

**Minutes of Lakewinds Natural Foods Cooperative**

**d/b/a Lakewinds Food Co-op**

**Board of Directors’ Meeting**

**Monday, January 26, 2015**

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|  John DePaolis, President\* Steph Matz, Vice President  Brenda Pfahnl, Treasurer\*  Tracy Kochendorfer, Secretary  Dale Woodbeck, General Manager\**Absent* | Katie Bloomstrom Sarah Carroll Caroline HermesFred Ladner | Karyn PennTim ReeseRyan Sweeney |

1. **Call to Order**

 In John’s absence, Steph called the meeting to order at 6:31p.m. on Monday, January 26, 2015 at Eden Prairie headquarters.

1. **Consent Agenda**

 The consent agenda included approval of the following items: (i) new member-owners and share repurchases of departing member-owners for November and December 2014; and (ii) November 2014 Board Meeting minutes (the Board did not meet in December 2014).

*A motion was made to approve the consent agenda, seconded and all voted in favor.*

1. **GM Report and Financial Statements**

Dale presented the General Manager’s Report along with November and December financial statements. We added over 200 members again in December; as expected, most strongly in Richfield. All stores continue to exceed performance expectations, with sales well ahead of plan. Pre-tax net profit for Fiscal Year 2015 is also ahead of plan and cash flow is strong. Another bright spot is the continuing trend of sales growth at Minnetonka despite the closure of Hwy 101. Adjustments due to bringing Richfield on line are progressing well. Other adjustments and standardizations are being made to inventories and deli areas among the stores.

Lakewinds saved $16,500 by giving employees Amazon gift cards instead of VISA gift cards at Christmas, and employees responded favorably to the switch.

Other highlights included the following:

* Chanhassen Store. Dale reported his inquiries into the possibility of purchasing our building in Chanhassen to save operating expenses, but the owners were not interested in negotiating. Our lease expires in five years
* Holiday Preview: All stores participated in a Holiday Preview that featured aisles of samples and DIY gift ideas. All stores saw a generous lift in traffic and sales.
* PR: Lakewinds was featured in two local holiday segments in December on KARE 11 and FOX 9 television reports, focusing on DIY gift items and vegan and gluten-free holiday food, which generated 384,000 impressions:
* Personnel. Several key management promotions have been made in deli operations and purchasing.
1. **Bread Program Update**

 Dale discussed the history of Lakewinds’ bread/baked goods production and distribution as well as the role of the bakehouse. Our current arrangement with Breadsmith has evolved and continues to be mutually beneficial.

1. **Cooperative Board Leadership Development (“CBLD”) Feedback**

Sarah, Ryan, Katie and Karyn reported on their experiences attending a CBLD training session for new board members conducted by CDS Consulting, and Dale and Stephanie reported on their attendance at the CBLD training focused on leadership. Participants overall found the program and encounters with each other and board members from other co-ops to be interesting and worthwhile.

1. **Lakewinds Organic Field Fund (“LOFF”) Committee Participation**

 Dale said applications are coming in for the LOFF grants. We have $40,000 in available funds this year, up from a possible $25,000 last year. The sources of the extra money are donations of patronage dividends from owners and marketing budget money that in past years has been spent on the annual food summit held at the MN Landscape Arboretum (which event was not held this year). Dale invited interested Board members to participate in the committee that will review the applications and award the grants. Tim, Ryan and Katie volunteered to participate, along with various interested employees and owners to be determined. Grant applications are due February 6. Winners will be announced on social media and in the newsletter the second week of March.

1. **Policy Template Recommendation**

Steph summarized the Executive Committee’s work comparing the co-op’s current governance policies against template policies developed by CBLD. The template policies represent an amalgamation of more or less “best practices” among co-ops across the nation, as compiled and refined by CBLD. The Executive Committee believes it would be beneficial to Lakewinds for the Board to adopt the CBLD policies, as modified by some of Lakewinds current board policies, most notably in the area of Executive Responsibilities. CBLD’s template uses the terminology “Executive Limitations” instead of “Executive Responsibilities”. The Executive Committee believes that phrasing Board guidance to our General Manager as limitations rather than responsibilities is less clear and projects a more negative tone to the GM than desirable. The Board proceeded to walk through a revised Executive Responsibility section of the Board policies and made various additional modifications. Tracy will incorporate the Board’s comments and circulate an updated draft to the Board. The Board will work toward adopting an updated Board Policy Register in the near future.

1. **Upcoming Items**
	* Newsletter: Sarah volunteered to write the next Board View column in the newsletter, followed by Ryan. Dale will check into whether newsletter mailing costs can be reduced by having interested owners opt out of receiving paper newsletters. Currently the newsletter is sent to all owners via mail, and is available via opt-in email as well as being published online and available in our stores.
	* CCMA. The Consumer Cooperative Management Association’s annual meeting will be held in Boise, ID this coming June. Board members were encouraged to express their interest in attending, budget permitting.

*The Board went into Executive Session at 8:16 p.m****.***

1. **Executive Session** (closed)

*The meeting was reopened and a motion for adjournment made and seconded.*

The meeting was adjourned at 8:27 p.m.