

**Minutes of Lakewinds Natural Foods Cooperative**

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

**Board of Directors’ Meeting**

**Monday, April 27, 2015**

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| John DePaolis, President  Steph Matz, Vice President  Brenda Pfahnl, Treasurer  Tracy Kochendorfer, Secretary  Dale Woodbeck, General Manager | Katie Bloomstrom  Sarah Carroll  Caroline Hermes  Fred Ladner | Karyn Penn  Tim Reese  Ryan Sweeney |

*The Board did not hold a meeting in March 2015, but did undertake the following unanimous actions in writing in lieu of a meeting, effective as of the dates written below:*

1. *The Board Governance Policy Register of Lakewinds Food Co-op, dated February 2015, was adopted effective March 23, 2015.*
2. *Renewal of Lakewinds’ $300,000 credit line with Anchor Bank was approved on the terms and conditions contained in loan renewal documents and in a Written Action adopted retroactively by the Board as of December 12, 2014. The text of the Written Action is on file in Lakewinds’ company records.*
3. **Intentional Learning Session**

Deb Carlson, Director of Brokerage Services at Cushman Wakefield, presented information to the Board about the commercial real estate market in the Twin Cities, most particularly as it involves the grocery business. New retailers such as Hyvee and Fresh Thyme are coming to town, and some existing grocers are expanding. Market saturation is a concern, as is competition. The Twin Cities market is very desirable, but many players are competing for a finite pool of dollars. Shoppers continue to be strongly interested in fresh food and prepared offerings. Deb helped the Board understand our competitive landscape and described continuing work with Dale scouting potential sites for future Lakewinds expansion.

1. **Call to Order**

Following the learning session, John called the meeting to order at 7:15p.m. on Monday, April 27, 2015 at Eden Prairie headquarters. All Board members listed above and Dale were in attendance.

1. **Consent Agenda**

The consent agenda included approval of the following items: (i) new member-owners and share repurchases of departing member-owners for February and March 2015; and (ii) February 2015 Board Meeting minutes. No Board meeting was held in March.

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

1. **GM Report and Financial Statements**

Dale presented the February and March General Manager’s Reports along with February and March financial statements. Approximately 2400 new owners have been added at the Richfield store since it opened last June, for a total Lakewinds ownership of about 20,000! Sales and pre-tax income continue to exceed plan and cash flow from all of Lakewinds’ operations is strong. Our balance sheet and financial ratios are very healthy and reflect continuing improvements in a variety of areas.

**Operational and Outreach/Community Highlights:**

* **Store Manager Updates:** Greg Dick has been promoted to Sr. Operations Manager for Lakewinds. Greg has been our store manager in Richfield since it opened and, among other roles for Lakewinds, previously managed Chanhassen. Jared Hensel, formerly of Seward Co-op, will succeed Greg as the new store manager at Richfield. Exciting developments!
* **SFA-Crow River:** Lakewinds is involved with the Sustainable Farming Association’s Crow River Chapter on a project to produce ketchup. Dale is a board member of the Crow River Chapter and one of five people working on the ketchup project. Project goals are to provide opportunities for local and organic farmers to provide ingredients for the product, and to generate revenue for the Chapter. Production is expected to begin later this spring, with Lakewinds providing assistance with labeling and branding. We expect that Lakewinds will sell the product in all three stores and use the product as a promotional or fund-raising tool.
* **LOFF:** Our Lakewinds Organic Field Fund committee of 22 people, including board members, staff members and owners-at-large, met and decided to distribute $55,572 to the following 10 farms or farm organizations (all the foregoing are record numbers!):
* Bakers' Acres – Avon, MN
* Beez Kneez – Minneapolis, MN
* Blue Ox Organics – Wheeler, WI
* The Farm of Minnesota – Hutchinson, MN
* Fox and Fawn Farm – New Germany, MN
* Midwest Organic and Sustainable Education Service (MOSES) – Spring Valley, WI
* Prairie Point Farm – Browns Valley, MN
* Sin Fronteras Farm & Food – Minneapolis, MN
* Steady Hand Farm – Amery, WI
* Sweet Beet Farm – Montrose, MN
* York Farm – Hutchinson, MN
* **Local Roots Co-op:** Dale has provided ongoing expertise to the board of Local Roots Co-op in Buffalo. The co-op has been in the formative stage for several years, and recently celebrated the first anniversary of its on-line market. Local Roots supports a number of local producers with its online-only model of locating local suppliers, coordinating on-line ordering, and facilitating weekly pickups at the Buffalo Community Center, receiving a percentage of sales from each order in return.
* **Instacart:** Lakewinds is working with Instacart to roll-out its on-line shopping site in the Twin Cities sometime in May, which is expected to grow our customer base.
* **Marketing**: Lakewinds is expanding its marketplace awareness through various media channels and activities. Social media activities on sites such as Facebook and Instagram are key daily brand building and product information tools for us and we have increased team capacity to engage with these sites. In-store, we have started a new round-up at registers community giving campaign. Our annual gluten-free round up at all stores generated excellent enthusiasm, store traffic and activity.
* **Management Retreat:**  The Lakewinds management team recently held a strategy planning session with Art Sherwood of CDS Consulting to develop plans to roll out the 5 Promises with Lakewinds’ staff in the coming months. The 5 Promises are:
  + Environmentally Friendly Practices
  + Irresistible Stores
  + Community Partnerships
  + Awesome Workplace
  + Local and healthy foods

Dale and his team will have achieved alignment when the following occur:

* + Widespread understanding of co-op principles and values
  + Employees know the language and are living the message of the 5 Promises
  + The 5 Promises are integrated into our decision-making, planning, and actions
  + Employees are invested in the 5 Promises and are leading it forward to grow it
* **Access to Land Project**: Lakewinds has been participating in an Access to Land project that grew from our discussions about the possibility of establishing an Ag Land Trust in our area. Lakewinds is a partner with Renewing the Countryside (RTC) and other organizations in the effort. Our partnership was instrumental in RTC’s successful grant applications to the Bush Foundation and NCR-SARE (North Central Region – Sustainable Ag Research and Education) to fund planning and organization of a project.

1. **Wedge Farm Sale**

Dale reported on news that Gardens of Eagan 112 acre farm is for sale. The owner, the Wedge co-op, has decided to focus more on its stores and warehouse. Discussion was had about what, if any, role Lakewinds and other co-ops might play in facilitating or supporting a sale to an organization that could continue the farm’s operation in a manner that supports cooperative values and/or sustainable/organic food production.

1. **Executive Responsibilities Review**

Dale will distribute his annual report on compliance with the Executive Responsibilities portion of the Board Governance Policy Register. The Board will review these reports in connection with Dale’s performance review at the end of June. Any questions/concerns will be addressed at the Board’s May meeting.

1. **Board Retreat Agenda Discussion**.

John led a discussion about goals for the upcoming May Board retreat with Art Sherwood. Various Board members discussed their participation in March on a conference call with Art on retreat topics and structure. Progress was made on formulating topics for discussion and work at the retreat. John will lead further efforts to craft an agenda for the retreat, which will be discussed again at the Board’s April meeting.

1. **Executive Session and Real Estate Discussion**

These items were tabled until next month.

1. **Upcoming Leadership Opportunities**

John encouraged interested Board members to attend the Consumer Cooperative Management Association conference in Boise, ID in June. He also confirmed that Ryan is writing the summer Board View column for the newsletter. Tracy volunteered to write the column for the fall newsletter.

**A** *motion for adjournment made and seconded.*

The meeting was adjourned at 8:35 p.m.