



When: November 10, 2020 5:30PM - 7:30PM

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, and sustainable practices: people, planet, profit.

Meeting Intention: to welcome new Board members, elect a new slate of officers for the coming year, and discuss real estate negotiations and next steps.

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.

Preliminaries: The meeting was called to order by President Katy Wimer at 5:37 p.m.

Board Members Present: Katy Wimer, Greg Majkrzak, Jennifer Crone, CJ Wagner, Lacey Reichwald, Anne Hartwick, Sarah Hoots, and Elvia Meza-Klosinski. Board Members Absent: Brienne Diebolt-Brown

The mission and values for the Whitewater Grocery Co. was read by Greg.

Member-Owner Jim Siegel, Destine Bauschke, Jen Bartlett, and Vicki Hagstotz joined the meeting and were welcomed by Katy.

Lacey moved to approve the agenda. Second by CJ. Motion passed without dissent.

Consent Agenda: Greg moved to approve the minutes from our October 26th meeting. Second by Anne. Motion passed without dissent.

Administrative: Jen reviewed and entered into the record the November 8 Treasurer's Report: Dashboard, Budget, Expenses, and Income. The report covers almost 2 months since Jen did not deliver a Treasurer's Report in October. This report covers early September thru Nov 8th. Dashboard shows 9 new owners in that time frame, income of \$2,329.00, expense of \$2,623.00. Budget shows total income to date of \$17,506.00, expenses to date of \$10,044, and exactly 50 owners that have signed up in 2020. The expense report shows biggest expenses for professional support, tax filing was a little more expensive than it has been previously because we are getting a little more complicated so additional evaluation and time was needed, as well as Bylaw review for Dorsey & Whitney. We received a bill for rent at CEC, \$125/month we will pay quarterly so \$375/quarter, then smaller expenses for postage for annual meeting, monthly quickbook subscription, and monthly zoom subscription. This month for the first time Jen is including income transactions, in part to see what they are and this particular update shows donations towards Ownerpalooza prize which stands at \$630 right now, everything else is member equity either for people paying payments and those paying full amounts and sales of t-shirts and signs.

Anne asked about submitting "in kind" donations, and if there is a way of showing that. Jen said that is on the backburner and there isn't a way to track that yet but that she would put it in a file as a way of tracking.

Jen reviewed the proposed 2021 Budget. Jen recommends a quick and easy budget for now for 2021 and that larger things such as the capital campaign will be added once budgeted and once there is a timeline. Jen wants to start with an absolute baseline just to keep the existing budget for all of 2021 to see where it starts us at and then build from there. For today, she will review the amounts and categories and discuss specific items to cost out for now that we know we need to include in 2021 budget so we can assign that research to the appropriate people to report back so we can include it



in the final budget for approval. Column B is 2020 budget, Column C is actual income and expenses as of Nov 8th. Projected total actual has not been calculated yet.

Actual expenses for 2020 so far are around \$10k and our baseline proposed budget for 2021 is under \$5k. What does this \$5k include? Tax prep, insurance, estimate of CC processing fees (dependent on new owners), various subs (canva, nationbuilder, quickbooks, web domain, zoom) and rent and supplies/postage. Does not include training/registration fees or event supplies, brochures, advertising, t-shirts. (At this point, around 5:55, CJ lost internet connection and was dropped out of the zoom meeting.)

Katy asked if Jen is waiting for O&O budget to add that to the baseline or is that considered extra?

Jen said that could be considered part of the baseline.

Jen says we haven't paid any Facebook advertising, we had a little advertising at the beginning of the year (Facebook and a little toward movie theatre advertising) pre-covid, line item for promotional materials were offset by donations. Kind of hard to gauge but there will be a separate and larger budget once we talk about the capital campaign itself. Would make sense for that to be a task for O&O to look at and propose what they want to do.

Then Anne called to Katy's attention that CJ had lost internet connection, it was decided she could use the recording from the zoom call to take down the minutes and that everyone would try and help call out what should be taken in the minutes (THANK YOU EVERYONE!) and Anne sent CJ the call in info so she could still listen and participate.

ACTION ITEM: For all Committees to develop their 2021 budget and submit to Jen by Nov. 23..

Jen went over sources for budget, baseline budget of \$5k is starting point, sources depend on a lot of moving parts, Jen threw in numbers for 50 new owners, donations, \$10k in grants but it doesn't correlate to a specific plan, she just put in numbers.

Lacey pointed out that this is good for a baseline and a benchmark, grants are so hard, Lacey just spoke with Brenda Haines from Oshkosh Food Co-op and they had grants built into funding as significant portion and abandoned it due to grants drying up as a result of the pandemic, and money is shifting to emergency planning vs future planning, Lacey isn't sure how that will shift in the next year but is sure the CDA may be a future possibility but not sure the USDA would be.

Katy asked if we need to have a big, creative brainstorm on ways to make money besides owner equity.

Jen thinks that is a possibility, thinks that when we look at cap campaign budget that will spur add'l conversation around this, keep in mind what it takes to just trudge along, if we had no donations, no grants and 37 new owners in 2021 that would about cover our expenses. That is a way to think about what we have here vs what we have with a capital campaign as that is a separate and large budget as well as being an activity with a lot of publicity and action that is bound to increase the number of owners, it's hard to gauge the number of new owners without taking that into account, but Jen just wanted to show what the baseline is like. Jen doesn't think we need to put a whole lot into this now since there is a ton to come with the capital campaign and this is a basic for us to have as a starting point.

Anne asked what the timeline is for the action item of the Committees to create a baseline budget.

Anne looked back at previous minutes and saw "November 23 O&O budget due and other special budget items (for board development) due, December 8th present final budget to board for approval."

Monthly Milestone Update

Katy reviewed the monthly milestone update, CJ recorded the update and it will be shared tomorrow (11/11/20). Katy would like to discuss as part of the milestone update what we would like to aim for for the next month.

Anne said part of this milestone update, at least for finance and legal, is current action items and future items continuing on from current action items because we are right in the middle of it.

Jen thinks what's coming later in the meeting will help specify action items, specifically around capital campaign, and also the planning of a pro-forma meeting is the next step related to the pro-forma.

Lacey has 2 deliverables, one for capital campaign and one for site selection. She needs to brief F&L



on her meeting with Brenda from Oshkosh because it was helpful insight into their pro-forma and the capital. After meeting with MSI tomorrow, she will have more deliverables for site selection. Katy said that from an O&O perspective we are going to learn tonight about special access ownerships to help in the coming months and other than that will keep cruising with Ownerpalooza. Jen posted in the chat for O&O to have an updated volunteer packet and having made contact with those on our list so we are set well ahead of the capital campaign. Katy lost internet connection at 6:18pm, Vice President Greg took over the meeting.

Goal 1: Ownership

This month we reached 674 Owners, bringing us closer to our 780 Milestone! The Ownerpalooza ownership drive is under way and helping us steadily grow. Since launching at our Annual Meeting on October 13th, we've gained 5 new Owners. That means those Owners have been entered to win \$500! We've also had 6 Owners suggest 15 different names to us of people who may be interested to learn about the GroCo. Those Owners have been entered for that \$500 for every name suggestion they've shared with us! Check out the Ownerpalooza tab on our website to learn how you can be entered into the drawing! If we reach 780 Owners by January 1, 2021, we'll pull the name of a winner!

Another awesome bit of news, at our Aug. 24 Board meeting, the Directors reached a consensus to pursue the option to offer "pay what you can" ownership shares for a multitude of reasons:

1. It's part of the foundation of being a co-op
2. Any owner equity further supports our financial needs and goals
3. Despite knowing we need 20% of our capital goals in "common shares" at \$150, we also know that we need to adapt to work with various economic statuses in our community
4. Money is worth the same thing when it comes to working together on a store for everyone, no matter if it's \$150 or \$5!
5. We're FOR equity
6. And it aligns with our values of community ownership and making sure that everyone is truly welcome.

The Finance & Legal Committee has drafted a "special access owner program" policy for the Board to review at the Nov. 10 Board meeting. We hope to be able to launch this program soon. Stay tuned!

Goal 2: Capital Campaign

Our Finance and Legal Committee will be presenting their research on what it will take for us to launch a capital campaign to the Board on Tuesday, November 10. A linchpin in the success of our capital campaign will be partnering with a non-profit foundation to provide additional funding opportunities for our donors and stakeholders who are seeing a way to support us through philanthropic contributions. The Committee continues to meet with consultants, lawyers, and area foundations to determine the best route forward to accomplish this goal.

Goal 3: Site Selection

Board member, Lacey Reichwald, continues to lead the effort for determining the best possible location for where we will build your friendly neighborhood grocery store. The Board heard a confidential update on her progress at the October 26 meeting. She has a meeting scheduled with our building consultant in mid-November to discuss architectural renderings of one site in particular. We've also received a rough estimate on the cost of construction. One of our members of the



Finance & Legal team, who is a local entrepreneur, is hard at work creating several cost and funding scenarios for the Board to evaluate in November. As a reminder, we are aiming to select a site that can be between 7,000 and 8,000 square feet with room for expansion, has 20-30 parking spots, has easy access and a loading dock for our vendors, and is located somewhere that is visible and easy to get to.

Anne reviewed the F&L committee charter with the Board. No recommended changes at this time. Anne moved to approve with no changes. Second by Jen. Motion passed with the approval of the whole board with the exception of Katy and Brienne who were absent for the vote.

Jim went over the Special Access Ownership Program Policy. Jim reached out to Willy Street Co-op, participation was small, he doesn't think it will be a big class of ownership, basically they are subsidized ownerships and people don't pay until the funds are available.

Greg asked about the \$25 paid being non-refundable.

Jen said that they are trying to control access for example if we have to sign up through nationbuilder to have it tied to an inventory type system so people can sign up automatically but we don't want to oversell so we want to tie it to an inventory tracker so it doesn't sell the item if we don't have enough allotted towards that.

Lacey asked if we are also adding an option to be a special access donor when you sign up or to have a link to become a donor on the website.

Jim said they spoke about that specifically but it's really dependent on what the board wants to do.

Feedback he got back from 3 different coops is that it's not utilized that much, doesn't know if there will be a whole lot of demand so he doesn't want to over-engineer what this looks like. If at the point there are more applicants than money then may want to raise more funds if that happened.

Jen looked at the budget report, we have \$1250 in scholarships that we have received specifically to go toward student scholarships, which could be 10 owners, so if implemented we could get those 10 owners towards the 780 goal as a special promo just for students.

Greg asked if those 10 owners would then be part of Ownerpalooza, Jen said yes.

Anne would like to move to approve policy as presented. Greg asked if we should add a line that the payment won't be accepted until application is processed. Jen thinks it would help to clarify the program. Greg suggested adding "upon application approval" after "Applicant is responsible for \$25 fee" Jen suggested striking out the word "fee" and calling it "a portion towards their share" since it's not a separate fee and rather is part of \$150 share, but keep that it is non-refundable. Jen edited the line to read "Applicant is responsible for paying \$25 as a portion of their share, due upon application approval. This payment will be non-refundable."

Anne would like to amend the motion to add these changes as suggested, Greg seconded the motion. Ayes: all board members present Nays: none, motion passed (Brienne and Katy were not present for vote)

Next steps for special access ownership: work with O&O on implementation. Anne asked if we should have a date to work towards for this, Katy thinks this should be shared in O&O committee and then shared when to market it.

Next up:

Ownership Share Management Policy Patrick worked on this, the policy was created because of the amendments recently approved by ownership to the Bylaws and because we didn't have a definition of what it was to be a member in good standing. Anne read the policy out loud since CJ and Katy were joining by phone.

Greg asked if an owner number is retired altogether or used again when the owner retires, Jen said it gets confusing then, Greg said that we then just need to make sure we know how many retired shares we have vs owner numbers, to communicate publicly for loans and finances.

Jen had thoughts on the policy, purpose of policy is to give some specifics to things Bylaws say are



possible but subject to whatever the board says on a case by case basis, the purpose of having this in a policy is to specify things we develop consensus around that we want a certain way, so if something isn't in the policy it doesn't mean we can't do it, it's just reviewed on a case by case basis. Jen doesn't want to specify anything about return of equity, mainly because in general the return of equity (upon dissolving) is we wouldn't return everyone's equity because we don't have all of that equity, she knows this is supposed to be for special cases but doesn't think it does enough to clarify what cases we would entertain. Greg says that is a good point and he likes the verbage "financial hardship" Lacey believes bylaws specify what happens to member equity in event of dissolution and this policy doesn't supercede the Bylaws but that it can reference the Bylaws which Lacy believes says "equity will be paid back (what's available) after all debts are settled"

At 6:45pm Katy got kicked off the call again.

Jen believes we need the non-transferability section due to some cases and needing some policy around how to carry that out. Also need to look at part about retiring a member if their payments can't be made and whether we would return that equity or contacting those people to see if they want to be part of the special access program. Jen feels that the "return of equity" portion gives structure but doesn't have documentation of why we would want to do it in certain cases.

At this point Anne noted time is 6:47 and capital campaign presentation is beginning at 6:50

It was discussed whether or not the policy should move forward since we ran out of time to talk about it tonight. Jen would like to go back to comments received and documented by Dorsey & Whitney when Bylaws were reviewed on this issue.

A straw poll was taken to see whether or not we want to approve as is with the suggested changes or if we want to refer it back to F&L to update. It was decided that policy should be referred to F&L and revised based on Jen's comments.

We do have one owner in particular waiting on an answer on transferability of a deceased member to one of her family members, Lacey will reach out to her and let her know we took this action tonight and are still waiting to vote.

It was decided to discuss again after referring back to finance and legal and discussing at the next meeting.

Capital Campaign Research Presentation

Presented by Elvia and Destinee.

Lacey asked about research put into basing cap campaign off of ownership numbers vs timeline, Destine said based on research it sounds like a balance of the two, keep in mind that when we launch we should have "this many" owners but to also make sure the timeline for when the campaign is launched is also feasible. Destine also brought up that the workbook discusses the possibility of a two-phase capital campaign which can happen before you have a location to gain commitments and ownership and then when you have a location you can get more hype and more owners to commit. Lacey brought up that there may be a grant that can be obtained for the legal, consulting, marketing and maybe hiring of a coordinator for a capital campaign.

Anne brought up that we may have to include "grant writing" in the list of to-dos.

Greg said that where we sit today he doesn't think we could cover the capital campaign as presented, Jen agrees that it would be hard to fund a capital campaign with our cash flow as it currently exists..

Anne asked if the workbook talks about when to hire a capital campaign consultant. Destine said she would have to research and reach out to some more co-ops about that since you don't want to wait too long but you also don't want to hire too early since it would be a consultant you would be paying. Destine will reach out to other co-ops and ask.

Anne brought up that job descriptions would help when we start reaching out to other members to join the Capital Campaign Committee. Elvia said she would look into this. Anne said volunteer coordinator Jen is looking for job descriptions as well.

Action Items:

-Executive committee to identify which steps are board, which are F&L, which are Capital Campaign (Jen did point out that there's a slide on the presentation that color codes who is responsible for some items)



MEETING MINUTES
Whitewater Grocery Co
Board of Directors

- Identify our capital campaign goals and pro forma
- F&L Committee should create job descriptions for committee roles
- Add grant research and writing to list of to-dos
- F&L to research when to hire a capital campaign consultant

Discussion of Additional Board Workshop Activities: Pro Forma & White Supremacy in Organizations, Greg recalled conversation but did not have specifics with Katy being absent from the meeting, he believed it was picking dates (mandatory and non mandatory) going into the future.

Jen asked if White Supremacy training would be extended to all volunteers, Greg said it would be at a board meeting so it would be open, Lacey believes it would be a separate meeting from a regular Board meeting so owners could discuss more vs being passive observers. . Anne said the purpose of this being on agenda is to give people a heads up that we will be scheduling 2 workshops--one for pro-forma mainly for board and F&L committee and one for White Supremacy and Organizations that we are working on with Katy. Lacey recommends scheduling these through a doodle poll. Anne added that pro-forma is sooner rather than later and White Supremacy and Organizations given the upcoming holidays would most likely take place in January.

Closing: Vice President Greg officially adjourned the meeting at 7:27 p.m. The minutes were respectfully submitted to the Board on November 18, 2020 by the Board Secretary, CJ Wagner.