GROCERY CO.
BOARD OF DIRECTORS
VOTE FOR JENNIFER BEFORE 5PM OCT 10TH!



FOR WHITEWATER GROCERY CO.
BOARD OF DIRECTORS
VOTE FOR KATY BEFORE 5PM OCTOBER 10TH!



FOR WHITEWATER GROCERY CO.
BOARD OF DIRECTORS
VOTE FOR LACEY BEFORE 5PM OCT 10TH!

CANDIDATES

**Invest in your co-op.
Cultivate your community.**



Wrap-up

- Please complete survey
- Questions: Ask us!
- Now let's continue building a grocery store
- Stay involved and get more members
- Adjourn