

**Minutes of Lakewinds Natural Foods Cooperative**

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

**Board of Directors’ Meeting**

**Monday, February 23, 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 Penn\*Tim ReeseRyan Sweeney |

1. **Call to Order**

 John called the meeting to order at 6:35p.m. on Monday, February 23, 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 January 2015; and (ii) January 2015 Board Meeting minutes.

*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 January financial statements. We added over 200 members again in January; as expected, most strongly in Richfield. Sales for January across all stores increased 49% since a year ago, with sales in Minnetonka up over 6%, Chanhassen up over 11% and Richfield sales in its first year of operation continuing to exceed expectations. Cash flow, same-store sales and income all exceed expectations and plan. Expenses are under control. Great work continues by Dale, our wonderful employees, and loyal owners and shoppers!

Other highlights included the following:

1. **Co-op Principle 6: Cooperation Among Cooperatives**. Dale presented a summary of Lakewinds’ efforts to support other cooperatives over the past year, including the following:
* The Wedge: Information shared about kitchen equipment and layout for development of The Wedge Table. Information sharing about Lakewinds’ relationship with CDS Consulting.
* Seward: Consultation with pricing; data sharing about organizational structure; information sharing about PR agency activities and marketing plans.
* Mississippi Market: HR information sharing (hiring schedules, Job Fair, organizational structure, and training program content): Bakehouse activities and financial information sharing.
* Outpost (Milwaukee): information sharing about pizza oven cost, pricing, sales; information sharing on organizational structure and job description.
* Local Roots (Buffalo, MN): Technical assistance on start-up activities; assistance with analysis of trade area study; assistance with development of pro forma financial analysis documents.
* Wheatsville (Austin, TX): Information sharing about Bakehouse capital & operational costs.
* Central Co-op (Seattle): Information sharing on pricing strategies.
* Up & Coming, Up & Running Conference: funded CDS scholarships for new co-ops.
* Twin Cities Marketing Group: General leadership and planning.
* Twin Cities HR Group: General leadership and planning.
* Finance Conference: Info sharing through participation.
* Minnesota Food Cooperative Boards Group: Planning and leadership work
* Hazelnut Growers Co-op: General start-up advice and volume estimates.
1. **Instacart:** Lakewinds is contracting withInstacart to provide on-line shopping and delivery service to our owners and customers on behalf of Lakewinds, beginning in April.
2. **Lakewinds Bakery:** Our revamped bakery arrangement has been well received, with new products and current favorites selling well. Other new products, including made-without-gluten items, are in the works.
3. **Sustainable Farming Association of MN (“SFA”):** Dale’s involvement with the SFA (both with the Crow River Chapter and the statewide organization) will be tangibly evident in our store shelves in the future in the form of locally produced ketchup made from locally raised tomatoes, garlic, onions and spices as a demonstration project for organic processing. The project is also intended as a fundraiser for the Crow River Chapter of the SFA. The statewide organization has

several priorities that fit well with Lakewinds’ long term objectives to develop more local and organic agriculture in Minnesota: Soil health and building soil (including cover cropping to improve soil and sequester carbon), improving infrastructure to support animal production in MN, deep winter greenhouse growing and season extension, and longer term farmer training (the Deep Roots program).

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

Dale confirmed that the LOFF committee met and awarded over $40,000 in grants to 10 applicants. The committee consisted of a record 22 participants (2 owners at large, 3 Board members, and 18 employees) who reviewed a record 26 requests for grant funds. Recipients were a diverse mix of organizations, projects and regions, and will be announced in the next newsletter and on social media. A video of recipients will again be created for our annual owner meeting.

1. **Wellness Sourcing**

Dale informed the Board about the steps Lakewinds takes to verify the integrity of the ingredients in our wellness products.

1. **Financial Benchmarks**. This item was tabled until the next meeting.
2. **Policy Governance Recommendation**

The Board finished its work updating our Board Policy Register begun at last month’s meeting. Tracy will circulate to the Board a revised Register to the Board with the goal of having the Board vote to adopt the finalized policies in the near future.

1. **Board Retreat**

John led a discussion about goals and possible dates for an upcoming retreat with Art Sherwood of CDS Consulting. Progress was made on understanding our desired focus. John will distribute an article Art wrote for CDS about the Four Pillars model of Cooperative Governance (Teaming, Empowerment, Strategic Leadership and Democracy) as a basis for further discussion about our work to be done at the retreat.

*The Board went into Executive Session at 8:26 p.m****.***

1. **Executive Session** (closed)

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

The meeting was adjourned at 8:29 p.m.