

**Minutes of Lakewinds Natural Foods Cooperative**

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

**Board of Directors’ Meeting**

**Monday, August 24, 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**

John called the meeting to order at 6:35 p.m. on Monday, August 24, 2015 at Eden Prairie headquarters. 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 June and July 2015; and (ii) June 2015 Board Meeting minutes. The Board did not meet in July.

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

1. **Reports**

Dale presented the General Manager’s Report along with the June fiscal year end and July month end financial statements. Financial performance and operations for the fiscal year far exceeded projections. Kudos to Dale and all Lakewinds employees for a splendid year and Richfield’s first full year of operations!Dale reported that Kid’s Day was well attended and received. Employees are very engaged with store operations through the Open Book management process, which looks at past performance and operations as well as involving employees in decision-making and planning for future performance and activities. Dale distributed gain share (profit-sharing) to employees, which was much appreciated. Planning is underway for Lakewinds 40th anniversary celebration on September 19th in all stores.

1. **Patronage Dividend Recommendation**

Dale presented financial information and his recommendation for patronage dividends to our member-owners. He reminded the Board that net income from sales to owners is tax exempt and regulations require at least 20 percent of this income to be distributed back to owners in cash. The remaining net income from sales to owners is accumulated as B shares equity, which Lakewinds retains as working capital. Looking ahead, our first set of owner loan repayments will come due in May 2017 and principal pay down on our bank loan will be increasing over the next five years. Board members discussed their thoughts about percentage of cash distribution in light of these and other factors.

*The following motion was made, seconded, and all Board Members voted in favor*:

*Resolved, that the Board of Directors hereby declares a patronage dividend of $550,000 based on Lakewinds net income from sales to member-owners for the year ending June 30, 2015, of which 20% of the declared dividend ($110,000) will be paid in cash to the owners in proportion to their purchases during that period, and the remaining $440,000 will be retained as equity by the co-op in the form of class B shares.*

1. **Board Evaluation**

John distributed board self-evaluation questionnaires to the Board earlier today and asked the Board to submit completed evaluations by August 31.

1. **Closed Session**

Tim and Brenda left the meeting and the Board went into closed session at 7:40 p.m. The Board reopening the meeting at 8:04 p.m. to conduct the following vote with Tim and Brenda back in attendance:

*The following motion was made, seconded and all Board members voted in favor except Brenda and Tim, who recused themselves from the vote:*

*Resolved, that the following applicants will appear on the owner ballot as candidates for three open positions on the Lakewinds Board of Directors, each for a term of three years: Brenda Pfahnl, Tim Reese, Aimee Downs Papierniak, Cyrus Havewala, and Kari Broyles.*

1. **Second Closed Session and Closed Executive Session**

The Board went into a second closed session at 8:05 p.m. then, after Dale departed, into closed Executive Session. The meeting was reopened at 8:30 p.m.

*A motion for adjournment was made, seconded, and all voted in favor.*

The meeting was adjourned at 8:30 p.m.